

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2021.

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: **1-07151**

**THE CLOROX COMPANY**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**31-0595760**  
(I.R.S. Employer Identification No.)

**1221 Broadway, Oakland, California, 94612-1888**  
(Address of principal executive offices) (Zip code)

**(510) 271-7000**  
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock - \$1.00 par value	CLX	New York Stock Exchange

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

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

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller Reporting Company  Emerging Growth Company

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

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

As of April 16, 2021, there were 124,372,035 shares outstanding of the registrant's common stock (\$1.00 par value).

**PART I – FINANCIAL INFORMATION**

**Item 1. Financial Statements**

The Clorox Company  
Condensed Consolidated Statements of Earnings and Comprehensive Income (Unaudited)  
(Dollars in millions, except per share data)

	Three Months Ended		Nine Months Ended	
	3/31/2021	3/31/2020	3/31/2021	3/31/2020
Net sales	\$ 1,781	\$ 1,783	\$ 5,539	\$ 4,738
Cost of products sold	1,007	951	3,008	2,604
Gross profit	774	832	2,531	2,134
Selling and administrative expenses	237	269	744	690
Advertising costs	200	184	566	461
Research and development costs	32	39	104	103
Goodwill, trademark and other asset impairments	329	—	329	—
Interest expense	25	24	74	74
Other (income) expense, net	10	19	(85)	16
Earnings (losses) before income taxes	(59)	297	799	790
Income taxes	—	56	180	161
Net earnings (losses)	(59)	241	619	629
Less: Net earnings attributable to noncontrolling interests	2	—	6	—
Net earnings (losses) attributable to Clorox	\$ (61)	\$ 241	\$ 613	\$ 629
Net earnings (losses) per share attributable to Clorox				
Basic net earnings (losses) per share	\$ (0.49)	\$ 1.92	\$ 4.86	\$ 5.01
Diluted net earnings (losses) per share	\$ (0.49)	\$ 1.89	\$ 4.78	\$ 4.94
Weighted average shares outstanding (in thousands)				
Basic	125,610	125,661	126,057	125,641
Diluted	125,610	127,328	128,030	127,236
Comprehensive income (loss)	\$ (37)	\$ 186	\$ 706	\$ 575
Less: Total comprehensive income attributable to noncontrolling interests	2	—	6	—
Total comprehensive income (loss) attributable to Clorox	\$ (39)	\$ 186	\$ 700	\$ 575

See Notes to Condensed Consolidated Financial Statements (Unaudited)

The Clorox Company  
Condensed Consolidated Balance Sheets  
(Dollars in millions, except per share data)

	3/31/2021	6/30/2020
	(Unaudited)	
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 492	\$ 871
Receivables, net	643	648
Inventories, net	688	454
Prepaid expenses and other current assets	139	47
Total current assets	1,962	2,020
Property, plant and equipment, net of accumulated depreciation and amortization of \$2,351 and \$2,224, respectively	1,251	1,103
Operating lease right-of-use assets	328	291
Goodwill	1,574	1,577
Trademarks, net	694	785
Other intangible assets, net	246	109
Other assets	386	328
<b>Total assets</b>	<b>\$ 6,441</b>	<b>\$ 6,213</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities		
Current maturities of long-term debt	\$ 300	\$ —
Current operating lease liabilities	74	64
Accounts payable and accrued liabilities	1,445	1,329
Income taxes payable	—	25
Total current liabilities	1,819	1,418
Long-term debt	2,483	2,780
Long-term operating lease liabilities	305	278
Other liabilities	819	767
Deferred income taxes	77	62
Total liabilities	5,503	5,305
Commitments and contingencies		
Stockholders' equity		
Preferred stock: \$1.00 par value; 5,000,000 shares authorized; none issued or outstanding	—	—
Common stock: \$1.00 par value; 750,000,000 shares authorized; 130,741,461 and 158,741,461 shares issued as of March 31, 2021 and June 30, 2020, respectively; and 124,359,712 and 126,198,606 shares outstanding as of March 31, 2021 and June 30, 2020, respectively	131	159
Additional paid-in capital	1,190	1,137
Retained earnings	1,086	3,567
Treasury stock, at cost: 6,381,749 and 32,542,855 shares as of March 31, 2021 and June 30, 2020, respectively	(1,111)	(3,315)
Accumulated other comprehensive net (loss) income	(553)	(640)
Total Clorox stockholders' equity	743	908
Noncontrolling interests	195	—
Total stockholders' equity	938	908
<b>Total liabilities and stockholders' equity</b>	<b>\$ 6,441</b>	<b>\$ 6,213</b>

See Notes to Condensed Consolidated Financial Statements (Unaudited)

The Clorox Company  
Condensed Consolidated Statements of Cash Flows (Unaudited)  
(Dollars in millions)

	Nine Months Ended	
	3/31/2021	3/31/2020
<b>Operating activities:</b>		
Net earnings	\$ 619	\$ 629
Adjustments to reconcile net earnings to net cash provided by operations:		
Depreciation and amortization	157	133
Stock-based compensation	52	37
Deferred income taxes	(21)	5
Goodwill, trademark and other asset impairments	329	—
Other	(53)	26
Changes in:		
Receivables, net	46	(102)
Inventories, net	(220)	50
Prepaid expenses and other current assets	(29)	(6)
Accounts payable and accrued liabilities	94	53
Operating lease right-of-use assets and liabilities, net	(1)	7
Income taxes payable / prepaid	(80)	(26)
Net cash provided by operations	893	806
<b>Investing activities:</b>		
Capital expenditures	(232)	(158)
Businesses acquired, net of cash acquired	(85)	—
Other	(24)	13
Net cash used for investing activities	(341)	(145)
<b>Financing activities:</b>		
Notes and loans payable, net	—	234
Treasury stock purchased	(605)	(225)
Cash dividends paid to Clorox stockholders	(420)	(399)
Cash dividends paid to noncontrolling interests	(18)	—
Issuance of common stock for employee stock plans and other	99	129
Net cash used for financing activities	(944)	(261)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	10	(8)
Net increase (decrease) in cash, cash equivalents, and restricted cash	(382)	392
Cash, cash equivalents, and restricted cash:		
Beginning of period	879	113
End of period	\$ 497	\$ 505

See Notes to Condensed Consolidated Financial Statements (Unaudited)

The Clorox Company  
Notes to Condensed Consolidated Financial Statements (Unaudited)  
(Dollars in millions, except per share data)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The unaudited interim condensed consolidated financial statements for the three and nine months ended March 31, 2021 and 2020, in the opinion of management, reflect all adjustments (consisting of normal recurring accruals) necessary for a fair presentation of the consolidated results of operations, financial position and cash flows of The Clorox Company and its controlled subsidiaries (the Company) for the periods presented. However, the financial results for interim periods are not necessarily indicative of the results that may be expected for a full fiscal year or for any other future period.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles in the United States (U.S. GAAP) have been omitted or condensed pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (SEC). The information in this report should be read in conjunction with the Company's Annual Report on Form 10-K filed with the SEC for the fiscal year ended June 30, 2020, which includes a complete set of footnote disclosures, including the Company's significant accounting policies.

**Recently Issued Accounting Standards**

***Recently Issued Accounting Standards Not Yet Adopted***

In December 2019, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2019-12, "Income Taxes (ASC 740): Simplifying the Accounting for Income Taxes," which improves consistency in the application of accounting for income taxes by removing certain exceptions to the general principles in ASC 740 and by clarifying and amending existing guidance. The standard will be effective for the Company beginning in the first quarter of fiscal year 2022, with early adoption permitted. The amendments that are related to changes in ownership of foreign equity method investments or foreign subsidiaries are to be applied on a modified retrospective basis through a cumulative-effect adjustment to retained earnings as of the beginning of the fiscal year of adoption. The amendments that are related to franchise taxes that are partially based on income are to be applied on either a retrospective basis for all periods presented or a modified retrospective basis through a cumulative-effect adjustment to retained earnings as of the beginning of the fiscal year of adoption. All other amendments under this ASU are to be applied on a prospective basis. The Company is currently evaluating the impact that the adoption of this guidance will have on its consolidated financial statements.

***Recently Adopted Accounting Standards***

In January 2017, the FASB issued ASU No. 2017-04, "Intangibles-Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment," which eliminates the requirement to calculate the implied fair value of goodwill to measure a goodwill impairment charge. The Company adopted this guidance as of July 1, 2020 on a prospective basis, and the adoption did not have a material impact on the Company's consolidated financial statements at the time of adoption. The impairment identified in the third quarter of fiscal year 2021 was calculated in accordance with this guidance. The future impact of this new standard will depend on the specific facts and circumstances of future impairments that may occur.

## NOTE 2. BUSINESS ACQUIRED

### Saudi Joint Venture Acquisition

On July 9, 2020, the Company increased its investment in each of the two entities comprising its joint venture in the Kingdom of Saudi Arabia (Saudi joint venture). The joint venture offers customers in the Gulf region a range of cleaning and disinfecting products. The Company had previously accounted for its 30 percent investment of \$27 as of June 30, 2020, under the equity method of accounting. Subsequent to the closing of this transaction, the Company's total ownership interest in each of the entities increased to 51 percent. The Company has consolidated this joint venture into the Company's consolidated financial statements from the date of acquisition and reflects operations within the International reportable segment. The equity and income attributable to the other joint venture owners is recorded and presented as noncontrolling interests.

The total purchase consideration of \$111 consisted of \$100 cash paid, which was sourced from operations, and \$11 from the net effective settlement of preexisting arrangements between the Company and the joint venture. The assets and liabilities of the joint venture were recorded at their respective estimated fair value as of the acquisition date using generally accepted accounting principles for business combinations. The excess of the purchase price over the fair value of the net identifiable assets acquired has been allocated to goodwill in the International reportable segment in the amount of \$208. The goodwill is primarily attributable to the synergies expected to arise after the acquisition and reflects the value of further growth anticipated in the Gulf region. None of the goodwill is deductible for tax purposes.

As a result of this transaction, the carrying value of the Company's previously held equity investment was remeasured to fair value, and resulted in an \$85 non-recurring, non-cash gain recorded in Other (income) expense, net in the condensed consolidated statement of earnings and adjusted in Other operating activities in the condensed consolidated statement of cash flows for the first quarter of fiscal year 2021. The fair values of the noncontrolling interests and previously held equity interest were determined using a discounted cash flow (DCF) method under the income approach. Under this approach, the Company estimates future cash flows and discounts these cash flows at a rate of return that reflects the entities' relative risk.

The purchase price allocation was finalized during the second quarter of fiscal year 2021. The following table summarizes the final purchase price allocation for the fair value of the joint venture's assets acquired and liabilities assumed and the related deferred income taxes as of the acquisition date. The fair value of the assets acquired and liabilities assumed reflects the final insignificant measurement period adjustments related to goodwill, deferred income taxes and income taxes payable. The definite-lived intangibles acquired primarily represent the Company reacquiring previously licensed trademarks and customer relationships. The weighted-average estimated useful life of intangible assets subject to amortization is 9 years.

	<b>Joint Venture</b>
Goodwill	\$ 208
Reacquired rights (included in Other intangible assets, net)	138
Property, plant and equipment	46
Customer relationships (included in Other intangible assets, net)	10
Working capital, net (includes cash acquired of \$26)	34
Noncurrent liabilities, net	(5)
Deferred income taxes	(19)
Total fair value of net assets	412
Less: Fair value of noncontrolling interests	(198)
Less: Fair value of previously held equity interest	(103)
Total purchase consideration	\$ 111

Included in the Company's results for the three and nine months ended March 31, 2021 was \$19 and \$65, respectively, of net sales from the joint venture. Pro forma results reflecting this transaction were not presented because it is not significant to the Company's consolidated financial results.

### NOTE 3. INVENTORIES, NET

Inventories, net, consisted of the following as of:

	3/31/2021	6/30/2020
Finished goods	\$ 522	\$ 340
Raw materials and packaging	188	140
Work in process	10	7
LIFO allowances	(32)	(33)
Total	\$ 688	\$ 454

### NOTE 4. GOODWILL, TRADEMARK AND OTHER ASSETS IMPAIRMENTS

During the third quarter of fiscal 2021, as a result of lower than expected actual and projected net sales growth and operating performance for the Vitamins, Minerals and Supplements (VMS) strategic business unit (SBU), a strategic review was initiated by management that resulted in updated financial and operational plans. These events were considered a triggering event requiring interim impairment assessments to be performed on the VMS reporting unit, indefinite-lived trademarks and other assets. Based on the outcome of these assessments, the following pre-tax impairment charges were recorded:

	Impairment Charge
Goodwill	\$ 228
Trademarks, net	86
Other intangible assets, net	14
Property, plant and equipment, net	1
Total	\$ 329

In connection with recognizing these impairment charges, the Company recognized tax benefits related to the impairments of \$62 due to the partial tax deductibility of these charges.

The impairment charges are a result of a higher level of competitive activity than originally assumed, accelerated declines in the channel where the business is over-developed, and higher than anticipated investments to grow the business, which have adversely affected the assumptions used to determine the fair value of the respective assets held by the VMS reporting unit for growth and the estimates of expenses necessary to achieve that growth. These impairment charges are based on the Company's current estimates regarding the future financial performance of the VMS SBU and macroeconomic factors.

To determine the fair value of the VMS reporting unit, the Company used a DCF method under the income approach. Under this approach, the Company estimated the future cash flows of the VMS reporting unit and discounted these cash flows at a rate of return that reflects its relative risk. The other key estimates and factors used in the DCF method include, but are not limited to, net sales and expense growth rates, and a terminal growth rate.

Changes in the carrying amount of Goodwill as of March 31, 2021 from June 30, 2020, were as follows:

	Goodwill					Total
	Health and Wellness	Household	Lifestyle	International		
Balance as of June 30, 2020	\$ 857	\$ 85	\$ 244	\$ 391	\$ 1,577	
Acquisitions	—	—	—	212	212	
Translation adjustments and other	—	—	—	4	4	
Balance as of September 30, 2020	857	85	244	607	1,793	
Translation adjustments and other <sup>(1)</sup>	—	—	—	10	10	
Balance as of December 31, 2020	857	85	244	617	1,803	
Goodwill impairment	(228)	—	—	—	(228)	
Translation adjustments and other	—	—	—	(1)	(1)	
Balance as of March 31, 2021	\$ 629	\$ 85	\$ 244	\$ 616	\$ 1,574	

(1) Includes \$(4) purchase price allocation adjustment related to the Saudi joint venture acquisition. Refer to Note 2 of the Notes to Condensed Consolidated Financial Statements.

To determine the estimated fair values of the VMS related indefinite-lived trademarks, which were included within the Health and Wellness reportable segment, the Company used the income approach. This approach requires significant judgments in determining the royalty rates and the assets' estimated cash flows as well as the appropriate discount rates applied to those cash flows to determine fair value. In addition, the useful lives of the impaired trademarks, with a remaining net carrying value of \$13 as of March 31, 2021, were changed from indefinite to definite beginning on April 1, 2021, which reflects the remaining expected useful lives of the trademarks based on the most recent financial and operational plans. The weighted-average estimated useful life of these trademarks is 16 years.

The following table summarizes the carrying amount of trademarks and other intangible assets as of March 31, 2021 and as of June 30, 2020:

	As of March 31, 2021			As of June 30, 2020		
	Gross carrying amount	Accumulated amortization / Impairments	Net carrying amount	Gross carrying amount	Accumulated amortization / Impairments	Net carrying amount
Trademarks not subject to amortization	\$ 769	\$ 86	\$ 683	\$ 766	\$ —	\$ 766
Trademarks subject to amortization	47	36	11	47	28	19
Other intangible assets	583	337	246	424	315	109
Total	\$ 1,399	\$ 459	\$ 940	\$ 1,237	\$ 343	\$ 894

Amortization expense relating to the Company's intangible assets was \$8 and \$23 for the three and nine months ended March 31, 2021, respectively, and \$3 and \$10 for the three and nine months ended March 31, 2020, respectively. Estimated amortization expense for these intangible assets is \$8, \$32, \$30, \$29 and \$28 for the remainder of fiscal year 2021 and fiscal years 2022, 2023, 2024 and 2025, respectively.

## NOTE 5. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

### Financial Risk Management and Derivative Instruments

The Company is exposed to certain commodity, foreign currency and interest rate risks related to its ongoing business operations and uses derivative instruments to mitigate its exposure to these risks.

#### Commodity Price Risk Management

The Company may use commodity exchange traded futures and over-the-counter swap contracts, which are generally no longer than 2 years, to fix the price of a portion of its forecasted raw material requirements. Commodity purchase contracts are measured at fair value using market quotations obtained from the Chicago Board of Trade commodity futures exchange and commodity derivative dealers.

As of March 31, 2021, the notional amount of commodity derivatives was \$24, of which \$15 related to soybean oil futures used for the Food products business and \$9 related to jet fuel swaps used for the Grilling business. As of June 30, 2020, the notional amount of commodity derivatives was \$27, of which \$14 related to soybean oil futures and \$13 related to jet fuel swaps.

#### Foreign Currency Risk Management

The Company may also enter into certain over-the-counter derivative contracts to manage a portion of the Company's forecasted foreign currency exposure associated with the purchase of inventory. These foreign currency contracts generally have durations of no longer than 2 years. The foreign exchange contracts are measured at fair value using information quoted by foreign exchange dealers.

The notional amounts of outstanding foreign currency forward contracts used by the Company's subsidiaries to hedge forecasted purchases of inventory were \$68 and \$70, respectively, as of March 31, 2021 and June 30, 2020.

**NOTE 5. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS (Continued)**

***Interest Rate Risk Management***

The Company may enter into over-the-counter interest rate forward or swap contracts to fix a portion of the benchmark interest rate prior to the anticipated issuance of fixed rate debt or to manage the Company's level of fixed and floating rate debt. These interest rate forward or swap contracts historically have had durations of less than 3 years. The interest rate contracts are measured at fair value using information quoted by U.S. government bond and interest rate derivative dealers.

The notional amounts of outstanding interest rate contracts used by the Company were \$300 and \$225, respectively, as of March 31, 2021 and June 30, 2020. These contracts represent forward starting interest rate swap contracts with a maturity date of September 2022 to manage the exposure to interest rate volatility associated with future interest payments on a forecasted debt issuance.

***Commodity, Foreign Exchange and Interest Rate Derivatives***

The Company designates its commodity forward and futures contracts for forecasted purchases of raw materials, foreign currency forward contracts for forecasted purchases of inventory and interest rate forward contracts for forecasted interest payments as cash flow hedges.

The effects of derivative instruments designated as hedging instruments on Other comprehensive (loss) income and Net earnings were as follows:

	<b>Gains (losses) recognized in Other comprehensive (loss) income</b>			
	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>3/31/2021</b>	<b>3/31/2020</b>	<b>3/31/2021</b>	<b>3/31/2020</b>
Commodity purchase derivative contracts	\$ 5	\$ (11)	\$ 12	\$ (8)
Foreign exchange derivative contracts	2	2	(1)	2
Interest rate derivative contracts	26	—	36	—
<b>Total</b>	<b>\$ 33</b>	<b>\$ (9)</b>	<b>\$ 47</b>	<b>\$ (6)</b>

	<b>Location of Gains (losses) reclassified from Accumulated other comprehensive net (loss) income into Net earnings</b>	<b>Gains (losses) reclassified from Accumulated other comprehensive net (loss) income and recognized in Net earnings</b>			
		<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
		<b>3/31/2021</b>	<b>3/31/2020</b>	<b>3/31/2021</b>	<b>3/31/2020</b>
Commodity purchase derivative contracts	Cost of products sold	\$ —	\$ —	\$ (2)	\$ (1)
Foreign exchange derivative contracts	Cost of products sold	—	—	—	—
Interest rate derivative contracts	Interest expense	(2)	(2)	(5)	(5)
<b>Total</b>		<b>\$ (2)</b>	<b>\$ (2)</b>	<b>\$ (7)</b>	<b>\$ (6)</b>

The estimated amount of the existing net gain (loss) in Accumulated other comprehensive net (loss) income as of March 31, 2021, that is expected to be reclassified into Net earnings (losses) within the next twelve months is \$2.

## NOTE 5. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS (Continued)

### *Counterparty Risk Management and Derivative Contract Requirements*

The Company utilizes a variety of financial institutions as counterparties for over-the-counter derivative instruments. The Company enters into agreements governing the use of over-the-counter derivative instruments and sets internal limits on the aggregate over-the-counter derivative instrument positions held with each counterparty. Certain terms of these agreements require the Company or the counterparty to post collateral when the fair value of the derivative instruments exceeds contractually-defined counterparty liability position limits. Of the over-the-counter derivative instruments in liability positions held as of March 31, 2021 and June 30, 2020, \$1 and \$3, respectively, contained such terms. As of March 31, 2021 and June 30, 2020, neither the Company nor any counterparty was required to post any collateral, as no counterparty liability position limits were exceeded.

Certain terms of the agreements governing the Company's over-the-counter derivative instruments require the credit ratings, as assigned by Standard & Poor's and Moody's to the Company and its counterparties, to remain at a level equal to or better than the minimum of an investment grade credit rating. If the Company's credit ratings were to fall below investment grade, the counterparties to the derivative instruments could request full collateralization on derivative instruments in net liability positions. As of both March 31, 2021 and June 30, 2020, the Company and each of its counterparties had been assigned investment grade ratings by both Standard & Poor's and Moody's.

Certain of the Company's exchange-traded futures contracts used for commodity price risk management include requirements for the Company to post collateral in the form of a cash margin account held by the Company's broker for trades conducted on that exchange. As of March 31, 2021 and June 30, 2020, the Company maintained cash margin balances related to exchange-traded futures contracts of \$0 and \$2, respectively, which are classified as Prepaid expenses and other current assets on the condensed consolidated balance sheets.

### **Trust Assets**

The Company has held interests in mutual funds and cash equivalents as part of the trust assets related to its nonqualified deferred compensation plans. The participants in the nonqualified deferred compensation plans, who are the Company's current and former employees, may select among certain mutual funds in which to invest their compensation deferrals in accordance with the terms of the plans and within the confines of the trusts, which hold the marketable securities. The trusts represent variable interest entities for which the Company is considered the primary beneficiary, and, therefore, trust assets are consolidated and included in Other assets in the condensed consolidated balance sheets. The interests in mutual funds are measured at fair value using quoted market prices. The Company has designated these marketable securities as trading investments.

### **Fair Value Measurements**

Financial assets and liabilities measured at fair value on a recurring basis in the condensed consolidated balance sheets are required to be classified and disclosed in one of the following three categories of the fair value hierarchy:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs reflecting the reporting entity's own assumptions.

As of March 31, 2021 and June 30, 2020, the Company's financial assets and liabilities that were measured at fair value on a recurring basis included derivative financial instruments, which were classified as either Level 1 or Level 2, and trust assets to fund the Company's nonqualified deferred compensation plans, which were classified as Level 1.

**NOTE 5. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS (Continued)**

All of the Company's derivative instruments qualify for hedge accounting. The following table provides information about the balance sheet classification and the fair values of the Company's derivative instruments:

	Balance Sheet Classification	Fair Value Hierarchy Level	3/31/2021		6/30/2020	
			Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
<b>Assets</b>						
Commodity purchase futures contracts	Other current assets	1	\$ 3	\$ 3	\$ —	\$ —
Commodity purchase swaps contracts	Other current assets	2	2	2	—	—
Commodity purchase swaps contracts	Other assets	2	—	—	—	—
Interest rate forward contracts	Other assets	2	37	37	1	1
			<u>\$ 42</u>	<u>\$ 42</u>	<u>\$ 1</u>	<u>\$ 1</u>
<b>Liabilities</b>						
Commodity purchase futures contracts	Accounts payable and accrued liabilities	1	\$ —	\$ —	\$ 1	\$ 1
Commodity purchase swaps contracts	Accounts payable and accrued liabilities	2	—	—	3	3
Foreign exchange forward contract	Accounts payable and accrued liabilities	2	1	1	1	1
			<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 5</u>	<u>\$ 5</u>

The following table provides information about the balance sheet classification and the fair values of the Company's other assets and liabilities for which disclosure of fair value is required:

	Balance Sheet Classification	Fair Value Hierarchy Level	3/31/2021		6/30/2020	
			Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
<b>Assets</b>						
Investments, including money market funds	Cash and cash equivalents <sup>(1)</sup>	1	\$ 213	\$ 213	\$ 584	\$ 584
Time deposits	Cash and cash equivalents <sup>(1)</sup>	2	146	146	165	165
Trust assets for nonqualified deferred compensation plans	Other assets	1	131	131	100	100
			<u>\$ 490</u>	<u>\$ 490</u>	<u>\$ 849</u>	<u>\$ 849</u>
<b>Liabilities</b>						
Current maturities of long-term debt and Long-term debt	Current maturities of long-term debt and Long-term debt <sup>(2)</sup>	2	2,783	2,944	2,780	3,051
			<u>\$ 2,783</u>	<u>\$ 2,944</u>	<u>\$ 2,780</u>	<u>\$ 3,051</u>

(1) Cash and cash equivalents are composed of time deposits and other interest bearing investments, including money market funds with original maturity dates of 90 days or less. Cash and cash equivalents are recorded at cost, which approximates fair value.

(2) Current maturities of long-term debt and Long-term debt are recorded at cost. The fair value of Long-term debt, including current maturities, was determined using secondary market prices quoted by corporate bond dealers, and is classified as Level 2.

Furthermore, impairment charges of \$329 were recorded during the third quarter of fiscal 2021, of which \$228, \$86, and \$15 related to the goodwill of the VMS reporting unit, certain indefinite-lived trademarks and other assets, respectively. These adjustments were included as non-cash charges in the condensed consolidated statement of earnings. The non-recurring fair values utilized included unobservable Level 3 inputs based on management's best estimates and assumptions. For additional information, refer to Note 4 of the Notes to Condensed Consolidated Financial Statements

## NOTE 6. INCOME TAXES

In determining its quarterly provision for income taxes, the Company uses an estimated annual effective tax rate, which is based on expected annual income, statutory tax rates and tax planning opportunities available in the various jurisdictions in which the Company operates. Certain significant or unusual items are separately recognized in the quarter in which they occur and can be a source of variability in the effective tax rates from quarter to quarter. The effective tax rate on earnings (losses) was (1.4)% and 22.5% for the current three and nine months ended March 31, 2021, respectively, and 18.9% and 20.4% for the prior three and nine months ended March 31, 2020, respectively. The substantially lower tax rate on loss before income taxes in the current three month period and higher tax rate on earnings before income taxes in the current nine month period were driven by the partial non-deductibility of impaired VMS goodwill.

## NOTE 7. NET EARNINGS (LOSSES) PER SHARE (EPS)

The following is the reconciliation of the weighted average number of shares outstanding (in thousands) used to calculate basic net EPS to those used to calculate diluted net EPS:

	Three Months Ended		Nine Months Ended	
	3/31/2021	3/31/2020	3/31/2021	3/31/2020
Basic	125,610	125,661	126,057	125,641
Dilutive effect of stock options and other	—	1,667	1,973	1,595
Diluted	125,610	127,328	128,030	127,236
Antidilutive stock options and other	4,826	—	428	2

Basic net earnings (losses) per share and Diluted net earnings (losses) per share are calculated on Net earnings (losses) attributable to Clorox.

Since the Company generated net losses attributable to Clorox for the three months ended March 31, 2021, there was no dilutive effect of stock options and other instruments because their impact would be antidilutive.

## NOTE 8. COMPREHENSIVE INCOME (LOSS)

The following table provides a summary of Comprehensive income (loss) for the periods indicated:

	Three Months Ended		Nine Months Ended	
	3/31/2021	3/31/2020	3/31/2021	3/31/2020
Net earnings (losses)	\$ (59)	\$ 241	\$ 619	\$ 629
Other comprehensive (loss) income, net of tax:				
Foreign currency translation adjustments	(7)	(51)	40	(58)
Net unrealized gains (losses) on derivatives	27	(5)	42	1
Pension and postretirement benefit adjustments	2	1	5	3
Total other comprehensive (loss) income, net of tax	22	(55)	87	(54)
Comprehensive income (loss)	(37)	186	706	575
Less: Total comprehensive income attributable to noncontrolling interests	2	—	6	—
Total comprehensive income (loss) attributable to Clorox	\$ (39)	\$ 186	\$ 700	\$ 575

## NOTE 9. STOCKHOLDERS' EQUITY

Changes in the components of Stockholders' equity were as follows for the periods indicated:

(Dollars in millions except per share data; shares in thousands)	Three Months Ended March 31								
	Common Stock		Additional Paid-in Capital	Retained Earnings	Treasury Stock		Accumulated Other Comprehensive Net (Loss) Income	Non- controlling interests	Total Stockholders' Equity
	Amount	Shares			Amount	Shares			
<b>Balance as of December 31, 2019</b>	\$ 159	158,741	\$ 1,062	\$ 3,292	\$ (3,357)	(33,717)	\$ (601)	\$ —	\$ 555
Net earnings	—	—	—	241	—	—	—	—	241
Other comprehensive (loss) income	—	—	—	—	—	—	(55)	—	(55)
Dividends to Clorox stockholders (\$1.06 per share declared)	—	—	—	(135)	—	—	—	—	(135)
Stock-based compensation	—	—	18	—	—	—	—	—	18
Other employee stock plan activities	—	—	31	—	70	1,083	—	—	101
Treasury stock purchased	—	—	—	—	(30)	(184)	—	—	(30)
<b>Balance as of March 31, 2020</b>	\$ 159	158,741	\$ 1,111	\$ 3,398	\$ (3,317)	(32,818)	\$ (656)	\$ —	\$ 695
<b>Balance as of December 31, 2020</b>	\$ 131	130,741	\$ 1,176	\$ 1,302	\$ (850)	(5,017)	\$ (575)	\$ 196	\$ 1,380
Net earnings (losses)	—	—	—	(61)	—	—	—	2	(59)
Other comprehensive (loss) income	—	—	—	—	—	—	22	—	22
Dividends to Clorox stockholders (\$1.11 per share declared)	—	—	—	(139)	—	—	—	—	(139)
Dividends to non-controlling interests	—	—	—	—	—	—	—	(3)	(3)
Stock-based compensation	—	—	17	—	—	—	—	—	17
Other employee stock plan activities	—	—	(3)	(16)	44	283	—	—	25
Treasury stock purchased	—	—	—	—	(305)	(1,648)	—	—	(305)
<b>Balance as of March 31, 2021</b>	\$ 131	130,741	\$ 1,190	\$ 1,086	\$ (1,111)	(6,382)	\$ (553)	\$ 195	\$ 938

**NOTE 9. STOCKHOLDERS' EQUITY (Continued)**
**Nine Months Ended March 31**

(Dollars in millions except per share data; shares in thousands)	Common Stock		Additional Paid-in Capital	Retained Earnings	Treasury Stock		Accumulated Other Comprehensive Net (Loss) Income	Non- controlling interests	Total Stockholders' Equity
	Amount	Shares			Amount	Shares			
<b>Balance as of June 30, 2019</b>	\$ 159	158,741	\$ 1,046	\$ 3,150	\$ (3,194)	(33,055)	\$ (602)	\$ —	\$ 559
Cumulative effect of accounting changes, net of tax <sup>(1)</sup>	—	—	—	22	—	—	—	—	22
Net earnings	—	—	—	629	—	—	—	—	629
Other comprehensive (loss) income	—	—	—	—	—	—	(54)	—	(54)
Dividends to Clorox stockholders (\$3.18 per share declared)	—	—	—	(402)	—	—	—	—	(402)
Stock-based compensation	—	—	37	—	—	—	—	—	37
Other employee stock plan activities	—	—	28	(1)	96	1,661	—	—	123
Treasury stock purchased	—	—	—	—	(219)	(1,424)	—	—	(219)
<b>Balance as of March 31, 2020</b>	\$ 159	158,741	\$ 1,111	\$ 3,398	\$ (3,317)	(32,818)	\$ (656)	\$ —	\$ 695
<b>Balance as of June 30, 2020</b>	\$ 159	158,741	\$ 1,137	\$ 3,567	\$ (3,315)	(32,543)	\$ (640)	\$ —	\$ 908
Net earnings	—	—	—	613	—	—	—	6	619
Other comprehensive (loss) income	—	—	—	—	—	—	87	—	87
Dividends to Clorox stockholders (\$3.33 per share declared)	—	—	—	(421)	—	—	—	—	(421)
Dividends to noncontrolling interests	—	—	—	—	—	—	—	(9)	(9)
Business combinations including purchase accounting adjustments	—	—	—	—	—	—	—	198	198
Stock-based compensation	—	—	52	—	—	—	—	—	52
Other employee stock plan activities	—	—	1	(33)	141	1,233	—	—	109
Treasury stock purchased	—	—	—	—	(605)	(3,072)	—	—	(605)
Treasury stock retirement	(28)	(28,000)	—	(2,640)	2,668	28,000	—	—	—
<b>Balance as of March 31, 2021</b>	\$ 131	130,741	\$ 1,190	\$ 1,086	\$ (1,111)	(6,382)	\$ (553)	\$ 195	\$ 938

(1) As a result of adopting ASU No. 2016-02, "Leases (Topic 842)," on July 1, 2019, the Company recorded a cumulative effect of initially applying the new guidance as an adjustment to the fiscal year 2020 opening balance of Retained earnings.

On November 18, 2020 the Company retired 28 million shares of its treasury stock. These shares are now authorized but unissued. There was no effect on the Company's overall equity position as a result of the retirement.

The Company has two stock repurchase programs: an open-market purchase program with an authorized aggregate purchase amount of up to \$2,000, which has no expiration date, and a program to offset the anticipated impact of dilution related to stock-based awards (the Evergreen Program), which has no authorization limit on the dollar amount and no expiration date.

Stock repurchases under the two stock repurchase programs were as follows for the periods indicated:

	Three Months Ended				Nine Months Ended			
	3/31/2021		3/31/2020		3/31/2021		3/31/2020	
	Amount	Shares (in thousands)	Amount	Shares (in thousands)	Amount	Shares (in thousands)	Amount	Shares (in thousands)
Open-market purchase program	\$ 200	1,088	\$ —	—	\$ 200	1,088	\$ 85	577
Evergreen Program	105	560	30	184	405	1,984	134	847
<b>Total stock repurchases</b>	<b>\$ 305</b>	<b>1,648</b>	<b>\$ 30</b>	<b>184</b>	<b>\$ 605</b>	<b>3,072</b>	<b>\$ 219</b>	<b>1,424</b>

**NOTE 9. STOCKHOLDERS' EQUITY (Continued)**

Changes in Accumulated other comprehensive net (loss) income attributable to Clorox by component were as follows for the periods indicated:

	<b>Three Months Ended March 31</b>			
	<b>Foreign currency translation adjustments</b>	<b>Net unrealized gains (losses) on derivatives</b>	<b>Pension and postretirement benefit adjustments</b>	<b>Accumulated other comprehensive net (loss) income</b>
<b>Balance as of December 31, 2019</b>	\$ (421)	\$ (17)	\$ (163)	\$ (601)
Other comprehensive (loss) income before reclassifications	(49)	(9)	—	(58)
Amounts reclassified from Accumulated other comprehensive net (loss) income	—	2	2	4
Income tax benefit (expense)	(2)	2	(1)	(1)
Net current period other comprehensive (loss) income	(51)	(5)	1	(55)
<b>Balance as of March 31, 2020</b>	\$ (472)	\$ (22)	\$ (162)	\$ (656)
<b>Balance as of December 31, 2020</b>	\$ (403)	\$ (3)	\$ (169)	\$ (575)
Other comprehensive (loss) income before reclassifications	(6)	33	—	27
Amounts reclassified from Accumulated other comprehensive net (loss) income	—	2	3	5
Income tax benefit (expense), and other	(1)	(8)	(1)	(10)
Net current period other comprehensive (loss) income	(7)	27	2	22
<b>Balance as of March 31, 2021</b>	\$ (410)	\$ 24	\$ (167)	\$ (553)
	<b>Nine Months Ended March 31</b>			
	<b>Foreign currency translation adjustments</b>	<b>Net unrealized gains (losses) on derivatives</b>	<b>Pension and postretirement benefit adjustments</b>	<b>Accumulated other comprehensive net (loss) income</b>
<b>Balance as of June 30, 2019</b>	\$ (414)	\$ (23)	\$ (165)	\$ (602)
Other comprehensive (loss) income before reclassifications	(55)	(6)	—	(61)
Amounts reclassified from Accumulated other comprehensive net (loss) income	—	6	5	11
Income tax benefit (expense)	(3)	1	(2)	(4)
Net current period other comprehensive (loss) income	(58)	1	3	(54)
<b>Balance as of March 31, 2020</b>	\$ (472)	\$ (22)	\$ (162)	\$ (656)
<b>Balance as of June 30, 2020</b>	\$ (450)	\$ (18)	\$ (172)	\$ (640)
Other comprehensive (loss) income before reclassifications	38	47	—	85
Amounts reclassified from Accumulated other comprehensive net (loss) income	—	7	7	14
Income tax benefit (expense), and other	2	(12)	(2)	(12)
Net current period other comprehensive (loss) income	40	42	5	87
<b>Balance as of March 31, 2021</b>	\$ (410)	\$ 24	\$ (167)	\$ (553)

Included in foreign currency translation adjustments are re-measurement losses on long-term intercompany loans where settlement is not planned or anticipated in the foreseeable future. There were no amounts associated with these loans reclassified from Accumulated other comprehensive net (loss) income for the periods presented.

**NOTE 10. EMPLOYEE BENEFIT PLANS**

The following table summarizes the components of net periodic benefit cost for the Company's retirement income plans:

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>3/31/2021</b>	<b>3/31/2020</b>	<b>3/31/2021</b>	<b>3/31/2020</b>
Service cost	\$ —	\$ —	\$ —	\$ —
Interest cost	4	5	11	15
Expected return on plan assets <sup>(1)</sup>	(4)	(5)	(11)	(14)
Amortization of unrecognized items	3	3	8	7
<b>Total</b>	<b>\$ 3</b>	<b>\$ 3</b>	<b>\$ 8</b>	<b>\$ 8</b>

(1) The weighted average long-term expected rate of return on plan assets used in computing the fiscal year 2021 net periodic benefit cost is 3.1%.

The net periodic benefit cost for the Company's retirement health care plans was \$0 for both the three months ended March 31, 2021 and 2020, and \$(1) for both the nine months ended March 31, 2021 and 2020.

During the three months ended March 31, 2021 and 2020, the Company made \$6 and \$7 in contributions to its domestic retirement income plans, respectively. During the nine months ended March 31, 2021 and 2020, the Company made \$10 in contributions to its domestic retirement income plans.

Net periodic benefit costs are reflected in Other (income) expense, net.

## **NOTE 11. OTHER CONTINGENCIES AND GUARANTEES**

### **Contingencies**

The Company is involved in certain environmental matters, including response actions at various locations. The Company had recorded liabilities totaling \$27 and \$28 as of March 31, 2021 and June 30, 2020, respectively, for its share of aggregate future remediation costs related to these matters.

One matter, which accounted for \$14 of the recorded liability as of March 31, 2021 and June 30, 2020, relates to environmental costs associated with one of the Company's former operations at a site located in Alameda County, California. In November 2016, at the request of regulators and with the assistance of environmental consultants, the Company submitted a Feasibility Study that evaluated various options for managing the site and included estimates of the related costs. As a result, the Company recorded in Other (income) expense, net an undiscounted liability for costs estimated to be incurred over a 30-year period, based on the option recommended in the Feasibility Study. However, as a result of ongoing discussions with regulators, in June 2017, the Company increased its recorded liability to \$14, which reflects anticipated costs to implement additional remediation measures at this site. While the Company believes its latest estimate is reasonable, regulators could require the Company to implement one of the other options evaluated in the Feasibility Study, with estimated undiscounted costs of up to \$28 over an estimated 30-year period, or require the Company to take other actions and incur costs not included in the study.

Another matter in Dickinson County, Michigan, at the site of one of the Company's former operations for which the Company is jointly and severally liable, accounted for \$10 of the recorded liability, as of March 31, 2021 and June 30, 2020. This amount reflects the Company's agreement to be liable for 24.3% of the aggregate remediation and associated costs for this matter pursuant to a cost-sharing arrangement with a third party. If the third party is unable to pay its share of the response and remediation obligations, the Company may be responsible for such obligations. With the assistance of environmental consultants, the Company maintains an undiscounted liability representing its current best estimate of its share of the capital expenditures, maintenance and other costs that may be incurred over an estimated 30-year remediation period. Although it is reasonably possible that the Company's exposure may exceed the amount recorded for the Dickinson County matter, any amount of such additional exposures, or range of exposures, is not estimable at this time. The Company's estimated losses related to these matters are sensitive to a variety of uncertain factors, including the efficacy of any remediation efforts, changes in any remediation requirements, and the future availability of alternative clean-up technologies.

The Company is subject to various legal proceedings, claims and other loss contingencies, including, without limitation, loss contingencies relating to contractual arrangements, product liability, patents and trademarks, advertising, labor and employment, environmental, health and safety and other matters. With respect to these proceedings, claims and other loss contingencies, while considerable uncertainty exists, in the opinion of management at this time, the ultimate disposition of these matters, to the extent not previously provided for, will not have a material adverse effect, either individually or in the aggregate, on the Company's condensed consolidated financial statements taken as a whole.

### **Guarantees**

In conjunction with divestitures and other transactions, the Company may provide typical indemnifications (e.g., indemnifications for representations and warranties and retention of previously existing environmental, tax and employee liabilities) that have terms that vary in duration and in the potential amount of the total obligation and, in many circumstances, are not explicitly defined. The Company has not made, nor does it believe that it is probable that it will make, any material payments relating to its indemnifications, and believes that any reasonably possible payments would not have a material adverse effect, either individually or in the aggregate, on the Company's condensed consolidated financial statements taken as a whole.

The Company had not recorded any material liabilities on the aforementioned guarantees as of March 31, 2021 and June 30, 2020.

As of March 31, 2021, the Company was party to a letter of credit of \$11, related to one of its insurance carriers, of which \$0 had been drawn upon.

## NOTE 12. SEGMENT RESULTS

The Company operates through SBUs that are aggregated into four reportable segments based on the economics and nature of the products sold: Health and Wellness, Household, Lifestyle and International. Prior periods presented have been recast to reflect the reportable segment changes effective in the fourth quarter of fiscal year 2020.

Certain non-allocated administrative costs, interest income, interest expense and various other non-operating income and expenses are reflected in Corporate. Corporate assets include cash and cash equivalents, prepaid expenses and other current assets, property and equipment, operating lease right-of-use assets, other long-term assets and deferred taxes.

The tables below present reportable segment information and a reconciliation of the segment information to the Company's consolidated Net sales and Earnings before income taxes, with amounts that are not allocated to the reportable segments reflected in Corporate.

	Net sales			
	Three Months Ended		Nine Months Ended	
	3/31/2021	3/31/2020	3/31/2021	3/31/2020
Health and Wellness	\$ 680	\$ 736	\$ 2,310	\$ 1,944
Household	510	480	1,421	1,183
Lifestyle	293	294	928	856
International	298	273	880	755
Corporate	—	—	—	—
Total	\$ 1,781	\$ 1,783	\$ 5,539	\$ 4,738

	Earnings (losses) before income taxes			
	Three Months Ended		Nine Months Ended	
	3/31/2021	3/31/2020	3/31/2021	3/31/2020
Health and Wellness <sup>(1)</sup>	\$ (183)	\$ 210	\$ 315	\$ 514
Household	97	114	266	190
Lifestyle	68	80	259	242
International	30	36	184	106
Corporate	(71)	(143)	(225)	(262)
Total	\$ (59)	\$ 297	\$ 799	\$ 790

(1) The earnings (losses) before income taxes for the Health and Wellness segment include a \$329 non-cash goodwill, trademark and other asset impairment charge for the VMS SBU for the three and nine months ended March 31, 2021.

All intersegment sales are eliminated and are not included in the Company's reportable segments' net sales.

Net sales to the Company's largest customer, Wal-Mart Stores, Inc. and its affiliates, as a percentage of consolidated net sales, were 24% for each of the three and nine months ended March 31, 2021, respectively, and 25% for each of the three and nine months ended March 31, 2020, respectively.

**NOTE 12. SEGMENT RESULTS (Continued)**

The following table provides Net sales as a percentage of the Company's consolidated net sales for the Company's SBUs and for the periods indicated:

	Net sales			
	Three Months Ended		Nine Months Ended	
	3/31/2021	3/31/2020	3/31/2021	3/31/2020
Cleaning	29 %	32 %	30 %	31 %
Professional Products	5 %	6 %	7 %	6 %
Vitamins, Minerals and Supplements	4 %	4 %	4 %	4 %
<b>Health and Wellness</b>	<b>38 %</b>	<b>42 %</b>	<b>41 %</b>	<b>41 %</b>
Bags and Wraps	11 %	11 %	11 %	12 %
Cat Litter	7 %	7 %	7 %	7 %
Grilling	11 %	9 %	8 %	6 %
<b>Household</b>	<b>29 %</b>	<b>27 %</b>	<b>26 %</b>	<b>25 %</b>
Food Products	10 %	8 %	9 %	9 %
Natural Personal Care	3 %	4 %	4 %	5 %
Water Filtration	3 %	4 %	4 %	4 %
<b>Lifestyle</b>	<b>16 %</b>	<b>16 %</b>	<b>17 %</b>	<b>18 %</b>
<b>International</b>	<b>17 %</b>	<b>15 %</b>	<b>16 %</b>	<b>16 %</b>
<b>Total</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The Clorox Company  
(Dollars in millions, except per share data)

Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) is designed to provide a reader of The Clorox Company's (the Company or Clorox) financial statements with a narrative from the perspective of management on the Company's financial condition, results of operations, liquidity and certain other factors that may affect future results. The following discussion of the Company's financial condition and results of operations should be read in conjunction with MD&A and the consolidated financial statements and related notes included in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2020, which was filed with the SEC on August 13, 2020, and the unaudited condensed consolidated financial statements and related notes contained in this Quarterly Report on Form 10-Q (this Report). Unless otherwise noted, MD&A compares the three and nine month periods ended March 31, 2021 (the current period) to the three and nine month periods ended March 31, 2020 (the prior period), with percentage and basis point calculations based on rounded numbers, except for per share data and the effective tax rate.

### EXECUTIVE OVERVIEW

Clorox is a leading multinational manufacturer and marketer of consumer and professional products with approximately 8,800 employees worldwide. Clorox sells its products primarily through mass retailers, grocery outlets, warehouse clubs, dollar stores, home hardware centers, drug, pet and military stores, third-party and owned e-commerce channels, and distributors. Clorox markets some of the most trusted and recognized consumer brand names, including its namesake bleach and cleaning products, Pine-Sol® cleaners; Liquid-Plumr® clog removers; Poett® home care products; Fresh Step® cat litter; Glad® bags and wraps; Kingsford® grilling products; Hidden Valley® dressings; Brita® water-filtration products; Burt's Bees® natural personal care products; and RenewLife®, Rainbow Light®, Natural Vitality®, NeoCell® and Stop Aging Now® vitamins, minerals and supplements. The Company also markets industry-leading products and technologies for professional customers, including those sold under the CloroxPro™ and the Clorox Healthcare® brand names. The Company has operations in more than 25 countries or territories and sells its products in more than 100 markets.

The Company primarily markets its leading brands in midsized categories considered to be financially attractive. Most of the Company's products compete with other nationally advertised brands within each category and with "private label" brands.

The Company operates through strategic business units (SBUs) which are also the Company's operating segments. These SBUs are then aggregated into four reportable segments. Prior periods presented have been recast to reflect the reportable segment changes effective in the fourth quarter of fiscal year 2020. The four reportable segments consist of the following:

- *Health and Wellness* consists of cleaning products, professional products, and vitamins, minerals and supplement products mainly marketed and sold in the U.S. Products within this segment include cleaning products such as laundry additives, including bleach products under the Clorox® brand and Clorox 2® stain fighter and color booster; home care products, primarily under the Clorox®, Clorox® Scentiva®, Formula 409®, Liquid-Plumr®, Pine-Sol® and Tilex® brands; professional cleaning and disinfecting products under the CloroxPro™, Clorox Healthcare®, and Clorox® Total 360® brands and professional food service products under the Hidden Valley® brand; and vitamins, minerals and supplement products under the RenewLife®, Rainbow Light®, Natural Vitality®, NeoCell® and Stop Aging Now® brands.
- *Household* consists of grilling products; bags and wraps; and cat litter products marketed and sold in the U.S. Products within this segment include grilling products under the Kingsford® and Kingsford® Match Light® brands; bags and wraps under the Glad® brand; and cat litter products under the Fresh Step®, Scoop Away® and Ever Clean® brands.
- *Lifestyle* consists of food products, water-filtration systems and filters, and natural personal care products marketed and sold in the U.S. Products within this segment include dressings and sauces, primarily under the Hidden Valley® brand; water-filtration systems and filters under the Brita® brand; and natural personal care products under the Burt's Bees® brand.

- *International* consists of products sold outside the U.S. Products within this segment include laundry additives; home care products; water-filtration systems and filters; digestive health products; grilling products; cat litter products; food products; bags and wraps; natural personal care products; and professional cleaning and disinfecting products primarily under the Clorox<sup>®</sup>, Ayudin<sup>®</sup>, Clorinda<sup>®</sup>, Poett<sup>®</sup>, Pine-Sol<sup>®</sup>, Glad<sup>®</sup>, Brita<sup>®</sup>, RenewLife<sup>®</sup>, Ever Clean<sup>®</sup> and Burt's Bees<sup>®</sup> brands.

## **RECENT EVENTS RELATED TO COVID-19**

The novel coronavirus (COVID-19) pandemic has caused a severe global health crisis, along with economic and societal disruptions and uncertainties. As a result, we have taken an active role in addressing the ongoing pandemic's impact on our employees, operations, customers, consumers, and communities, including taking precautionary measures, such as implementing contingency plans, making operational adjustments where necessary, and providing support to organizations that support front-line workers. The impact of COVID-19 and responses of governments, consumers, and others to the pandemic are affecting our business in many ways; however, we believe that the actions we are taking will help us emerge from this global pandemic operationally sound, and well positioned for continued long-term growth.

For our fiscal third quarter ended March 31, 2021, we continued to experience elevated demand for many of our products, especially our disinfecting cleaning products, in response to COVID-19 in comparison to periods before the pandemic. The extent of COVID-19's effect on our operational and financial performance in the future will depend on future developments, including the duration, spread and intensity of the pandemic, our continued ability to manufacture and distribute our products, as well as any future government actions affecting consumers and the economy generally, all of which are uncertain and difficult to predict considering the rapidly evolving landscape.

For additional information on the impacts and our response to the coronavirus pandemic, refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in Exhibit 99.1 of the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2020.

## RESULTS OF OPERATIONS

### CONSOLIDATED RESULTS

	Three Months Ended			Nine Months Ended		
	3/31/2021	3/31/2020	% Change	3/31/2021	3/31/2020	% Change
Net sales	\$ 1,781	\$ 1,783	— %	\$ 5,539	\$ 4,738	17 %

#### Three Months Ended March 31, 2021 Percentage change versus the year-ago period

	Reported (GAAP) Net Sales Growth / (Decrease)	Reported Volume	Acquisitions & Divestitures	Foreign Exchange Impact	Price/Mix/Other <sup>(1)</sup>	Organic Sales Growth / (Decrease) (Non- GAAP) <sup>(2)</sup>	Organic Volume <sup>(3)</sup>
Health and Wellness	(8) %	(11) %	— %	— %	3 %	(8) %	(11) %
Household	6	4	—	—	2	6	4
Lifestyle	—	(1)	—	—	1	—	(1)
International	9	2	7	(2)	7	4	(3)
<b>Total</b>	<b>— %</b>	<b>(4) %</b>	<b>1 %</b>	<b>— %</b>	<b>4 %</b>	<b>(1) %</b>	<b>(5) %</b>

#### Nine Months Ended March 31, 2021 Percentage change versus the year-ago period

	Reported (GAAP) Net Sales Growth / (Decrease)	Reported Volume	Acquisitions & Divestitures	Foreign Exchange Impact	Price/Mix/Other <sup>(1)</sup>	Organic Sales Growth / (Decrease) (Non- GAAP) <sup>(2)</sup>	Organic Volume <sup>(3)</sup>
Health and Wellness	19 %	15 %	— %	— %	4 %	19 %	15 %
Household	20	14	—	—	6	20	14
Lifestyle	8	8	—	—	—	8	8
International	17	13	8	(4)	7	13	6
<b>Total</b>	<b>17 %</b>	<b>13 %</b>	<b>1 %</b>	<b>— %</b>	<b>4 %</b>	<b>16 %</b>	<b>12 %</b>

(1) This represents the net impact on net sales growth / (decrease) from pricing actions, mix and other factors.

(2) Organic sales growth / (decrease) is defined as net sales growth / (decrease) excluding the effect of any acquisitions and divestitures as well as changes in foreign exchange rate.

(3) Organic volume represents volume excluding the effect of any acquisitions and divestitures. In the three months ended March 31, 2021, the volume impact of acquisitions was 5% and 1% for International and Total Company, respectively. In the nine months ended March 31, 2021, the volume impact of acquisitions was 7% and 1% for International and Total Company, respectively.

*Net sales* in the current three month period was essentially flat when compared to the prior period, reflecting lower sales in the Health and Wellness reportable segment, partially offset by sales growth in the Household and International reportable segments. Volume decreased by 4% versus the prior period. The variance between volume growth and net sales growth was primarily due to the impact of lower trade promotion spending and favorable mix.

*Net sales* in the current nine month period increased by 17%, reflecting higher shipments across all reportable segments driven by increased demand due to COVID-19 and related behavioral shifts. Volume increased by 13% versus the prior period. The variance between volume growth and net sales growth was primarily due to the impact of favorable mix, partially offset by unfavorable foreign currency exchange rates.

	Three Months Ended			Nine Months Ended		
	3/31/2021	3/31/2020	% Change	3/31/2021	3/31/2020	% Change
Gross profit	\$ 774	\$ 832	(7) %	\$ 2,531	\$ 2,134	19 %
Gross margin	43.5 %	46.7 %		45.7 %	45.0 %	

**Gross margin**, defined as gross profit as a percentage of net sales, decreased by 320 basis points in the current three month period from 46.7% to 43.5%. The decrease was primarily driven by higher manufacturing and logistics costs and unfavorable commodity costs, partially offset by lower trade promotion spending and the benefit of cost savings initiatives.

**Gross margin** increased by 70 basis points in the current nine month period from 45.0% to 45.7%. The increase was primarily driven by higher volume, cost savings, and lower trade promotion spending, partially offset by higher manufacturing and logistics costs.

	Three Months Ended					
				% of Net Sales		
	3/31/2021	3/31/2020	% Change	3/31/2021	3/31/2020	% Change
Selling and administrative expenses	\$ 237	\$ 269	(12) %	13.3 %	15.1 %	
Advertising costs	200	184	9	11.2	10.3	
Research and development costs	32	39	(18)	1.8	2.2	

	Nine Months Ended					
				% of Net Sales		
	3/31/2021	3/31/2020	% Change	3/31/2021	3/31/2020	% Change
Selling and administrative expenses	\$ 744	\$ 690	8 %	13.4 %	14.6 %	
Advertising costs	566	461	23	10.2	9.7	
Research and development costs	104	103	1	1.9	2.2	

**Selling and administrative expenses**, as a percentage of net sales, decreased by 180 basis points and 120 basis points in the current three and nine month periods, respectively. The change in the current three month period was primarily due to lower incentive compensation expenses. The change in the current nine month period was primarily due to increased investments in several growth opportunities.

**Advertising costs**, as a percentage of net sales, increased by 90 basis points and 50 basis points in the current three and nine month periods, respectively. The increase in advertising expenses reflected the Company's continued support behind its brands. The Company's U.S. retail advertising spend as a percentage of net sales was approximately 12% in the current and prior three month periods.

**Research and development costs**, as a percentage of net sales, decreased by 40 basis points and 30 basis points in the current three and nine month periods, respectively. The decrease in research and development expenses was primarily due to lower incentive compensation expenses in the current three month period. The Company continues to invest behind product innovation and cost savings.

**Goodwill, trademark and other asset impairments, Interest expense, Other (income) expense, net, and the effective tax rate on earnings**

	Three Months Ended			Nine Months Ended		
	3/31/2021	3/31/2020	% Change	3/31/2021	3/31/2020	% Change
Goodwill, trademark and other asset impairments	\$ 329	\$ —		\$ 329	\$ —	
Interest expense	25	24		74	74	
Other (income) expense, net	10	19		(85)	16	
Effective tax rate on earnings (losses)	(1.4) %	18.9 %		22.5 %	20.4 %	

**Goodwill, trademark and other asset impairments** of \$329 in the current three and nine month periods reflect non-cash impairment charges related to goodwill, trademarks, and other assets held by the VMS business (included within the Health and Wellness segment). See Notes to Condensed Consolidated Financial Statements for further information.

**Other (income) expense, net** was \$10 and \$19 in the current and prior three month periods, respectively, and (\$85) and \$16 in the current and prior nine month periods, respectively. The variance between the current and prior three month periods was not significant. The variance between the current and prior nine month periods was primarily due to the one-time, non-cash remeasurement gain recognized in the current period from the Company's previously held equity interest in the Saudi joint venture in the first quarter of fiscal year 2021 (see Notes to Condensed Consolidated Financial Statements).

**The effective tax rate on earnings (losses)** was (1.4)% and 22.5% for the current three and nine month periods, respectively, and 18.9% and 20.4% for the prior three and nine month periods, respectively. The substantially lower tax rate on loss before income taxes in the current three month period and higher tax rate on earnings before income taxes in the current nine month period were driven by the partial non-deductibility of impaired VMS goodwill.

**Diluted net earnings (losses) per share**

	Three Months Ended			Nine Months Ended		
	3/31/2021	3/31/2020	% Change	3/31/2021	3/31/2020	% Change
Diluted net earnings (losses) per share	\$ (0.49)	\$ 1.89	(126)%	\$ 4.78	\$ 4.94	(3) %

**Diluted net earnings (losses) per share (EPS)** decreased by \$2.38, or 126%, in the current three month period, primarily due to the non-cash impairment charges on assets held by the VMS business and lower gross margin, partially offset by lower selling and administrative expenses.

Diluted net earnings per share decreased by \$0.16, or 3%, in the current nine month period, primarily due to the non-cash impairment charges on assets held by the VMS business, increased advertising investments and higher selling and administrative expenses, partially offset by gross margin expansion and the remeasurement gain recognized on the previously held equity interest in the Saudi joint venture.

**SEGMENT RESULTS**

The following presents the results of operations from the Company's reportable segments and certain unallocated costs reflected in Corporate (see Notes to Condensed Consolidated Financial Statements for a reconciliation of segment results to consolidated results):

**Health and Wellness**

	Three Months Ended			Nine Months Ended		
	3/31/2021	3/31/2020	% Change	3/31/2021	3/31/2020	% Change
Net sales	\$ 680	\$ 736	(8)%	\$ 2,310	\$ 1,944	19 %
Earnings (losses) before income taxes	(183)	210	(187)	315	514	(39)

Volume, net sales and earnings (losses) before income taxes decreased by 11%, 8% and 187%, respectively, during the current three month period. The volume and sales decreases were primarily driven by lower shipments in Cleaning and Professional Products as well as supply constraints for some key products. The variance between volume and net sales was primarily due to lower trade promotion spending. The decrease in earnings (losses) before income taxes in the current period was primarily due to the non-cash impairment charges on assets held by the VMS business, higher manufacturing and logistics costs, and net sales decline.

Volume, and net sales increased by 15%, and 19%, respectively, and earnings before income taxes decreased by 39%, during the current nine month period. The volume and sales growth reflected higher shipments in Cleaning and Professional Products portfolios due to greater demand inside and outside of the home. The variance between volume and net sales was primarily due to lower trader promotion and favorable mix. The decrease in earnings before income taxes in the current period was primarily due to the non-cash impairment charges on assets held by the VMS business, higher manufacturing and logistics costs, and higher advertising investment, partially offset by net sales growth.

### Household

	Three Months Ended			Nine Months Ended		
	3/31/2021	3/31/2020	% Change	3/31/2021	3/31/2020	% Change
Net sales	\$ 510	\$ 480	6 %	\$ 1,421	\$ 1,183	20 %
Earnings before income taxes	97	114	(15)	266	190	40

Volume and net sales increased by 4% and 6%, respectively, and earnings before income taxes decreased by 15%, during the current three month period. The volume growth reflected higher shipments in Grilling from higher consumer demand. The variance between volume and net sales was primarily due to favorable mix and lower trade promotion spending. The decrease in earnings before income taxes was mainly due to higher manufacturing and logistics costs, unfavorable commodity costs, and higher advertising investments, partially offset by net sales growth.

Volume, net sales and earnings before income taxes increased by 14%, 20% and 40%, respectively, during the current nine month period. The volume growth reflected higher shipments across all SBUs, primarily driven by strong consumer demand. The variance between volume and net sales was primarily due to favorable mix and lower trade promotion spending. The increase in earnings before income taxes was mainly due to net sales growth, partially offset by higher manufacturing and logistics costs and higher advertising investments.

### Lifestyle

	Three Months Ended			Nine Months Ended		
	3/31/2021	3/31/2020	% Change	3/31/2021	3/31/2020	% Change
Net sales	\$ 293	\$ 294	— %	\$ 928	\$ 856	8 %
Earnings before income taxes	68	80	(15)	259	242	7

Volume and earnings before income taxes decreased by 1% and 15%, respectively, and net sales were essentially flat during the current three month period as compared to the prior period. The volume decrease was primarily driven by lower shipments of Natural Personal Care and Brita water filtration products, partially offset by higher shipments in Food products. The decrease in earnings before income taxes was primarily due to higher manufacturing and logistics costs.

Volume, net sales and earnings before income taxes increased by 8%, 8% and 7%, respectively, during the current nine month period. Both volume growth and net sales growth were primarily driven by higher shipments of Food and Brita water filtration products mainly due to greater demand by consumers and strategic brand investments. The Natural Personal Care business declined as the brand continued to adapt to new consumer shopping and usage habits. The increase in earnings before income taxes was primarily due to net sales growth, partially offset by higher manufacturing and logistics costs.

### International

	Three Months Ended			Nine Months Ended		
	3/31/2021	3/31/2020	% Change	3/31/2021	3/31/2020	% Change
Net sales	\$ 298	\$ 273	9 %	\$ 880	\$ 755	17 %
Earnings before income taxes	30	36	(17)	184	106	74

Volume and net sales increased by 2% and 9%, respectively, and earnings before income taxes decreased by 17% during the current three month period. The volume increase was driven by higher shipments from ongoing demand for disinfecting and other household products in most geographic regions, as well as the impact of the Saudi joint venture acquisition. The variance between volume and net sales was mainly due to favorable mix and the benefit of price increases implemented to offset inflation in certain markets, partially offset by the impact of unfavorable foreign currency exchange rates. The decrease in earnings before income taxes was primarily due to higher manufacturing and logistics costs, unfavorable foreign currency exchange rates and higher commodity costs, partially offset by net sales growth.

Volume, net sales and earnings before income taxes increased by 13%, 17% and 74%, respectively, during the current nine month period. The volume increase was primarily driven by higher shipments from ongoing demand for disinfecting and other household products in every geographic region, as well as the impact of the Saudi joint venture acquisition. The variance between volume and net sales was mainly due to favorable mix and the benefit of price increases implemented to offset inflation, partially offset by the impact of unfavorable foreign currency exchange rates. The increase in earnings before income taxes was primarily due to the remeasurement gain recognized on the previously held equity interest in the Saudi joint venture.

## Argentina

Effective July 1, 2018, under the requirements of U.S. GAAP, Argentina was designated as a highly inflationary economy, and as a result the U.S. dollar replaced the Argentine peso as the functional currency of the Company's subsidiaries in Argentina. Consequently, gains and losses from non-U.S. dollar denominated monetary assets and liabilities of Clorox Argentina are recognized in Other (income) expense, net in the consolidated statement of earnings. The business environment in Argentina continues to be challenging due to significant volatility in Argentina's currency, high inflation, an economic recession and impacts of COVID-19 that include temporary strict price controls. As of March 31, 2021 and June 30, 2020, the net asset position, excluding goodwill, of Clorox Argentina was \$45 and \$44, respectively. Of these net assets, cash balances were approximately \$9 and \$19 as of March 31, 2021 and June 30, 2020, respectively. Net sales from Clorox Argentina represented approximately 2% of the Company's consolidated net sales for the nine months ended March 31, 2021 and the fiscal year ended June 30, 2020.

For additional information on the impacts of, and our response to, the business environment in Argentina, refer to "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2020.

## Corporate

Corporate includes certain non-allocated administrative costs, interest income, interest expense and various other non-operating income and expenses.

	Three Months Ended			Nine Months Ended		
	3/31/2021	3/31/2020	% Change	3/31/2021	3/31/2020	% Change
Losses before income taxes	\$ (71)	\$ (143)	(50) %	\$ (225)	\$ (262)	(14) %

Losses before income taxes decreased by \$72 in the current three month period primarily due to lower employee and incentive compensation and COVID-19 related expenses. Losses before income taxes decreased by \$37 in the current nine month period primarily due to lower COVID-19 related expenses.

## FINANCIAL POSITION AND LIQUIDITY

The Company's financial condition and liquidity remained strong as of March 31, 2021. The following table summarizes cash activities:

	Nine Months Ended	
	3/31/2021	3/31/2020
Net cash provided by operations	\$ 893	\$ 806
Net cash used for investing activities	(341)	(145)
Net cash used for financing activities	(944)	(261)

### Operating Activities

Net cash provided by operations was \$893 in the current nine month period, compared with \$806 in the prior nine month period. The increase was primarily driven by the Company's profitable sales growth, partially offset by higher tax payments and higher employee incentive compensation payments made in the current nine month period versus the prior period. Working capital changes were essentially flat in the comparative period (increased inventories in the current year primarily to meet customer demand, offset by cash inflows from collections from increased quarter-end sales in the prior fiscal year, and higher payables in the current period due to the extension of payment terms with suppliers and increased production levels primarily to improve inventory availability).

### Investing Activities

Net cash used for investing activities was \$341 in the current nine month period, compared with \$145 in the prior nine month period. The year-over-year increase was mainly due to the acquisition of additional interest in the Company's Saudi joint venture and higher capital spending to increase manufacturing capacity in the current nine month period.

### Financing Activities

Net cash used for financing activities was \$944 in the current nine month period, compared with \$261 in the prior nine month period. The year-over-year increase was mainly due to higher treasury stock repurchases in the current nine month period and net cash sourced from short-term borrowings in the prior period.

### Capital Resources and Liquidity

Global financial markets have experienced a significant increase in volatility due to heightened uncertainty over the adverse economic impact caused by the COVID-19 outbreak. Notwithstanding these potential adverse market conditions, the Company believes it will have the funds necessary to support our short-term liquidity and operating needs based on our anticipated ability to generate positive cash flows from operations in the future, access to capital markets enabled by our strong short-term and long-term credit ratings, and current borrowing availability under the credit agreement.

### Credit Arrangements

As of March 31, 2021, the Company maintained a \$1,200 revolving credit agreement that matures in November 2024 (the Credit Agreement). There were no borrowings under the Credit Agreement as of March 31, 2021 and June 30, 2020, and the Company believes that borrowings under the Credit Agreement are and will continue to be available for general corporate purposes. The Credit Agreement includes certain restrictive covenants and limitations. The primary restrictive covenant is a minimum ratio of 4.0, calculated as total earnings before interest, taxes, depreciation and amortization and other similar non-cash charges (Consolidated EBITDA) to total interest expense for the trailing four quarters (Interest Coverage ratio), as defined and described in the Credit Agreement. Refer to the section entitled "Non-GAAP Financial Measures" below for further discussion of these measures.

The following table sets forth the calculation of the Interest Coverage ratio as of March 31, 2021, using Consolidated EBITDA for the trailing four quarters, as contractually defined in the Credit Agreement:

	<b>Twelve Months Ended</b>
	<b>3/31/2021</b>
Net earnings	\$ 929
Add back:	
Interest expense	99
Income tax expense	265
Depreciation and amortization	204
Non-cash asset impairment charges <sup>(1)</sup>	330
Deduct:	
Interest income	(4)
Non-recurring, non-cash gain <sup>(2)</sup>	(85)
Consolidated EBITDA	\$ 1,738
Interest expense	\$ 99
Interest Coverage ratio	17.6

(1) Includes goodwill, trademark and other asset impairments recorded impacting the VMS SBU (see Notes to Condensed Consolidated Financial Statements)

(2) Non-recurring, non-cash gain from the remeasurement of the Company's previously held investment in its Saudi joint venture (see Notes to Condensed Consolidated Financial Statements).

The Company was in compliance with all restrictive covenants and limitations in the Credit Agreement as of March 31, 2021, and anticipates being in compliance with all restrictive covenants for the foreseeable future. The Company continues to monitor the financial markets and assess its ability to continue to draw on the Credit Agreement, and currently expects it will continue to have access to borrowings under the Credit Agreement.

As of March 31, 2021, the Company maintained \$35 of foreign and other credit lines, of which \$8 was outstanding.

#### **Stock Repurchases and Dividend Payments**

As of March 31, 2021, the Company had two stock repurchase programs: an open-market purchase program with an authorized aggregate purchase amount of up to \$2,000, which has no expiration date, and a program to offset the anticipated impact of dilution related to stock-based awards (the Evergreen Program), which has no authorization limit on the dollar amount and no expiration date.

Stock repurchases under the two stock repurchase programs were as follows for the periods indicated:

	<b>Three Months Ended</b>				<b>Nine Months Ended</b>			
	<b>3/31/2021</b>		<b>3/31/2020</b>		<b>3/31/2021</b>		<b>3/31/2020</b>	
	<b>Amount</b>	<b>Shares (in thousands)</b>	<b>Amount</b>	<b>Shares (in thousands)</b>	<b>Amount</b>	<b>Shares (in thousands)</b>	<b>Amount</b>	<b>Shares (in thousands)</b>
Open-market purchase program	\$ 200	1,088	\$ —	—	\$ 200	1,088	\$ 85	577
Evergreen Program	105	560	30	184	405	1,984	134	847
Total stock repurchases	\$ 305	1,648	\$ 30	184	\$ 605	3,072	\$ 219	1,424

Dividends per share declared and total dividends paid to Clorox stockholders were as follows for the periods indicated:

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>3/31/2021</b>	<b>3/31/2020</b>	<b>3/31/2021</b>	<b>3/31/2020</b>
Dividends per share declared	\$ 1.11	\$ 1.06	\$ 3.33	\$ 3.18
Total dividends paid	140	133	420	399

## CONTINGENCIES

See Notes to Condensed Consolidated Financial Statements for information on the Company's contingencies.

## RECENTLY ISSUED ACCOUNTING STANDARDS

See Notes to Condensed Consolidated Financial Statements for a summary of recently issued accounting standards relevant to the Company.

## NON-GAAP FINANCIAL MEASURES

The non-GAAP financial measures that are included in this MD&A and the reasons management believes they are useful to investors are described below. These measures should be considered supplemental in nature and are not intended to be a substitute for the related financial information prepared in accordance with U.S. GAAP. In addition, these measures may not be the same as similarly named measures presented by other companies.

The Company uses the term *Consolidated EBITDA* because it is a term used in the Credit Agreement. As defined in the Credit Agreement, Consolidated EBITDA represents earnings before interest, taxes, depreciation and amortization, and other similar non-cash charges (such as non-cash asset impairment charges and other non-cash, non-recurring gains or losses). *Interest Coverage ratio* is the ratio of Consolidated EBITDA to interest expense. The Company's management believes disclosure of Consolidated EBITDA provides useful information to investors because it is used in determining compliance with the primary restrictive covenant in the Credit Agreement. For additional discussion of the Interest Coverage ratio and a reconciliation of Consolidated EBITDA to net earnings, see "*Financial Position and Liquidity - Financing Activities - Credit Arrangements*" above.

*Organic sales growth / (decrease)* is defined as net sales growth / (decrease) excluding the effect of foreign exchange rate changes and any acquisitions and divestitures. Management believes that the presentation of organic sales growth / (decrease) is useful to investors because it excludes sales from any acquisitions and divestitures, which results in a comparison of sales only from the businesses that the Company was operating throughout the relevant periods, and the impact of foreign exchange rate changes, which are out of the control of the Company and management.

The following table provides a reconciliation of organic sales growth / (decrease) (non-GAAP) to net sales growth / (decrease) (GAAP), the most comparable GAAP measure:

	Three Months Ended March 31, 2021				
	Percentage change versus the year-ago period				
	Health and Wellness	Household	Lifestyle	International	Total
Net sales growth / (decrease) (GAAP)	(8) %	6 %	— %	9 %	— %
Add: Foreign Exchange	—	—	—	2	—
Add/(Subtract): Divestitures/Acquisitions	—	—	—	(7)	(1)
Organic sales growth / (decrease) (non-GAAP)	(8) %	6 %	— %	4 %	(1) %

  

	Nine Months Ended March 31, 2021				
	Percentage change versus the year-ago period				
	Health and Wellness	Household	Lifestyle	International	Total
Net sales growth / (decrease) (GAAP)	19 %	20 %	8 %	17 %	17 %
Add: Foreign Exchange	—	—	—	4	—
Add/(Subtract): Divestitures/Acquisitions	—	—	—	(8)	(1)
Organic sales growth / (decrease) (non-GAAP)	19 %	20 %	8 %	13 %	16 %

### Cautionary Statement

This Report, including the exhibits hereto and the information incorporated by reference herein, contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including, among others, statements related to the expected or potential impact of the COVID-19 pandemic, and the related responses of governments, consumers, customers, suppliers, employees and the Company, on our business, operations, employees, financial condition and results of operations, and any such forward-looking statements, whether concerning the COVID-19 pandemic or otherwise, involve risks, assumptions and uncertainties. Except for historical information, statements about future volumes, sales, organic sales growth, foreign currencies, costs, cost savings, margins, earnings, earnings attributable to the Company, earnings per share, diluted earnings per share, foreign currency exchange rates, tax rates, cash flows, plans, objectives, expectations, growth or profitability are forward-looking statements based on management’s estimates, beliefs, assumptions and projections. Words such as “could,” “may,” “expects,” “anticipates,” “targets,” “goals,” “projects,” “intends,” “plans,” “believes,” “seeks,” “estimates,” “will,” “predicts,” and variations on such words, and similar expressions that reflect our current views with respect to future events and operational, economic and financial performance are intended to identify such forward-looking statements. These forward-looking statements are only predictions, subject to risks and uncertainties, and actual results could differ materially from those discussed. Important factors that could affect performance and cause results to differ materially from management’s expectations, or could affect the Company’s ability to achieve its strategic goals, are described in the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the Company’s Annual Report on Form 10-K for the fiscal year ended June 30, 2020 and in this Report, as updated from time to time in the Company’s Securities and Exchange Commission filings. These factors include, but are not limited to, the uncertainties relating to the continued impact of COVID-19 on the Company’s business, operations, employees, financial condition and results of operations, as well as:

- intense competition in the Company’s markets;
- the impact of the changing retail environment, including the growth of alternative retail channels and business models, and changing consumer preferences;
- the impact of COVID-19 on the availability of, and efficiency of the supply, manufacturing and distribution systems for, the Company’s products, including any significant disruption to such systems;
- long-term changes in consumer preference or demand for the Company’s products as a result of any shortages or lack of availability of any products in the near-term;
- risks related to supply chain issues and product shortages as a result of reliance on a limited base of suppliers and the significant increase in demand for disinfecting and other products due to the COVID-19 pandemic;
- dependence on key customers and risks related to customer consolidation and ordering patterns;
- risks related to the Company’s use of and reliance on information technology systems, including potential security breaches, cyber-attacks, privacy breaches or data breaches that result in the unauthorized disclosure of consumer, customer, employee or Company information, or service interruptions, especially at a time when a large number of the Company’s employees are working remotely and accessing its technology infrastructure remotely;
- risks relating to acquisitions, including the recent acquisition of the majority interest in the company’s Saudi joint venture, new ventures and divestitures, and associated costs, including for asset impairment charges related to, among others, intangible assets, including trademarks, and goodwill, in particular the impairment charges relating to the carrying value of the company’s Vitamins, Minerals and Supplements business;
- unfavorable worldwide, regional and local economic and financial market conditions, including as a result of fear of exposure to or actual impacts of a widespread disease outbreak, such as COVID-19;
- the Company’s ability to maintain its business reputation and the reputation of its brands and products;
- lower revenue, increased costs or reputational harm resulting from government actions and regulations;
- the ability of the Company to successfully manage global political, legal, tax and regulatory risks, including changes in regulatory or administrative activity;
- the ability of the Company to drive sales growth, increase prices and market share, grow its product categories and manage favorable product and geographic mix;
- volatility and increases in commodity costs such as resin, sodium hypochlorite and agricultural commodities, and increases in energy, transportation or other costs;

- risks related to international operations and international trade, including foreign currency fluctuations, such as devaluations, and foreign currency exchange rate controls, including periodic changes in such controls; changes in U.S. immigration or trade policies, including the imposition of new or additional tariffs; labor claims and labor unrest; inflationary pressures, particularly in Argentina; impact of the United Kingdom's exit from, and the related on-going negotiations with, the European Union; government-imposed price controls or other regulations; potential negative impact and liabilities from the use, storage and transportation of chlorine in certain international markets where chlorine is used in the production of bleach; widespread health emergencies, such as COVID-19; and the possibility of nationalization, expropriation of assets or other government action;
- the facilities of the Company and its suppliers being subject to disruption by events beyond the Company's control, including work stoppages, cyber-attacks, natural disasters, disease outbreaks or pandemics, such as COVID-19, and terrorism;
- the ability of the Company to innovate and to develop and introduce commercially successful products, or expand into adjacent categories and countries;
- the impact of product liability claims, labor claims and other legal, governmental or tax proceedings, including in foreign jurisdictions and in connection with any product recalls;
- the ability of the Company to implement and generate cost savings and efficiencies;
- the success of the Company's business strategies;
- risks related to additional increases in the estimated fair value of The Procter & Gamble Company's interest in the Glad business;
- the accuracy of the Company's estimates and assumptions on which its financial projections, including any sales or earnings guidance or outlook it may provide from time to time, are based;
- the Company's ability to attract and retain key personnel;
- environmental matters, including costs associated with the remediation and monitoring of past contamination, and possible increases in costs resulting from actions by relevant regulators, and the handling and/or transportation of hazardous substances;
- increased focus by governmental and non-governmental organizations, customers, consumers and investors on sustainability issues, including those related to climate change;
- the Company's ability to effectively utilize, assert and defend its intellectual property rights;
- any infringement or claimed infringement by the Company of third-party intellectual property rights;
- the effect of the Company's indebtedness and credit rating on its business operations and financial results;
- the Company's ability to access capital markets and other funding sources, as well as continued or increased market volatility;
- the Company's ability to pay and declare dividends or repurchase its stock in the future;
- uncertainties relating to tax positions, tax disputes and any changes in tax rates and regulations on the Company;
- the Company's ability to maintain an effective system of internal controls;
- the impacts of potential stockholder activism; and
- risks related to the Company's discontinuation of operations in Venezuela.

The Company's forward-looking statements in this Report are based on management's current views, beliefs, assumptions and expectations regarding future events and speak only as of the date of this Report. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by the federal securities laws.

In this Report, unless the context requires otherwise, the terms "the Company," "Clorox," "we," "us," and "our" refer to The Clorox Company and its subsidiaries.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk**

There have not been any material changes to the Company's market risk since June 30, 2020. For additional information, refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in Exhibit 99.1 of the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2020.

**Item 4. Controls and Procedures**

The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this Report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures, as of the end of the period covered by this Report, were effective such that the information required to be disclosed by the Company in reports filed under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

No change in the Company's internal control over financial reporting occurred during the third fiscal quarter of the fiscal year ending June 30, 2021, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

## PART II – OTHER INFORMATION

### Item 1.A. Risk Factors

For information regarding Risk Factors, please refer to Item 1.A. in the Company’s Annual Report on Form 10-K for the fiscal year ended June 30, 2020 and the information in “Cautionary Statement” included in this Report.

## Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

In May 2018, the Board of Directors authorized the Company to repurchase up to \$2,000 million in shares of common stock on the open market (the 2018 Open-Market Program), which has no expiration date.

In August 1999, the Board of Directors authorized a stock repurchase program to reduce or eliminate dilution upon the issuance of common stock pursuant to the Company's stock compensation plans (the Evergreen Program). In November 2005, the Board of Directors authorized the extension of the Evergreen Program to reduce or eliminate dilution in connection with issuances of common stock pursuant to the Company's 2005 Stock Incentive Plan. The Evergreen Program has no expiration date and has no specified limit as to dollar amount and therefore is not included in column [d] below.

The following table sets forth the purchases of the Company's securities by the Company and any affiliated purchasers within the meaning of Rule 10b-18(a)(3) (17 CFR 240.10b-18(a)(3)) during the third quarter of fiscal year 2021.

<b>Period</b>	<b>[a] Total Number of Shares Purchased (1)</b>	<b>[b] Average Price Paid per Share (2)</b>	<b>[c] Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs</b>	<b>[d] Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs</b>
January 1 to 31, 2021	—	\$ —	—	\$1,493 million
February 1 to 28, 2021	910,000	186.23	910,000	\$1,428 million
March 1 to 31, 2021	738,130	183.40	738,130	\$1,293 million
Total	1,648,130	\$ 184.96	1,648,130	

(1) Of the shares purchased in February 2021, 560,000 shares were acquired pursuant to the Evergreen Program and 350,000 shares were acquired pursuant to the Open-Market Program. All shares purchased in March 2021 were acquired pursuant to the Open-Market Program.

(2) Average price paid per share in the period includes commission.

## Item 6. Exhibits

See Exhibit Index below, which is incorporated by reference herein.

### EXHIBIT INDEX

Exhibit No.	
<a href="#">10.1</a>	<a href="#">The Clorox Company Annual Incentive Plan, amended and restated as of February 9, 2021.</a>
<a href="#">10.2</a>	<a href="#">The Clorox Company Executive Incentive Compensation Plan, amended and restated as of February 9, 2021.</a>
<a href="#">10.3</a>	<a href="#">The Clorox Company 2005 Stock Incentive Plan, First Amendment and Restatement as of November 14, 2012; Second Amendment and Restatement as of September 22, 2020; Third Amendment and Restatement as of February 9, 2021.</a>
<a href="#">10.4</a>	<a href="#">Form of Nonqualified Stock Option Award Agreement under the Company's 2005 Stock Incentive Plan.</a>
<a href="#">10.5</a>	<a href="#">Form of Performance Share Award Agreement under the Company's 2005 Stock Incentive Plan for awards made in 2021.</a>
<a href="#">10.6</a>	<a href="#">Form of Restricted Stock Unit Award Agreement under the Company's 2005 Stock Incentive Plan (Annual Grant).</a>
<a href="#">10.7</a>	<a href="#">Form of Restricted Stock Unit Award Agreement under the Company's 2005 Stock Incentive Plan (Off-Cycle Grant).</a>
<a href="#">10.8</a>	<a href="#">Severance Plan for Clorox Executive Committee Members, third amended and restated effective February 9, 2021.</a>
<a href="#">31.1</a>	<a href="#">Certification by the Chief Executive Officer of the Company Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
<a href="#">31.2</a>	<a href="#">Certification by the Chief Financial Officer of the Company Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
<a href="#">32</a>	<a href="#">Certification by the Chief Executive Officer and Chief Financial Officer of the Company Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document and included in Exhibit 101).

SIGNATURE

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

THE CLOROX COMPANY  
(Registrant)

DATE: April 30, 2021

BY /s/ Jeffrey R. Baker  
Jeffrey R. Baker  
Vice President – Chief Accounting Officer and Corporate Controller

**THE CLOROX COMPANY**  
**ANNUAL INCENTIVE PLAN**  
As Amended and Restated Effective  
as of February 9, 2021

**1. Purpose.**

The purpose of The Clorox Company Annual Incentive Plan (the “Plan”) is to attract and retain the best available personnel for positions of substantial responsibility and to provide an incentive for employees of The Clorox Company, a Delaware corporation (the “Company”) and its subsidiaries to recognize and reward those employees. The Company’s executives are eligible to earn short-term incentive awards under this Plan and under the Company’s Executive Incentive Compensation Plan.

**2. Definitions.** The following terms will have the following meaning for purposes of the Plan:

- (a) “Award” means a bonus paid in cash.
- (b) “Board” means the Board of Directors of the Company.
- (c) “Chief Executive Officer” means the chief executive officer of the Company.
- (d) “Code” means the Internal Revenue Code of 1986, as amended.
- (e) “Committee” means the Management Development and Compensation Committee of the Board, or such other Committee designated by the Board to administer the Plan.
- (f) “Employee” means any person employed by the Company or any Subsidiary.
- (g) “Executive Committee” means the executives who are members of the Company’s management executive committee.
- (h) “Vice President” means a regular salaried Employee scheduled to work more than 20 hours per week who is in salary grade 30 or above and who is not a member of the Executive Committee, but is a Vice President.
- (i) “Participant” means an Employee selected by the Committee to participate in the Plan.
- (j) “Retirement” means termination of employment with the Company, other than by reason of death or disability, (1) at age 65, (2) at least age 55 with at least ten years of vesting service, which solely for purposes of this Plan, shall be calculated under Article III of The Clorox Company 401(k) Plan (the “401(k) Plan”) entitled “Service” along with any other relevant provisions of the 401(k) Plan necessary or desirable to give full effect thereto, or any successor provisions, regardless of the status of the Participant with respect to the 401(k) Plan or (3) with at least 20 years of vesting service (as defined in clause (2)).
- (k) “Subsidiary” means any corporation in which the Company, directly or indirectly, controls 50 percent or more of the total combined voting power of all classes of stock.
- (l) “Year” means a fiscal year of the Company.

**3. Awards.**

- (a) Within 90 days after the beginning of each Year, the Committee will select Participants for the Year and establish in writing the method by which the Awards will be calculated for that Year. The Committee may provide for payment of all or part of the Award in the case of retirement, death, disability or change of ownership of control of the Company or a Subsidiary during the Year in accordance with Section 409A (as defined in Section 16 below).
  - (b) For the Chief Executive Officer and the Executive Committee, the Committee shall determine and certify the amount of the Award, if any, to be made. The Committee may increase, decrease or eliminate, any Award calculated under the methodology established in accordance with paragraph (a) in order to reflect additional considerations relating to performance.
  - (c) For Vice Presidents and all other participants, the Chief Executive Officer shall determine and certify the amount of the Award, if any, to be made. The Chief Executive Officer may increase, decrease or eliminate, any Award calculated under the methodology established in accordance with paragraph (a) in order to reflect additional considerations relating to performance.
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- (d) Awards will be paid to the Participants following certification and no later than ninety (90) days following the close of the Year with respect to which the Awards are made, unless all or a portion of a Participant's Award is deferred pursuant to the Participant's timely and validly made election made in accordance with such terms as the Company, the Board or a committee thereof may determine. A timely election is one that satisfies the requirements of Section 409A (as defined in Section 16 below) and typically for performance based compensation must be made at least six months before the end of the Performance Period, provided that the Participant performs services continuously from the later of the beginning of the Performance Period or the date the performance criteria are established through the date an election is made and provided further that in no event may a deferral be made after such compensation has become readily ascertainable as set forth in Section 409A (as defined in Section 16 below).
- (e) The Company shall withhold from the payment of any Award hereunder any amount required to be withheld for taxes.
- (f) In the event of a restatement of the Company's financial results to correct a material error resulting from fraud or intentional misconduct, as determined by the Board or the Committee, the Board, or the Committee, will review all compensation that was made pursuant to this Plan on the basis of having met or exceeded specific performance targets for performance periods beginning after June 30, 2008 which occur during the years for which financial statements are restated. If a lower payment of performance-based compensation would have been made to the Participants based upon the restated financial results, the Board or the Committee, as applicable, will, to the extent permitted by governing law and subject to the following sentence, seek to recoup for the benefit of the Company the amount by which the individual Participant's Award(s) for the restated years exceeded the lower payment that would have been made based on the restated financial results, plus a reasonable rate of interest; provided, however, that neither the Board nor the Committee will seek to recoup Awards paid more than three years prior to the date on which the Company announces the need for the applicable financial statements to be restated. The Board, or the Committee, will only seek to recoup Awards paid to Participants whose fraud or intentional misconduct was a significant contributing factor to the need for such restatement, as determined by the Board or the Committee, as applicable. **Notwithstanding the foregoing, this Section 3(f) shall not apply to Participants who are "Covered Employees" (as defined in the Company's Policy Regarding Clawback of Incentive Compensation, the "Policy") and subject instead to the clawback provisions contained in the Policy, as provided in Section 7 hereof.**

#### **4. Termination of Employment.**

Except as may be specifically provided in an Award pursuant to Section 3(a), a Participant shall have no right to an Award under the Plan for any Year in which the Participant is not actively employed by the Company or its Subsidiaries on June 30 of such Year. When establishing Awards each Year, the Committee may also provide that in the event a Participant is not employed by the Company or its Subsidiaries on the date on which the Award is paid, the Participant may forfeit his or her right to the Award paid under the Plan.

#### **5. Administration.**

The Plan will be administered by the Committee. The Committee will have the authority to interpret the Plan, to prescribe rules relating to the Plan and to make all determinations necessary or advisable in administering the Plan. Decisions of the Committee with respect to the Plan will be final and conclusive.

#### **6. Unfunded Plan.**

Awards under the Plan will be paid from the general assets of the Company, and the rights of Participants under the Plan will be only those of general unsecured creditors of the Company.

#### **7. Clawback.**

Awards under the Plan granted to Participants who are "Covered Employees" (as defined in the Policy) are subject to clawback in accordance with the terms of the Policy, as amended from time to time, and pursuant to any other policy the Company may adopt as required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law. No recovery of any Award

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granted hereunder pursuant to such a clawback policy shall be treated as an event giving rise to a Participant's right to terminate employment for "good reason" or "constructive termination" (or any similar term) under any agreement with the Company.

**8. Amendment or Termination of the Plan.** The Committee may from time to time suspend, revise, amend or terminate the Plan.

**9. Applicable Law.**

To the extent not preempted by federal law, the Plan shall be construed in accordance with and governed by the laws of the State of California, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Plan to the substantive law of another jurisdiction.

**10. No Rights to Employment.**

Nothing contained in the Plan shall give any person the right to be retained in the employment of the Company or any of its Subsidiaries. The Company reserves the right to terminate any Participant at any time for any reason notwithstanding the existence of the Plan.

**11. No Assignment.**

Except as otherwise required by applicable law, any interest, benefit, payment, claim or right of any Participant under the Plan shall not be sold, transferred, assigned, pledged, encumbered or hypothecated by any Participant and shall not be subject in any manner to any claims of any creditor of any Participant or beneficiary, and any attempt to take any such action shall be null and void. During the lifetime of any Participant, payment of an Award shall only be made to such Participant. Notwithstanding the foregoing, the Committee may establish such procedures as it deems necessary for a Participant to designate a beneficiary to whom any amounts would be payable in the event of any Participant's death.

**12. Gender, Number and References.**

Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine, the plural shall include the singular and the singular shall include the plural. Any reference in the Plan to a Section of the Plan either in the Plan or to an act or code or to any section thereof or rule or regulation thereunder shall be deemed to refer to such Section of the Plan, act, code, section, rule or regulation, as may be amended from time to time, or to any successor Section of the Plan, act, code, section, rule or regulation.

**13. Severability.**

If any one or more of the provisions contained in this Plan, or any application thereof, shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and all other applications thereof shall not in any way be affected or impaired thereby. This Plan shall be construed and enforced as if such invalid, illegal or unenforceable provision has never comprised a part hereof, and the remaining provisions hereof shall remain in full force and effect and shall not be affected by the invalid, illegal or unenforceable provision or by its severance herefrom. In lieu of such invalid, illegal or unenforceable provisions there shall be added automatically as a part hereof a provision as similar in terms and economic effect to such invalid, illegal or unenforceable provision as may be possible and be valid, legal and enforceable.

**14. Requirements of Law.**

The issuance of cash under the Plan shall be subject to all applicable laws and to such approvals by any governmental agencies or national securities exchanges as may be required.

**15. Non-Exclusive Plan.**

The adoption of the Plan by the Board shall not be construed as creating any limitations on the power of the Board or a committee thereof to adopt such other incentive arrangements as it may deem desirable.

**16. Section 409A Compliance.**

To the extent applicable, it is intended that this Plan and any Awards granted hereunder comply with the requirements of Section 409A of the Code and any related regulations or other guidance promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service ("Section 409A"). Any provision that would cause the Plan or any Award granted hereunder to fail to satisfy Section 409A shall have no force or effect until amended to comply with Section 409A, which amendment may be retroactive to the extent permitted by Section 409A.

**THE CLOROX COMPANY**  
**EXECUTIVE INCENTIVE COMPENSATION PLAN**  
 As Amended and Restated Effective  
 as of February 9, 2021

**1. Establishment, Objectives, Duration.**

The Clorox Company, a Delaware corporation (hereinafter referred to as the “Company”) hereby establishes a short-term incentive compensation plan to be known as the “The Clorox Company Executive Incentive Compensation Plan” (hereinafter referred to as the “Plan”).

The purpose of the Plan is to enhance the Company’s ability to attract and retain highly qualified executives and to provide such executives with additional financial incentives to promote the success of the Company and its Subsidiaries. Awards payable under the Plan are intended to constitute “performance-based compensation” under Section 162(m) of the Code and the regulations promulgated thereunder, and the Plan shall be construed consistently with such intention.

The Plan is effective as of July 1, 2005, subject to the approval of the Plan by the stockholders of the Company at the 2005 Annual Meeting. The Plan will remain in effect until such time as it shall be terminated by the Board or the Committee, pursuant to Section 11 herein.

**2. Definitions.**

The following terms, when capitalized, shall have the meanings set forth below:

- (a) “Award” means a bonus paid in cash, Shares or any combination thereof.
- (b) “Board” means the Board of Directors of the Company.
- (c) “Code” means the Internal Revenue Code of 1986, as amended.
- (d) “Committee” means the Committee, as specified in Section 3(a), appointed by the Board to administer the Plan.
- (e) “Company” means The Clorox Company.

(f) “Earnings Before Income Taxes” means the earnings before income taxes of the Company as reported in the Company’s income statement for the applicable Performance Period. For purposes of the foregoing definition, Earnings Before Income Taxes shall be adjusted to exclude the impact of charges for restructurings, discontinued operations, extraordinary items, and other unusual or non-recurring items, as well as the cumulative effect of tax or accounting changes, each as determined in accordance with generally accepted accounting principles or identified in the Company’s financial statements, notes to the financial statements, management’s discussion and analysis or other filings with the U.S. Securities and Exchange Commission.

(g) “Exchange Act” means the Securities Exchange Act of 1934, as amended.

(h) “Fair Market Value” means, as of any date, the value of a Share determined as follows:

(i) Where there exists a public market for the Share, the Fair Market Value shall be (A) the closing sales price for a Share on the date of the determination (or, if no sales were reported on that date, on the last trading date on which sales were reported) on the New York Stock Exchange, the NASDAQ Global Market or the principal securities exchange on which the Share is listed for trading, whichever is applicable, or (B) if the Share is not traded on any such exchange or national market system, the average of the closing bid and asked prices of a Share on the NASDAQ Capital Market, in each case, as reported in The Wall Street Journal or such other source as the Committee deems reliable; or

(ii) In the absence of an established market of the type described above for the Share, the Fair Market Value thereof shall be determined by the Committee in good faith, and such determination shall be conclusive and binding on all persons.

(i) “Participant” means the Company’s Chief Executive Officer and each other executive officer of the Company that the Committee determines, in its discretion, is or may be a “covered employee” of the Company within the meaning of Section 162(m) of the Code and regulations promulgated thereunder who is selected by the Committee to participate in the Plan.

(j) “Performance Period” means the fiscal year of the Company, or such shorter or longer period as determined by the Committee; provided, however, that a Performance Period shall in no event be less than six (6) months nor more than five (5) years.

(k) “Plan” means The Clorox Company Executive Incentive Compensation Plan.

(l) “Share” means a share of common stock of the Company, par value \$1.00 per share.

(m) “Subsidiary” means any corporation in which the Company owns, directly or indirectly, at least fifty percent (50%) of the total combined voting power of all classes of stock, or any other entity (including, but not limited to, partnerships and joint ventures) in which the Company owns, directly or indirectly, at least fifty percent (50%) of the combined equity thereof.

### **3. Administration of the Plan.**

(a) The Committee. The Plan shall be administered by the Management Development and Compensation Committee of the Board or such other committee (the “Committee”) as the Board shall select consisting of two or more members of the Board each of whom is intended to be a “non-employee director” within the meaning of Rule 16b-3 (or any successor rule) of the Exchange Act, an “outside director” under regulations promulgated under Section 162(m) of the Code, and an “independent director” under New York Stock Exchange Listing standards. The members of the Committee shall be appointed from time to time by, and shall serve at the discretion of, the Board.

(b) Authority of the Committee. Subject to applicable laws and the provisions of the Plan (including any other powers given to the Committee hereunder), and except as otherwise provided by the Board, the Committee shall have full and final authority in its discretion to establish rules and take all actions, including, without limitation, interpreting the terms of the Plan and any related rules or regulations or other documents enacted hereunder and deciding all questions of fact arising in their application, determined by the Committee to be necessary in the administration of the Plan.

(c) Effect of Committee’s Decision. All decisions, determinations and interpretations of the Committee shall be final, binding and conclusive on all persons, including the Company, its Subsidiaries, its stockholders, the Participants and their estates and beneficiaries.

### **4. Eligibility.**

Eligibility under this Plan is limited to Participants designated by the Committee, in its sole and absolute discretion.

### **5. Form of Payment of Awards.**

Payment of Awards under the Plan shall be made in cash, Shares or a combination thereof, as the Committee shall determine, subject to the limitations set forth in Sections 6 and 7 herein.

### **6. Shares Subject to the Plan.**

Award payments that are made in the form of Shares, in whole or in part, shall be made from the aggregate number of Shares authorized to be issued under and otherwise in accordance with the terms of The Clorox Company 2005 Stock Incentive Plan (or any successor stock incentive plan approved by the stockholders of the Company).

### **7. Awards.**

(a) Selection of Participants and Designation of Performance Period and Terms of Award. Within 90 days after the beginning of each Performance Period or, if less than 90 days, the number of days which is equal to twenty-five percent (25%) of the relevant Performance Period applicable to an Award, the Committee shall, in writing, (i) select the Participants to whom Awards shall be granted, (ii) designate the applicable Performance Period, and (iii) specify terms and conditions for the determination and payment of the Award for each Participant for such Performance Period, including, without limitation, the extent to which the Participant shall have the right to receive an Award following termination of the Participant’s employment. Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all Awards, and may reflect distinctions based on the reasons for termination of employment.

(b) Maximum Award. The maximum Award that may be paid to any Participant other than the Company’s chief executive officer under the Plan for any Performance Period shall not exceed 0.6% of Earnings Before Income Taxes. The maximum Award that may be paid to the Company’s chief executive officer under the Plan for any Performance Period shall not exceed 1.0% of Earnings Before Income Taxes.

(c) Actual Award. Subject to the limitation set forth in paragraph (b) hereof, each Participant under the Plan shall be eligible to receive an Award equal to 0.6% of Earnings Before Income Taxes for the designated Performance Period, except for the Company’s chief executive officer who shall be eligible to receive an Award equal to 1.0% of Earnings Before Income Taxes for the designated Performance Period; provided, however, that the Committee may condition payment of an Award upon the satisfaction of such objective or subjective standards as the Committee shall determine to be appropriate, in its sole and absolute discretion, and shall

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retain the discretion to reduce the amount of any Award that would otherwise be payable to a Participant, including a reduction in such amount to zero.

(d) Clawback.

(i) Restatement of Financials. In the event of a restatement of the Company's financial results to correct a material error resulting from fraud or intentional misconduct, as determined by the Board or the Committee, the Board, or the Committee, will review all compensation that was made pursuant to this Plan on the basis of having met or exceeded specific performance targets for performance periods beginning after June 30, 2008 which occur during the years for which financial statements are restated. If a lower payment of performance-based compensation would have been made to the Participants based upon the restated financial results, the Board or the Committee, as applicable, will, to the extent permitted by governing law and subject to the following sentence, seek to recoup for the benefit of the Company the amount by which the individual Participant's Award(s) for the restated years exceeded the lower payment that would have been made based on the restated financial results, plus a reasonable rate of interest; provided, however, that neither the Board nor the Committee will seek to recoup Awards paid more than three years prior to the date on which the Company announces the need for the applicable financial statements to be restated. The Board, or the Committee, will only seek to recoup Awards paid to Participants whose fraud or intentional misconduct was a significant contributing factor to the need for such restatement, as determined by the Board or the Committee, as applicable. **Notwithstanding the foregoing, this Section 7(d)(i) shall not apply to Participants who are "Covered Employees" (as defined in the Company's Policy Regarding Clawback of Incentive Compensation, the "Policy") and subject instead to the clawback provisions contained in the Policy, as provided in Section 7(d)(ii) hereof.**

(ii) Clawback Policy. Awards under the Plan granted to Participants who are "Covered Employees" (as defined in the Policy) are subject to clawback in accordance with the terms of the Policy, as amended from time to time, and pursuant to any other policy the Company may adopt as required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law. No recovery of any Award granted hereunder pursuant to such a clawback policy shall be treated as an event giving rise to a Participant's right to terminate employment for "good reason" or "constructive termination" (or any similar term) under any agreement with the Company.

**8. Committee Certification and Payment of Awards.**

As soon as reasonably practicable following the end of each Performance Period, the Committee shall determine the amount of the Award to be paid to each Participant for such Performance Period and shall certify such determination in writing. Awards shall be paid to the Participants following such certification by the Committee no later than ninety (90) days following the close of the Performance Period with respect to which the Awards are made, unless all or a portion of a Participant's Award is deferred pursuant to the Participant's timely and validly made election made in accordance with such terms as the Company, the Board or a committee thereof may determine. A timely election is one that satisfies the requirements of Section 409A (as defined in Section 14(g) below) and typically for performance based compensation must be made at least six months before the end of the Performance Period, provided that the Participant performs services continuously from the later of the beginning of the Performance Period or the date the performance criteria are established through the date an election is made and provided further that in no event may a deferral be made after such compensation has become readily ascertainable as set forth in Code Section 409A (as defined in Section 14(g) below).

**9. Termination of Employment.**

Except as may be specifically provided in an Award pursuant to Section 7(a) or in any written agreement executed between the Participant and the Company, including employment or change in control agreements, a Participant shall have no right to an Award under the Plan for any Performance Period in which the Participant is not actively employed by the Company or a Subsidiary on the last day of the Performance Period to which such Award relates. In establishing Awards under Section 7(a), the Committee may also provide that in the event a Participant is not employed by the Company or a Subsidiary on the date on which the Award is paid, the Participant may forfeit his or her right to the Award paid under the Plan.

**10. Taxes.**

The Company shall have the power and right to deduct or withhold, or require a Participant to remit to the Company (or a Subsidiary), an amount (in cash or Shares) sufficient to satisfy any applicable tax withholding requirements applicable to an Award. Whenever under the Plan payments are to be made in cash, such payments shall be net of an amount sufficient to satisfy any applicable tax withholding requirements. Subject to such restrictions as the Committee may prescribe, a Participant may satisfy all or a portion of any tax withholding requirements relating to Awards payable in Shares by electing to have the Company withhold Shares having a Fair Market Value equal to the amount to be withheld.

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**11. Amendment or Termination of the Plan.**

The Board or the Committee may at any time and from time to time, alter, amend, suspend or terminate the Plan in whole or in part; provided, however, that no amendment that requires stockholder approval in order to maintain the qualification of Awards as performance-based compensation pursuant to Code Section 162(m) and regulations promulgated thereunder shall be made without such stockholder approval. If changes are made to Code Section 162(m) or regulations promulgated thereunder to permit greater flexibility with respect to any Award or Awards available under the Plan, the Committee may, subject to this Section 11, make any adjustments to the Plan and/or Awards it deems appropriate.

**12. No Rights to Employment.**

The Plan shall not confer upon any Participant any right with respect to continuation of employment with the Company, nor shall it interfere in any way with his or her right or the Company's right to terminate his or her employment at any time, with or without cause.

**13. No Assignment.**

Except as otherwise required by applicable law, any interest, benefit, payment, claim or right of any Participant under the Plan shall not be sold, transferred, assigned, pledged, encumbered or hypothecated by any Participant and shall not be subject in any manner to any claims of any creditor of any Participant or beneficiary, and any attempt to take any such action shall be null and void. During the lifetime of any Participant, payment of an Award shall only be made to such Participant. Notwithstanding the foregoing, the Committee may establish such procedures as it deems necessary for a Participant to designate a beneficiary to whom any amounts would be payable in the event of any Participant's death.

**14. Legal Construction.**

(a) Gender, Number and References. Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine, the plural shall include the singular and the singular shall include the plural. Any reference in the Plan to a Section of the Plan either in the Plan or to an act or code or to any section thereof or rule or regulation thereunder shall be deemed to refer to such Section of the Plan, act, code, section, rule or regulation, as may be amended from time to time, or to any successor Section of the Plan, act, code, section, rule or regulation.

(b) Severability. If any one or more of the provisions contained in this Plan, or any application thereof, shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and all other applications thereof shall not in any way be affected or impaired thereby. This Plan shall be construed and enforced as if such invalid, illegal or unenforceable provision has never comprised a part hereof, and the remaining provisions hereof shall remain in full force and effect and shall not be affected by the invalid, illegal or unenforceable provision or by its severance herefrom. In lieu of such invalid, illegal or unenforceable provisions there shall be added automatically as a part hereof a provision as similar in terms and economic effect to such invalid, illegal or unenforceable provision as may be possible and be valid, legal and enforceable.

(c) Requirements of Law. The granting of Awards and the issuance of cash or Shares under the Plan shall be subject to all applicable laws and to such approvals by any governmental agencies or national securities exchanges as may be required.

(d) Unfunded Plan. Awards under the Plan will be paid from the general assets of the Company, and the rights of Participants under the Plan will be only those of general unsecured creditors of the Company.

(e) Governing Law. To the extent not preempted by federal law, the Plan shall be construed in accordance with and governed by the laws of the State of California, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Plan to the substantive law of another jurisdiction.

(f) Non-Exclusive Plan. Neither the adoption of the Plan by the Board nor its submission to the stockholders of the Company for approval shall be construed as creating any limitations on the power of the Board or a committee thereof to adopt such other incentive arrangements as it may deem desirable.

(g) Code Section 409A Compliance. To the extent applicable, it is intended that this Plan and any Awards granted hereunder comply with the requirements of Section 409A of the Code and any related regulations or other guidance promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service ("Section 409A"). Any provision that would cause the Plan or any Award granted hereunder to fail to satisfy Section 409A shall have no force or effect until amended to comply with Section 409A, which amendment may be retroactive to the extent permitted by Section 409A.

**THE CLOROX COMPANY**  
**2005 STOCK INCENTIVE PLAN**

Effective as of November 16, 2005  
First Amendment and Restatement as of November 14, 2012  
Second Amendment and Restatement as of September 22, 2020  
Third Amendment and Restatement as of February 9, 2021

**1. Establishment, Objectives and Duration.**

(a) Establishment of the Plan. The Clorox Company, a Delaware corporation (hereinafter referred to as the “Company”), hereby establishes an incentive compensation plan to be known as “The Clorox Company 2005 Stock Incentive Plan” (hereinafter referred to as the “Plan”). The Plan permits the granting of Nonqualified Stock Options, Incentive Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Shares, Performance Units and Other Stock-Based Awards. The Plan was originally adopted effective as of November 16, 2005 and was subsequently amended and restated effective as of November 14, 2012 (the “Effective Date”) and as of September 22, 2020. The current amendment and restatement of the Plan is adopted effective as of February 9, 2021. Definitions of capitalized terms used in the Plan are contained in the attached Glossary, which is an integral part of the Plan.

(b) Objectives of the Plan. The objectives of the Plan are to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to Participants and to optimize the profitability and growth of the Company through incentives that are consistent with the Company’s goals and that link the personal interests of Participants to those of the Company’s stockholders. The Plan is further intended to provide flexibility to the Company in its ability to motivate, attract, and retain the services of Participants who make or are expected to make significant contributions to the Company’s success and to allow Participants to share in the success of the Company.

(c) Duration of the Plan. No Award may be granted under the Plan after the day immediately preceding the tenth (10<sup>th</sup>) anniversary of the Effective Date, or such earlier date as the Board or the Committee shall determine. The Plan will remain in effect with respect to outstanding Awards until no Awards remain outstanding.

**2. Administration of the Plan.**

(a) The Committee. The Plan shall be administered by the Management Development and Compensation Committee of the Board or such other committee (the “Committee”) as the Board shall select consisting of two or more members of the Board, each of whom is intended to be an “independent director” under New York Stock Exchange listing standards and also may be a “non-employee director” within the meaning of Rule 16b-3 (or any successor rule) of the Exchange Act and/or an “outside director” under regulations promulgated under Section 162(m) of the Code. The members of the Committee shall be appointed from time to time by, and shall serve at the discretion of, the Board.

(b) Authority of the Committee. Subject to Applicable Laws and the provisions of the Plan (including any other powers given to the Committee hereunder), and except as otherwise provided by the Board, the Committee shall have full and final authority in its discretion to take all actions determined by the Committee to be necessary in the administration of the Plan, including, without limitation, discretion to:

- (i) select the Employees, Directors and Consultants to whom Awards may from time to time be granted hereunder;
- (ii) determine whether and to what extent Awards are granted hereunder;
- (iii) determine the size and types of Awards granted hereunder;
- (iv) approve forms of Award Agreement for use under the Plan;
- (v) determine the terms and conditions of any Award granted hereunder;

(vi) establish performance goals for any Performance Period and determine whether such goals were satisfied;

(vii) amend the terms of any outstanding Award granted under the Plan, whether in the event of a Participant's termination of employment, in the event of a Change in Control or otherwise, provided that, except as otherwise provided in Section 18, no such amendment shall reduce the Exercise Price of an outstanding Option or the grant price of an outstanding SAR, and at any time when the Exercise Price of an outstanding Option or the grant price of an outstanding SAR is above the Fair Market Value of a share of Common Stock, no such amendment shall provide for the cancellation and re-grant or the exchange of any such outstanding Option or SAR for either cash or a new Award with a lower (or no) exercise price without the approval of the stockholders of the Company, and provided further, that any amendment that would materially adversely affect the Participant's rights under an outstanding Award shall not be made without the Participant's written consent;

(viii) construe and interpret the terms of the Plan and any Award Agreement entered into under the Plan, and to decide all questions of fact arising in its application; and

(ix) take such other action, not inconsistent with the terms of the Plan, as the Committee deems appropriate.

Except to the extent prohibited by Applicable Laws, the Committee may delegate its authority as identified herein, including the power and authority to make Awards to Participants who are not "insiders" subject to Section 16(b) of the Exchange Act, Awards intended to satisfy the Performance-Based Exception and/or Awards intended to satisfy the exception under Rule 16b-3(d)(1) promulgated under the Exchange Act, pursuant to such conditions and limitations as the Committee may establish. References to the Committee in this Plan shall refer to a delegate with respect to any action of such delegate within the scope of the authority delegated to such delegate by the Committee.

(c) Effect of Committee's Decision. All decisions, determinations and interpretations of the Committee shall be final, binding and conclusive on all persons, including the Company, its Subsidiaries, its stockholders, Employees, Directors, Consultants and their estates and beneficiaries.

### 3. Shares Subject to the Plan; Effect of Grants; Individual Limits.

(a) Number of Shares Available for Grants. Subject to adjustment as provided in Section 18 hereof, the maximum number of Shares which may be issued pursuant to Awards under the Plan granted after June 30, 2012 shall be 7,100,000 Shares, plus the number of Shares deemed not issued under the Plan or the Prior Plans pursuant to paragraphs (i), (ii), (iii) or (iv) of this Section 3(a). For the avoidance of doubt, the Company shall be entitled to issue Shares under awards granted under the Plan or the Prior Plans that were outstanding on June 30, 2012 and such issuances shall not reduce the foregoing.

(i) Shares that are potentially deliverable under an Award or a Prior Plan award that expires or is canceled, forfeited, settled in cash or otherwise settled without the delivery of Shares shall not be treated as having been issued under the Plan or a Prior Plan.

(ii) Shares that are held back or tendered (either actually or constructively by attestation) to cover the exercise price or tax withholding obligations with respect to an Award or Prior Plan award shall not be treated as having been issued under the Plan or a Prior Plan.

(iii) Shares that are issued pursuant to awards that are assumed, converted or substituted in connection with a merger, acquisition, reorganization or similar transaction shall not be treated as having been issued under the Plan.

(iv) Shares that are repurchased in the open market with Option Proceeds from Awards or Prior Plan awards shall not be treated as having been issued under the Plan or a Prior Plan; provided, however, that the aggregate number of Shares deemed not issued pursuant to the repurchase of Shares with Option Proceeds shall not be greater than the amount of such proceeds divided by the Fair Market Value of a Share on the date of exercise of the Option or Prior Plan option giving rise to such proceeds.

Notwithstanding paragraphs (i) through (iv) above, for purposes of determining the number of Shares available for grant as Incentive Stock Options, only Shares that are subject to an Award or a Prior Plan award that expires or is cancelled, forfeited or settled in cash shall be treated as not having been issued under the Plan or a Prior Plan.

The Shares to be issued pursuant to Awards may be authorized but unissued Shares or treasury Shares.

(b) Individual Limits. Subject to adjustment as provided in Section 18 hereof, the following rules shall apply with respect to Awards:

(i) Options and SARs: The maximum aggregate number of Shares with respect to which Options and SARs may be granted in any 36-month period to any one Participant shall be 2,000,000 Shares.

(ii) Restricted Stock, Restricted Stock Units, Performance Shares and Other Stock-Based Awards: The maximum aggregate number of Shares of Restricted Stock and Shares with respect to which Restricted Stock Units, Performance Shares and Other Stock-Based Awards may be granted in any 36-month period to any one Participant shall be 800,000 Shares.

(iii) Performance Units: The maximum aggregate compensation that can be paid pursuant to Performance Units awarded in any one fiscal year to any one Participant shall be \$10,000,000 or a number of Shares having an aggregate Fair Market Value on the date of grant not in excess of such amount.

#### 4. Eligibility and Participation.

(a) Eligibility. Persons eligible to participate in the Plan include all Employees, Directors and Consultants.

(b) Actual Participation. Subject to the provisions of the Plan, the Committee may, from time to time, select from all eligible Employees, Directors and Consultants, those to whom Awards shall be granted and shall determine the nature and amount of each Award. The Committee may establish additional terms, conditions, rules or procedures to accommodate the rules or laws of applicable foreign jurisdictions and to afford Participants favorable treatment under such laws; provided, however, that no Award shall be granted under any such additional terms, conditions, rules or procedures with terms or conditions which are inconsistent with the provisions of the Plan.

#### 5. Types of Awards.

(a) Type of Awards. Awards under the Plan may be in the form of Options (both Nonqualified Stock Options and/or Incentive Stock Options), SARs, Restricted Stock, Restricted Stock Units, Performance Shares, Performance Units and Other Stock-Based Awards.

(b) Designation of Award. Each Award shall be designated in the Award Agreement.

#### 6. Options.

(a) Grant of Options. Subject to the terms and provisions of the Plan, Options may be granted to Participants in such number and upon such terms, and at any time and from time to time, as shall be determined by the Committee.

(b) Award Agreement. Each Option grant shall be evidenced by an Award Agreement that shall specify the Exercise Price, the duration of the Option, the number of Shares to which the Option pertains, and such other provisions as the Committee shall determine including, but not limited to, the Option vesting schedule, repurchase provisions, rights of first refusal, forfeiture provisions, form of payment (cash, Shares, or other consideration) upon settlement of the Award, and payment contingencies. The Award Agreement also shall specify whether the Option is intended to be an Incentive Stock Option or a Nonqualified Stock Option. Options that are intended to be Incentive Stock Options shall be subject to the limitations set forth in Section 422 of the Code.

(c) Exercise Price. Except for Options adjusted pursuant to Section 18 herein, and replacement Options granted in connection with a merger, acquisition, reorganization or similar transaction, the Exercise Price for each grant of an Option shall not be less than one hundred percent (100%) of the Fair Market Value of a Share on the date the Option is granted. However, in the case of an Incentive Stock Option granted to a Participant who, at the time the Option is granted, owns stock representing more

than ten percent (10%) of the voting power of all classes of stock of the Company or any Subsidiary, the Exercise Price for each grant of an Option shall not be less than one hundred ten percent (110%) of the Fair Market Value of a Share on the date the Option is granted.

(d) Term of Options. The term of an Option granted under the Plan shall be determined by the Committee, in its sole discretion; provided, however, that such term shall not exceed ten (10) years. However, in the case of an Incentive Stock Option granted to a Participant who, at the time the Option is granted, owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Subsidiary, the term of the Incentive Stock Option shall be five (5) years from the date of grant thereof or such shorter term as may be provided in the Award Agreement.

(e) Exercise of Options. Options granted under this Section 6 shall be exercisable at such times and be subject to such restrictions and conditions as set forth in the Award Agreement and as the Committee shall in each instance approve, which need not be the same for each grant or for each Participant.

(f) Payments. Options granted under this Section 6 shall be exercised by the delivery of a written notice to the Company, setting forth the number of Shares with respect to which the Option is to be exercised and specifying the method of the Exercise Price. The Exercise Price of an Option shall be payable to the Company: (i) in cash or its equivalent, (ii) by tendering (either actually or constructively by attestation or through authorization to withhold Shares otherwise issuable upon exercise of an Option) Shares having an aggregate Fair Market Value at the time of exercise equal to the Exercise Price, (iii) in any other manner then permitted by the Committee that is determined to provide a benefit to the Company, or (iv) by a combination of any of the permitted methods of payment. The Committee may limit any method of payment, other than that specified under (i), for administrative convenience, to comply with Applicable Laws or otherwise. Shares issued upon exercise shall be subject to such continuing restrictions as shall be provided in a Participant's Award Agreement.

(g) Restrictions on Share Transferability. The Committee may impose such restrictions on any Shares acquired pursuant to the exercise of an Option granted under this Section 6 as it may deem advisable, including, without limitation, restrictions under applicable federal securities laws, under the requirements of any stock exchange or market upon which such Shares are then listed and/or traded, and under any blue sky or state securities laws applicable to such Shares.

(h) Termination of Employment or Service. Each Participant's Option Award Agreement shall set forth the extent to which the Participant shall have the right to exercise the Option following termination of the Participant's employment or, if the Participant is a Director or Consultant, service with the Company and its Subsidiaries. Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all Options, and may reflect distinctions based on the reasons for termination of employment or service.

(i) No Repricing without Stockholder Approval. The Company shall not, without the approval of the stockholders of the Company, reduce the Exercise Price of an outstanding Option. And, at any time when the Exercise Price of an outstanding Option is above the Fair Market Value of a share of Common Stock, the Company shall not, without the approval of the stockholders of the Company, provide for the cancellation and re-grant or the exchange of such outstanding Option for either cash or a new Award with a lower (or no) exercise price.

## **7. Stock Appreciation Rights.**

(a) Grant of SARs. Subject to the terms and provisions of the Plan, SARs may be granted to Participants in such amounts and upon such terms, and at any time and from time to time, as shall be determined by the Committee. The Committee may grant Freestanding SARs, Tandem SARs, or any combination of these forms of SAR.

(b) Award Agreement. Each SAR grant shall be evidenced by an Award Agreement that shall specify the grant price, the term of the SAR, and such other provisions as the Committee shall determine.

(c) Grant Price. The grant price of a Freestanding SAR shall not be less than one hundred percent (100%) of the Fair Market Value of a Share on the date of grant of the SAR, and the grant price of a Tandem SAR shall equal the Exercise Price of the related Option; provided, however, that these limitations shall not apply to Awards that are adjusted pursuant to Section 18 herein.

(d) Term of SARs. The term of a SAR granted under the Plan shall be determined by the Committee, in its sole discretion; provided, however, that such term shall not exceed ten (10) years.

(e) Exercise of Tandem SARs. A Tandem SAR may be exercised only with respect to the Shares for which its related Option is then exercisable. To the extent exercisable, Tandem SARs may be exercised for all or part of the Shares subject to the related Option. The exercise of all or part of a Tandem SAR shall result in the forfeiture of the right to purchase a number of Shares under the related Option equal to the number of Shares with respect to which the SAR is exercised. Conversely, upon exercise of all or part of an Option with respect to which a Tandem SAR has been granted, an equivalent portion of the Tandem SAR shall similarly be forfeited.

Notwithstanding any other provision of the Plan to the contrary, with respect to a Tandem SAR granted in connection with an ISO: (i) the Tandem SAR will expire no later than the expiration of the underlying ISO; (ii) the value of the payout with respect to the Tandem SAR may be for no more than one hundred percent (100%) of the difference between the Exercise Price of the underlying ISO and the Fair Market Value of the Shares subject to the underlying ISO at the time the Tandem SAR is exercised; and (iii) the Tandem SAR may be exercised only when the Fair Market Value of the Shares subject to the ISO exceeds the Exercise Price of the ISO.

(f) Exercise of Freestanding SARs. Freestanding SARs may be exercised upon whatever terms and conditions the Committee, in its sole discretion, imposes upon them and sets forth in the Award Agreement.

(g) Payment of SAR Amount. Upon exercise of a SAR, a Participant shall be entitled to receive payment from the Company in an amount determined by multiplying:

- (i) the difference between the Fair Market Value of a Share on the date of exercise over the grant price; by
- (ii) the number of Shares with respect to which the SAR is exercised.

At the discretion of the Committee, the payment upon SAR exercise may be in cash, in Shares of equivalent value, or in some combination thereof. Shares issued upon SAR exercise shall be subject to such continuing restrictions as shall be provided in a Participant's Award Agreement.

(h) Termination of Employment or Service. Each SAR Award Agreement shall set forth the extent to which the Participant shall have the right to exercise the SAR following termination of the Participant's employment or, if the Participant is a Director or Consultant, service with the Company and its Subsidiaries. Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all SARs, and may reflect distinctions based on the reasons for termination of employment or service.

(i) No Repricing without Stockholder Approval. The Company shall not, without the approval of the stockholders of the Company, reduce the grant price of an outstanding SAR. And at any time when the grant price of an outstanding SAR is above the Fair Market Value of a share of Common Stock, the Company shall not, without the approval of the stockholders of the Company, provide for the cancellation and re-grant or the exchange of such outstanding SAR for either cash or a new Award with a lower (or no) exercise price.

## **8. Restricted Stock.**

(a) Grant of Restricted Stock. Subject to the terms and provisions of the Plan, Restricted Stock may be granted to Participants in such amounts and upon such terms, and at any time and from time to time, as shall be determined by the Committee.

(b) Award Agreement. Each Restricted Stock grant shall be evidenced by an Award Agreement that shall specify the applicable restrictions, the number of Shares of Restricted Stock granted and issued on the grant date, and such other provisions as the Committee shall determine.

(c) Other Restrictions. The Committee shall impose such other conditions and/or restrictions on any Shares of Restricted Stock granted pursuant to the Plan as it may deem advisable including, without limitation, a requirement that Participants pay a stipulated purchase price for each Share of Restricted Stock, a requirement that the issuance of Shares of Restricted Stock be delayed, restrictions based upon the achievement of specific performance goals, time-based restrictions requiring a minimum period of service as a condition of vesting any or all Shares of Restricted Stock, and/or restrictions under Applicable Laws or under the requirements of any stock exchange or market upon which such Shares are listed or traded, or holding requirements or sale restrictions placed on the Shares by the Company upon vesting of such Restricted Stock. The Company may retain in its custody any certificate evidencing the Shares of Restricted Stock and place thereon a legend and institute stop-transfer orders on such Shares, and the Participant shall be obligated to sign any stock power requested by the Company relating to the Shares to give effect to the forfeiture provisions and any other restrictions of the Restricted Stock.

(d) Removal of Restrictions. Subject to Applicable Laws, Restricted Stock shall become freely transferable by the Participant after the lapse of all of the restrictions applicable thereto.

(e) Voting Rights. Unless otherwise determined by the Committee and set forth in a Participant's Award Agreement, to the extent permitted or required by Applicable Laws, as determined by the Committee, Participants holding Shares of Restricted Stock granted hereunder may exercise full voting rights with respect to those Shares.

(f) Dividends and Other Distributions. Except as otherwise provided in a Participant's Award Agreement, to the extent permitted or required under Applicable Laws, Participants holding Shares of Restricted Stock shall receive all regular cash Dividends paid with respect to all Shares while they are so held, and, except as otherwise determined by the Committee, to the extent permitted or required under Applicable Laws, all other distributions paid with respect to such Restricted Stock shall be credited to Participants subject to the same restrictions on transferability and forfeitability as the Restricted Stock with respect to which they were paid and shall be delivered to Participants in conjunction with the Shares of Restricted Stock with respect to which such distributions were made. Notwithstanding the foregoing, Dividends or other distributions that relate to performance-based Restricted Stock will be subject to the same performance conditions as the underlying Award.

(g) Termination of Employment or Service. Each Award Agreement shall set forth the extent to which the Participant shall have the right to retain unvested Restricted Stock following termination of the Participant's employment or, if the Participant is a Director or Consultant, service with the Company and its Subsidiaries. Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all Awards of Restricted Stock, and may reflect distinctions based on the reasons for termination of employment or service.

## **9. Restricted Stock Units.**

(a) Grant of Restricted Stock Units. Subject to the terms and provisions of the Plan, Restricted Stock Units may be granted to Participants in such amounts and upon such terms, and at any time and from time to time, as shall be determined by the Committee.

(b) Award Agreement. Each grant of Restricted Stock Units shall be evidenced by an Award Agreement that shall specify the applicable restrictions, the number of Restricted Stock Units granted, and such other provisions as the Committee shall determine.

(c) Value of Restricted Stock Units. The initial value of a Restricted Stock Unit shall equal the Fair Market Value of a Share on the date of grant; provided, however, that this restriction shall not apply to Awards that are adjusted pursuant to Section 18 herein.

(d) Other Restrictions. The Committee shall impose such other conditions and/or restrictions on any Restricted Stock Units and/or the Shares issuable upon the settlement of Restricted Stock Units granted pursuant to the Plan as it may deem advisable including, without limitation, a requirement that Participants pay a stipulated purchase price for each Restricted Stock Unit, time-based restrictions requiring a minimum period of service as a condition of settlement of any or all Restricted Stock Units, and/or restrictions under Applicable Laws or under the requirements of any stock exchange or market, or holding requirements or sale restrictions placed on any Shares issued by the Company upon vesting and in settlement of such Restricted Stock Units.

(e) Form and Timing of Payment. Except as otherwise provided in Section 19 herein or a Participant's Award Agreement, payment of Restricted Stock Units shall be made at a specified settlement date that shall not be earlier than the last day that any time-based restrictions have lapsed. The Committee, in its sole discretion, may settle Restricted Stock Units by delivery of Shares or by payment in cash of an amount equal to the Fair Market Value of such Shares (or a combination thereof). The Committee may provide that settlement of Restricted Stock Units shall be deferred, either on a mandatory basis or at the election of the Participant. Shares issued at the settlement date shall be subject to such continuing restrictions as shall be provided in a Participant's Award Agreement.

(f) Voting Rights. A Participant shall have no voting rights with respect to any Restricted Stock Units granted hereunder.

(g) Termination of Employment or Service. Each Award Agreement shall set forth the extent to which the Participant shall have the right to receive a payout respecting an Award of Restricted Stock Units following termination of the Participant's employment or, if the Participant is a Director or Consultant, service with the Company and its Subsidiaries. Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all Restricted Stock Units, and may reflect distinctions based on the reasons for termination of employment or service.

(h) Dividends and Other Distributions. Shares underlying Restricted Stock Units shall be entitled to Dividends or other distributions only to the extent provided by the Committee. In the event that the Committee decides to grant Restricted Stock Units that are entitled to Dividends or other distributions, Dividends or other distributions that relate to performance-based Restricted Stock Units shall be subject to the same performance conditions as the underlying Award.

## 10. Performance Shares.

(a) Grant of Performance Shares. Subject to the terms and provisions of the Plan, Performance Shares may be granted to Participants in such amounts and upon such terms, and at any time and from time to time, as shall be determined by the Committee.

(b) Award Agreement. Each grant of Performance Shares shall be evidenced by an Award Agreement that shall specify the applicable Performance Period(s) and Performance Measure(s), the number of Performance Shares granted and issued on the grant date, and such other provisions as the Committee shall determine.

(c) Performance Period and Other Restrictions. The Committee shall impose such conditions and/or restrictions on any Performance Shares granted pursuant to the Plan as it may deem advisable including, without limitation, a requirement that Participants pay a stipulated purchase price for each Performance Share, time-based restrictions requiring a minimum period of service as a condition of vesting of any or all Performance Shares, and/or restrictions under Applicable Laws or under the requirements of any stock exchange or market upon which the Shares are listed or traded, or holding requirements or sale restrictions placed on the Shares by the Company upon vesting of such Performance Shares. The Company may retain in its custody any certificate evidencing the Shares and place thereon a legend and institute stop-transfer orders on such Shares, and the Participant shall be obligated to sign any stock power requested by the Company relating to the Shares to give effect to the forfeiture provisions and any other restrictions of the Performance Shares.

(d) Removal of Restrictions. Subject to Applicable Laws, Performance Shares shall become freely transferable by the Participant after the lapse of all of the restrictions applicable thereto.

(e) Voting Rights. Unless otherwise determined by the Committee and set forth in a Participant's Award Agreement, to the extent permitted or required by Applicable Laws, as determined by the Committee, Participants holding Performance Shares granted hereunder may exercise full voting rights with respect to those Shares.

(f) Dividends and Other Distributions. Except as otherwise provided in a Participant's Award Agreement, to the extent permitted or required under Applicable Laws, Participants holding Performance Shares shall receive all regular cash Dividends paid with respect to all Shares while they are so held; provided, however, that all Dividends or other distributions shall be subject to the same performance conditions as the underlying Award.

(g) Termination of Employment or Service. Each Award Agreement shall set forth the extent to which the Participant shall have the right to retain invested Performance Shares following termination of the Participant's employment or, if the Participant is a Consultant, service with the Company and its Subsidiaries. Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all Participants, and may reflect distinctions based on the reasons for termination of employment or service.

#### 11. Performance Units.

(a) Grant of Performance Units. Subject to the terms and conditions of the Plan, Performance Units may be granted to Participants in such amounts and upon such terms, and at any time and from time to time, as shall be determined by the Committee.

(b) Award Agreement. Each grant of Performance Units shall be evidenced by an Award Agreement that shall specify the number of Performance Units granted, the Performance Period(s) and Performance Measure(s), the performance goals and such other provisions as the Committee shall determine.

(c) Value of Performance Units. The Committee shall set performance goals in its discretion that, depending on the extent to which they are met, will determine the number and/or value of Performance Units that will be paid out to the Participants.

(d) Form and Timing of Payment. Except as otherwise provided in Section 19 herein or a Participant's Award Agreement, payment of Performance Units shall be made following the close of the applicable Performance Period on a settlement date selected by the Committee. The Committee, in its sole discretion, may settle Performance Units in cash or in Shares that have an aggregate Fair Market Value equal to the value of the Performance Units (or a combination thereof). The Committee may provide that settlement of Performance Units shall be deferred, either on a mandatory basis or at the election of the Participant. Shares issued at the settlement date shall be subject to such continuing restrictions as shall be provided in a Participant's Award Agreement.

(e) Voting Rights. A Participant shall have no voting rights with respect to any Performance Units granted hereunder.

(f) Termination of Employment or Service. Each Award Agreement shall set forth the extent to which the Participant shall have the right to receive a payout respecting an Award of Performance Units following termination of the Participant's employment or, if the Participant is a Consultant, service with the Company and its Subsidiaries. Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all Performance Units and may reflect distinctions based on reasons for termination of employment or service.

(g) Dividends and Other Distributions. Shares underlying Performance Units shall be entitled to Dividends or other distributions only to the extent provided by the Committee. In the event that the Committee decides to grant Performance Units that are entitled to Dividends or other distributions, Dividends or other distributions shall be subject to the same performance conditions as the underlying Award.

#### 12. Other Stock-Based Awards.

(a) Grant. The Committee shall have the right to grant other Awards that may include, without limitation, the grant of Shares based on attainment of performance goals established by the Committee, the payment of Shares as a bonus or in lieu of cash based on attainment of performance goals established by the Committee, and the payment of Shares in lieu of cash under other Company incentive or bonus programs.

(b) Restrictions. The Committee shall impose such conditions and/or restrictions on Other Stock-Based Awards granted pursuant to the Plan as it may deem advisable including, without limitation, a requirement that Participants pay a stipulated purchase price for each Share subject to the Award, time-based restrictions requiring a minimum period of service as a condition of vesting in any or all Shares subject to the Award, and/or restrictions under Applicable Laws or under the requirements of any stock exchange or market, or holding requirements or sale restrictions placed on any Shares issued by the Company upon vesting and in settlement of Other Stock-Based Awards.

(c) Payment of Other Stock-Based Awards. Settlement of any such Awards shall be made in such manner and at such times as the Committee may determine. The Committee may provide that settlement of Other Stock-Based Awards shall be deferred, either on a mandatory basis or at the election of the Participant. Shares issued upon settlement shall be subject to such continuing restrictions as shall be provided in a Participant's Award Agreement.

(d) Termination of Employment or Service. The Committee shall determine the extent to which the Participant shall have the right to receive Other Stock-Based Awards following termination of the Participant's employment or, if the Participant is a Director or Consultant, service with the Company and its Subsidiaries. Such provisions shall be determined in the sole discretion of the Committee, such provisions may be included in an agreement entered into with each Participant, but need not be uniform among all Other Stock-Based Awards, and may reflect distinctions based on the reasons for termination of employment or service.

**13. Dividend Equivalents.** At the discretion of the Committee, Awards granted pursuant to the Plan may provide Participants with the right to receive Dividend Equivalents, which may be paid currently or credited to an account for the Participants, and may be settled in cash and/or Shares, as determined by the Committee in its sole discretion, subject in each case to such terms and conditions as the Committee shall establish. Notwithstanding the foregoing, Dividend Equivalents that relate to performance-based Awards will either not be made at all or shall be subject to the same performance conditions as the underlying Award.

#### **14. Performance-Based Exception.**

(a) The Committee may specify that the attainment of one or more of the Performance Measures set forth in this Section 14 shall determine the degree of granting, vesting and/or payout with respect to Awards that the Committee intends will qualify for the Performance-Based Exception. The performance goals to be used for such Awards shall be chosen from among the following performance measures (the "Performance Measures"): total shareholder return, stock price, net customer sales, volume, gross profit, gross margin, operating profit, operating margin, management profit, earnings from continuing operations before income taxes, earnings from continuing operations, earnings per share from continuing operations, earnings before interest and taxes ("EBIT"), earnings before interest, taxes, depreciation and amortization ("EBITDA"), net operating profit after tax, net earnings, net earnings per share, return on assets, return on investment, return on equity, return on invested capital, cost of capital, average capital employed, cash value added, economic value added, economic profit, cash flow, cash flow from operations, working capital, working capital as a percentage of net customer sales, asset growth, asset turnover, market share, customer satisfaction, and employee satisfaction. The targeted level or levels of performance with respect to such Performance Measures may be established at such levels and on such terms as the Committee may determine, in its discretion, on a corporate-wide basis or with respect to one or more business units, divisions, subsidiaries, business segments or functions, and in either absolute terms or relative to the current and/or historical performance of one or more companies or an index covering multiple companies. Performance measures that are financial metrics may or may not be calculated in accordance with generally accepted accounting principles, at the Committee's discretion. Awards that are not intended to qualify for the Performance-Based Exception may be based on these or such other performance measures as the Committee may determine.

(b) Unless otherwise determined by the Committee, measurement of performance goals with respect to the Performance Measures above shall exclude the impact of charges for restructurings, discontinued operations, extraordinary items, and other unusual or non-recurring items, including, for example, asset impairment charges and force majeure, as well as the cumulative effects of tax or accounting changes, each as determined in accordance with generally accepted accounting principles or identified in the Company's financial statements, notes to the financial statements, management's discussion and analysis or other filings with the SEC.

(c) Performance goals may differ for Awards granted to any one Participant or to different Participants.

(d) Achievement of performance goals in respect of Awards intended to qualify under the Performance-Based Exception shall be measured over a Performance Period specified in the Award Agreement, and the goals shall be established not later than 90 days after the beginning of the Performance Period or, if less than 90 days, the number of days which is equal to 25% of the relevant Performance Period applicable to the Award.

(e) The Committee shall have the discretion to adjust the determinations of the degree of attainment of the pre-established performance goals; provided, however, that Awards that are designed to qualify for the Performance-Based Exception may not be adjusted upward (the Committee may, in its discretion, adjust such Awards downward).

(f) The Committee shall certify the extent to which any Performance Measures have been satisfied, and the amount payable as a result thereof, prior to payment, settlement or vesting of any Award that is intended to satisfy the Performance-Based Exception. Shares issued upon full or partial achievement of the selected Performance Measure(s) shall be subject to such continuing restrictions as shall be provided in a Participant's Award Agreement.

**15. Transferability of Awards.** Incentive Stock Options may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution, and shall be exercisable during a Participant's lifetime only by such Participant. Other Awards shall be transferable to the extent provided in the Award Agreement, except that no Award may be transferred for consideration. Each Award may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated by a Participant other than by will or the laws of descent and distribution, and each Option or Stock Appreciation Right shall be exercisable only by the Participant during his or her lifetime. Notwithstanding the foregoing, to the extent permitted by the Committee, the person to whom an Award (other than an Incentive Stock Option) is initially granted (the "Grantee") may transfer an Award to any "family member" of the Grantee (as such term is defined in Section 1(a)(5) of the General Instructions to Form S-8 under the Securities Act of 1933, as amended ("Form S-8")); provided that, (i) as a condition thereof, the transferor and the transferee must execute a written agreement containing such terms as may be specified by the Committee, and (ii) the transfer is pursuant to a gift or a domestic relations order to the extent permitted under the General Instructions to Form S-8.

**16. Taxes.** The Company shall have the power and right, prior to the delivery of Shares pursuant to an Award, to deduct or withhold, or require a participant to remit to the Company (or a Subsidiary), an amount (in cash or Shares) sufficient to satisfy any applicable tax withholding requirements applicable to an Award. Whenever under the Plan payments are to be made in cash, such payments shall be net of an amount sufficient to satisfy any applicable tax withholding requirements. Subject to such restrictions as the Committee may prescribe, a Participant may satisfy all or a portion of any tax withholding requirements for an Award payable or settled in Shares by electing to have the Company withhold Shares having a Fair Market Value equal to the amount to be withheld up to the minimum statutory tax withholding rate (or such other rate that will not cause the Award to be accounted for under variable award account or otherwise result in a negative accounting impact).

**17. Conditions Upon Issuance of Shares.**

(a) Shares shall not be issued pursuant to the exercise or settlement of an Award unless the exercise or settlement of such Award and the issuance and delivery of such Shares pursuant thereto shall comply with all Applicable Laws, and shall be further subject to the approval of counsel for the Company with respect to such compliance.

(b) As a condition to the exercise or settlement of an Award, the Company may require the person exercising such Award or receiving such settlement to represent and warrant at the time of any such exercise or settlement that the Shares are being acquired only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required by any Applicable Laws. The Company may also require the person exercising such Award or receiving such settlement to acknowledge and affirm any restrictions applicable to the Shares issuable upon the exercise or settlement of an Award.

**18. Adjustments Upon Changes in Capitalization.** Notwithstanding any other provision of the Plan to the contrary, in the event of any merger, reorganization, consolidation, recapitalization, liquidation, stock dividend, split-up, spin-off, stock split, reverse stock split, share combination, share exchange, extraordinary dividend, or any change in the corporate structure affecting the Shares, such adjustment shall be made in the number and kind of Shares or other securities or property that may be delivered under the Plan, the individual limits set forth in Section 3(b), and, with respect to outstanding Awards, in the number and kind of Shares or other securities or property subject to outstanding Awards, the Exercise Price, grant price or other price, if any, of Shares subject to outstanding Awards, any performance conditions relating to Shares, the market price of Shares, or per-Share results, and other terms and conditions of outstanding Awards, as may be determined to be appropriate and equitable by the Committee,

in its sole discretion, to prevent dilution or enlargement of rights; provided, however, that, unless otherwise determined by the Committee, the number of Shares or other securities or property subject to any Award shall always be rounded down to a whole number. Adjustments made by the Committee pursuant to this Section 18 shall be final, binding, and conclusive.

**19. Change in Control, Cash-Out and Termination of Underwater Options/SARs, and Subsidiary Disposition.**

(a) Change in Control. Except as otherwise provided in a Participant's Award Agreement or pursuant to Section 19(b) hereof, upon the occurrence of a Change in Control, unless otherwise specifically prohibited under Applicable Laws, or by the rules and regulations of any governing governmental agencies or national securities exchanges:

(i) any and all outstanding Options and SARs granted hereunder shall become immediately exercisable unless such Awards are assumed, converted, replaced or continued by the continuing entity; provided, however, that in the event of a Participant's termination of employment without Cause within twenty-four (24) months following consummation of a Change in Control, any Awards so assumed, converted, replaced or continued will become immediately exercisable;

(ii) any Period of Restriction or other restriction imposed on Restricted Stock, Restricted Stock Units, Performance Shares, Performance Units and Other Stock-Based Awards shall lapse unless such Awards are assumed, converted, replaced or continued by the continuing entity; provided, however, that in the event of a Participant's termination of employment without Cause within twenty-four (24) months following consummation of a Change in Control, the Period of Restriction on any Awards so assumed, converted, replaced or continued shall lapse; and

(iii) the portion of any and all Performance Shares, Performance Units and other Awards (if performance-based) that remain outstanding following the occurrence of a Change in Control shall be determined by applying actual performance from the beginning of the Performance Period through the date of the Change in Control using the formula set forth in the Award Agreement ("Performance Measure Formula") to determine the amount of the payout or distribution rounded to the nearest whole Share. Notwithstanding the foregoing, if the Change in Control occurs prior to the end of a Performance Period for an Award, the Performance Measure Formula shall generally be adjusted to take into account the shorter period of time available to achieve the Performance Measures. If a quantitative Performance Measure Formula for the entire Performance Period has been determined by the Company by adding together one or more goals for Performance Measures ("Performance Measure Goals") for multiple time periods within the Performance Period (each a "subperiod"), then the adjusted Performance Measure Formula for a given level of performance shall be equal to the sum of (1) the Performance Measure Goals for each completed subperiod for such level of performance and (2) a prorated Performance Measure Goal (determined by the number of days in such subperiod falling on or before the occurrence of the Change in Control divided by the total number of days in such subperiod) for such level of performance for each subperiod not completed on or before the occurrence of the Change in Control. If there are no subperiods, then the quantitative Performance Measure Formula shall be prorated by taking the Performance Measure Goal for each specified level of performance for the entire Performance Period and multiplying it by a fraction, the numerator of which is the number of days in the Performance Period falling on or before the occurrence of the Change in Control and the denominator of which is the total number of days in the Performance Period. Qualitative Performance Measures shall not be adjusted. In the unlikely event that the Company is unable to substantially adjust the target Performance Measure(s) for an Award as set forth above, then the portion of such Award that shall remain outstanding shall be based on the assumption that the target level of performance for each Performance Measure for the entire Performance Period has been achieved.

The portion of the Award that remains outstanding following the occurrence of a Change in Control as determined in the preceding paragraph shall vest in full at the end of the Performance Period set forth in such Award so long as the Participant's employment (or if the Participant is a Director or Consultant, service) with the Company or a Subsidiary does not terminate until the end of the Performance Period. Notwithstanding the foregoing, such portion shall vest in full upon the earliest to occur of the following events: (1) the termination of the Participant by the Company without Cause, (2) the refusal of the continuing entity to assume, convert, replace or continue the Award, or (3) if applicable, the resignation of the Participant for a "good reason", as described further in the following paragraph.

With respect to paragraphs (i), (ii) and (iii) of Section 19(a) above, the Award Agreement may provide that any replacement awards will become immediately exercisable or any Period of Restriction shall lapse in the event of a termination of employment by the Participant for “good reason” if and as such term is defined in the Award Agreement or any employment agreement, severance agreement or other agreement or policy applicable to such Participant.

(b) Cash-Out and Termination of Underwater Options/SARs. The Committee may, in its sole discretion, provide that (i) all outstanding Options and SARs shall be terminated upon the occurrence of a Change in Control and that each Participant shall receive, with respect to each Share subject to such Options or SARs, an amount in cash and/or Shares equal to the excess of the Fair Market Value of a Share immediately prior to the occurrence of the Change in Control over the Option Exercise Price or the SAR grant price; and (ii) Options and SARs outstanding as of the date of the Change in Control may be cancelled and terminated without payment therefore if the Fair Market Value of a Share as of the date of the Change in Control is less than the Option Exercise Price or the SAR grant price.

(c) Subsidiary Disposition. The Committee shall have the authority, exercisable either in advance of any actual or anticipated Subsidiary Disposition or at the time of an actual Subsidiary Disposition and either at the time of the grant of an Award or at any time while an Award remains outstanding, to provide for the automatic full vesting and exercisability of one or more outstanding unvested Awards under the Plan and the termination of restrictions on transfer and repurchase or forfeiture rights on such Awards, in connection with a Subsidiary Disposition, but only with respect to those Participants who are at the time engaged primarily in Continuous Service with the Subsidiary involved in such Subsidiary Disposition. The Committee also shall have the authority to condition any such vesting and exercisability or release from the limitations of an Award upon the continuation or subsequent termination of the affected Participant’s Continuous Service with that Subsidiary within a specified period following the effective date of the Subsidiary Disposition. The Committee may provide that any Awards so vested or released from such limitations in connection with a Subsidiary Disposition, shall remain fully exercisable until the expiration or earlier termination of the Award.

## **20. Amendment, Suspension or Termination of the Plan.**

(a) Amendment, Modification and Termination. The Board or the Committee may at any time and from time to time, alter, amend, suspend or terminate the Plan in whole or in part; provided, however, that no amendment that requires stockholder approval in order for the Plan to continue to comply with the New York Stock Exchange listing standards or any rule promulgated by the SEC or any securities exchange on which Shares are listed or any other Applicable Laws shall be effective unless such amendment shall be approved by the requisite vote of stockholders of the Company entitled to vote thereon within the time period required under such applicable listing standard or rule. Unless the Board or the Committee adopt resolutions providing for an earlier date, the Plan shall automatically terminate on November 14, 2022. For purposes of Section 422 of the Code and also relevant provisions of Applicable Laws, the adoption of the Plan as approved by the stockholders on November 14, 2012 shall be deemed to be the adoption of a new plan.

(b) Adjustment of Awards Upon the Occurrence of Certain Unusual or Nonrecurring Events. The Committee may make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events (including, without limitation, the events described in Section 18 hereof) affecting the Company or the financial statements of the Company or of changes in Applicable Laws, regulations, or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan. With respect to any Awards intended to comply with the Performance-Based Exception, unless otherwise determined by the Committee, any such exception shall be specified at such times and in such manner as will not cause such Awards to fail to qualify under the Performance-Based Exception.

(c) Awards Previously Granted. No termination, amendment or modification of the Plan or of any Award shall adversely affect in any material way any Award previously granted under the Plan without the written consent of the participant holding such Award, unless such termination, modification or amendment is required by Applicable Laws and except as otherwise provided herein.

(d) No Repricing. The Company shall not, without the approval of the stockholders of the Company, reduce the Exercise Price of an outstanding Option or the grant price of an outstanding SAR. And, at any time when the Exercise Price of an outstanding Option or the grant price of an outstanding SAR is above the Fair Market Value of a share of Common Stock, no amendment shall provide that any such outstanding Option or outstanding SAR be cancelled and re-granted or exchanged for either cash or a new Award with a lower (or no) exercise price, without the approval of the stockholders of the Company.

(e) Compliance with the Performance-Based Exception. If it is intended that an Award comply with the requirements of the Performance-Based Exception, the Committee may apply any restrictions it deems appropriate such that the Awards maintain eligibility for the Performance-Based Exception. If changes are made to Code Section 162(m) or regulations promulgated thereunder, the Committee may, subject to the other provisions of this Section 20, make any adjustments to the Plan and/or Award Agreements it deems appropriate that does not prevent the Plan or any outstanding Awards intended to comply with the Performance-Based Exception from complying with Section 162(m) of the Code.

#### **21. Reservation of Shares.**

(a) The Company, during the term of the Plan, will at all times reserve and keep available such number of Shares as shall be sufficient to satisfy the requirements of the Plan.

(b) The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

#### **22. Rights of Participants.**

(a) Continued Service. The Plan shall not confer upon any Participant any right with respect to continuation of employment or consulting relationship with the Company, nor shall it interfere in any way with his or her right or the Company's right to terminate his or her employment or consulting relationship at any time, with or without cause.

(b) Participant. No Employee, Director or Consultant shall have the right to be selected to receive an Award under the Plan, or, having been so selected, to be selected to receive future Awards.

23. **Successors**. All obligations of the Company under the Plan and with respect to Awards shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or other event, or a sale or disposition of all or substantially all of the business and/or assets of the Company and references to the "Company" herein and in any Award Agreements shall be deemed to refer to such successors.

#### **24. Legal Construction.**

(a) Gender, Number and References. Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine, the plural shall include the singular and the singular shall include the plural. Any reference in the Plan to a Section of the Plan either in the Plan or any Award Agreement or to an act or code or to any section thereof or rule or regulation thereunder shall be deemed to refer to such Section of the Plan, act, code, section, rule or regulation, as may be amended from time to time, or to any successor Section of the Plan, act, code, section, rule or regulation.

(b) Severability. In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

(c) Requirements of Law. The granting of Awards and the issuance of Shares or cash under the Plan shall be subject to all Applicable Laws and to such approvals by any governmental agencies or national securities exchanges as may be required.

(d) Governing Law. To the extent not preempted by federal law, the Plan, and all agreements hereunder, shall be construed in accordance with and governed by the laws of the State of Delaware, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Plan to the substantive law of another jurisdiction.

(e) Non-Exclusive Plan. Neither the adoption of the Plan by the Board nor its submission to the stockholders of the Company for approval shall be construed as creating any limitations on the power of the Board or a committee thereof to adopt such other incentive arrangements as it may deem desirable.

(f) Code Section 409A Compliance. To the extent applicable, it is intended that this Plan and any Awards granted hereunder either be exempt from the requirements of, or else comply with the requirements of, Section 409A of the Code and any related regulations or other guidance promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service (“Section 409A”). Any provision that would cause any Award granted hereunder to incur additional taxes under Section 409A shall have no force or effect until amended to comply with Section 409A, which amendment may be retroactive to the extent permitted by Section 409A.

## GLOSSARY OF DEFINED TERMS

1. **Definitions.** As used in the Plan, the following definitions shall apply:

“Applicable Laws” means the legal requirements relating to the administration of stock incentive plans, if any, under applicable provisions of federal securities laws, state corporate and securities laws, the Code, and the rules of any applicable stock exchange or national market system.

“Award” means, individually or collectively, Nonqualified Stock Options, Incentive Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Shares, Performance Units and Other Stock-Based Awards granted under the Plan.

“Award Agreement” means an agreement entered into by the Company and a Participant setting forth the terms and provisions applicable to an Award.

“Board” means the Board of Directors of the Company.

“Cause” means (i) the willful failure of the Participant substantially to perform the Participant’s duties with the Company (other than any such failure resulting from incapacity due to physical or mental illness); (ii) the Participant’s material violation of any policy of the Company as in effect from time to time; or (iii) the Participant’s engagement in any conduct materially detrimental to the Company, including, but not limited to, the name, business interests or corporate, brand, business or other reputation of the Company.

No act or failure to act on the part of the Participant shall be considered to be “willful” unless it is done, or omitted to be done, by the Participant in bad faith or without reasonable belief that the Participant’s action or omission was in the best interests of the Company. Any act or failure to act based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the Chief Executive Officer of the Company or the Committee or another authorized officer of the Company or based upon the advice of counsel for the Company shall be conclusively presumed to be done or omitted to be done by the Participant in good faith and in the best interests of the Company. The cessation of employment of the Participant shall not be deemed to be for Cause unless and until the Chief Executive Officer, Chief People Officer or comparable most senior human resource executive and Chief Legal Officer or comparable most senior legal executive unanimously agree that, in their good faith opinion, the Participant is guilty of the conduct described in subsections (i), (ii) or (iii) above, and so notify the Participant specifying the particulars thereof in detail.

“Change in Control” means

- (a) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act ) (a “Person”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% of either the total fair market value of the then outstanding equity securities of the Company (the “Outstanding Company Common Stock”) or the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the “Outstanding Company Voting Securities”); provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change in Control: (i) any acquisition directly from the Company, (ii) any acquisition by the Company, including any acquisition which, by reducing the number of shares outstanding, is the sole cause for increasing the percentage of shares beneficially owned by any such Person to more than the applicable percentage set forth above, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company or (iv) any acquisition by any corporation pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (c) of this definition; or
  - (b) Individuals who, as of the date hereof, constitute the Board (the “Incumbent Board”) cease for any reason within any period of 12 months to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company’s stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board, shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or
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- (c) Consummation by the Company of (i) a reorganization, merger, consolidation or similar transaction involving another business, (ii) a sale or other disposition of all or substantially all of the assets of the Company, or (iii) the acquisition of the securities or assets of another business (a "Business Combination"), in each case, unless, following such Business Combination, (A) more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the controlling parent entity resulting from such Business Combination (including without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) is represented by Outstanding Company Common Stock and Outstanding Company Voting Securities, respectively, that were outstanding immediately prior to such Business Combination (or, if applicable, is represented by shares into which such Outstanding Company Common Stock and Outstanding Company Voting Securities were converted pursuant to such Business Combination) and such ownership of common stock and voting power among the holders thereof is in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (B) no Person (excluding any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 30% or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination and (iii) at least a majority of the members of the board of directors (or similar governing body) of the controlling parent entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination.

Notwithstanding any other provision in this definition, to the extent required in order to avoid additional income taxation under Section 409A, any transaction defined in subsections (a) through (c) of this definition that does not constitute a "change in the ownership or effective control" of the Company, or "change in the ownership of a substantial portion of the assets" of the Company within the meaning of Treasury Regulations Sections 1.409A-3(a)(5) and 1.409A-3(i)(5) shall not be treated as a Change in Control.

"Code" means the Internal Revenue Code of 1986, as amended.

"Committee" means the Committee, as specified in Section 2(a), appointed by the Board to administer the Plan.

"Company" means The Clorox Company and any successor thereto as provided in Section 23 herein.

"Consultant" means any consultant or advisor to the Company or a Subsidiary.

"Continuous Service" means that the provision of services to the Company or any Subsidiary in any capacity of Employee, Director or Consultant is not interrupted or terminated. Continuous Service shall not be considered interrupted in the case of (i) any leave of absence approved by the Company or (ii) transfers between locations of the Company or between the Company, any Subsidiary, or any successor. A leave of absence approved by the Company shall include sick leave, military leave, or any other personal leave approved by an authorized representative of the Company. For purposes of Incentive Stock Options, no such leave may exceed ninety (90) days, unless reemployment upon expiration of such leave is guaranteed by statute or contract.

"Director" means any individual who is a member of the Board of Directors of the Company or a Subsidiary who is not an Employee.

"Dividend" means the dividends declared and paid on Shares subject to an Award.

"Dividend Equivalent" means, with respect to Shares subject to an Award, a right to be paid an amount equal to the Dividends declared and paid on an equal number of outstanding Shares prior to the issuance of Shares.

"Employee" means any employee of the Company or a Subsidiary.

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“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Exercise Price” means the price at which a Share may be purchased by a Participant pursuant to an Option.

“Fair Market Value” means, as of any date, the value of a Share determined as follows:

- (a) Where there exists a public market for the Share, the Fair Market Value shall be (A) the closing sales price for a Share on the date of the determination (or, if no sales were reported on that date, on the last trading date on which sales were reported) on the New York Stock Exchange, the NASDAQ Global Market or the principal securities exchange on which the Share is listed for trading, whichever is applicable, or (B) if the Share is not traded on any such exchange or national market system, the average of the closing bid and asked prices of a Share on the NASDAQ Capital Market, in each case, as reported in The Wall Street Journal or such other source as the Committee deems reliable; or
- (b) In the absence of an established market of the type described above, for the Share, the Fair Market Value thereof shall be determined by the Committee in good faith, and such determination shall be conclusive and binding on all persons.

“Freestanding SAR” means a SAR that is granted independently of any Options, as described in Section 7 herein.

“Incentive Stock Option” or “ISO” means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code.

“Nonqualified Stock Option” means an Option that is not intended to meet the requirement of Section 422 of the Code.

“Option” means an Incentive Stock Option or a Nonqualified Stock Option granted under the Plan, as described in Section 6 herein.

“Option Proceeds” means the cash received by the Company as payment of the Exercise Price upon exercise of an Option or a Prior Plan option plus the federal tax benefit that could be realized by the Company as a result of the Option or Prior Plan option exercise, which shall be determined by multiplying the amount that is deductible as a result of the Option or Prior Plan option exercise (currently equal to the amount upon which the Participant’s withholding tax obligation is calculated) by the maximum federal corporate income tax rate for the year of exercise. To the extent that a Participant pays the Exercise Price and/or withholding taxes with Shares, Option Proceeds shall not be calculated with respect to the amount paid in such manner.

“Other Stock-Based Award” means a Share-based or Share-related Award granted pursuant to Section 12 herein.

“Participant” means a current or former Employee, Director or Consultant who has rights relating to an outstanding Award.

“Performance-Based Exception” means the performance-based exception from the tax deductibility limitations of Code Section 162(m).

“Performance Measures” shall have the meaning set forth in Section 14(a).

“Performance Period” means the period during which a performance measure must be met.

“Performance Share” means an Award granted to a Participant, as described in Section 10 herein.

“Performance Unit” means an Award granted to a Participant, as described in Section 11 herein.

“Period of Restriction” means the period Restricted Stock, Restricted Stock Units or Other Stock-Based Awards are subject to a substantial risk of forfeiture and are not transferable.

“Plan” means The Clorox Company 2005 Stock Incentive Plan.

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“Prior Plans” means The Clorox Company 1996 Stock Incentive Plan, The Clorox Company 1987 Long Term Compensation Program, The Clorox Company Independent Directors’ Stock-Based Compensation Plan, and the 1993 Directors’ Stock Option Plan.

“Restricted Stock” means an Award granted to a Participant, as described in Section 8 herein.

“Restricted Stock Units” means an Award granted to a Participant, as described in Section 9 herein.

“SEC” means the United States Securities and Exchange Commission.

“Share” means a share of common stock of the Company, par value \$1.00 per share, subject to adjustment pursuant to Section 18 herein.

“Stock Appreciation Right” or “SAR” means an Award granted to a Participant, either alone or in connection with a related Option, as described in Section 7 herein.

“Subsidiary” means any corporation in which the Company owns, directly or indirectly, at least fifty percent (50%) of the total combined voting power of all classes of stock, or any other entity (including, but not limited to, partnerships and joint ventures) in which the Company owns, directly or indirectly, at least fifty percent (50%) of the equity securities thereof. Notwithstanding the foregoing, for purposes of determining whether any individual may be a Participant for purposes of any grant of Incentive Stock Options, the term “Subsidiary” shall have the meaning ascribed to such term in Code Section 424(f).

“Subsidiary Disposition” means (i) the disposition by the Company of some or all of its equity holdings in any Subsidiary effected by a merger, consolidation or a similar transaction involving that Subsidiary, (ii) the Company’s sale or distribution of substantially all of the outstanding capital stock of such Subsidiary, in either case such that the Subsidiary is not longer a Subsidiary following such transaction, or (iii) the sale of all or substantially all of the assets of that Subsidiary.

“Tandem SAR” means a SAR that is granted in connection with a related Option, as described in Section 7 herein.

“Voting Securities” means voting securities of the Company entitled to vote generally in the election of Directors.

**THE CLOROX COMPANY**  
**2005 STOCK INCENTIVE PLAN**  
**NONQUALIFIED STOCK OPTION AWARD AGREEMENT**

**NOTICE OF STOCK OPTION GRANT**

The Clorox Company, a Delaware company (the "Company"), grants to the Optionee named below an option (the "Option") to purchase, in accordance with the terms of The Clorox Company 2005 Stock Incentive Plan (the "Plan") and this nonqualified stock option agreement (the "Agreement"), the number of shares of Common Stock of the Company (the "Shares") at the exercise price per share (the "Exercise Price") set forth as follows:

**OPTIONEE:** <<<Optionee Name - 1>>>  
**OPTIONS GRANTED:** <<<Total Shares Granted>>>  
**GRANT ID:** <<<Grant ID>>>  
**EXERCISE PER SHARE:** <<<Grant Price - 1>>>  
**DATE OF GRANT:** <<<Grant Date - 2>>>  
**EXPIRATION DATE:** Ten years from Date of Grant  
**VESTING SCHEDULE:** 25% on each of the first four anniversaries of the Date of Grant

AGREEMENT

1. Grant of Option. The Company hereby grants to the Optionee the Option to purchase the Shares at the Exercise Price, subject to the terms, definitions and provisions of the Plan and this Agreement. All terms, provisions, and conditions applicable to the Option set forth in the Plan and not set forth herein are incorporated by reference. To the extent any provision hereof is inconsistent with a provision of the Plan, the provisions of the Plan will govern. All capitalized terms that are used in this Agreement and not otherwise defined herein shall have the meanings ascribed to them in the Plan.
2. Exercise of Option.
  - a. Right to Exercise. This Option shall be exercisable prior to the expiration date set forth above (the "Expiration Date"), in accordance with the vesting schedule set forth above (the "Vesting Schedule") and with the applicable provisions of the Plan and this Agreement. Except as otherwise specifically provided in this Agreement, in no event may this Option be exercised after the Expiration Date. Although vested within the meaning of Section 83 of the Internal Revenue Code since no substantial risk of forfeiture exists once the options become exercisable according to the Vesting Schedule above, the Options will not be earned until the Optionee has fulfilled all of the conditions precedent set forth in this Agreement, including, but not limited to, the obligations set forth in Sections 7(b), 7(c), 7(d), 7(e) and Section 8, and the Optionee shall have no right to retain the Shares or the value thereof upon vesting or exercise of the Options until all conditions precedent have been satisfied.
  - b. Method of Exercise. This Option shall be exercisable only by delivery of an exercise notice (the "Exercise Notice"), available on the UBS website, the Company's designee, which shall state the election to exercise the Option, the whole number of vested Shares in respect of which the Option is being exercised and such other provisions as may be required by the Committee. Such Exercise Notice shall be signed by the Optionee and shall be delivered by mail or fax, to the Company's designee accompanied by payment of the Exercise Price. The Company may require the Optionee to furnish or execute such other documents as the Company shall reasonably deem necessary (1) to evidence such exercise and (2) to comply with or satisfy

the requirements of the Securities Act of 1933, as amended, the Exchange Act, or any Applicable Laws. The Option shall be deemed to be exercised upon receipt by the Company's designee of such written notice accompanied by the Exercise Price.

No Shares will be issued pursuant to the exercise of the Option unless such issuance and such exercise shall comply with all Applicable Laws. Assuming such compliance, for income tax purposes, the Shares shall be considered transferred to the Optionee on the date on which the Option is exercised with respect to such Shares.

- c. Taxes. Pursuant to Section 16 of the Plan, the Committee shall have the power and the right to deduct or withhold, or require the Optionee to remit to the Company, an amount sufficient to satisfy any applicable tax withholding requirements applicable to this Option. The Committee may condition the issuance of Shares upon the Optionee's satisfaction of such withholding obligations. The Optionee may elect to satisfy all or part of such withholding requirement by tendering previously-owned Shares or by having the Company withhold Shares having a Fair Market Value equal to the minimum statutory tax withholding rate that could be imposed on the transaction (or such other rate that will not result in a negative accounting impact) or in such other manner as is acceptable to the Company. Such election shall be irrevocable, made in writing, signed by the Optionee, and shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate.
3. Method of Payment. Pursuant to Section 6(f) of the Plan and subject to such limitations as the Committee may impose (including prohibition of one or more of the following payment methods), payment of the Exercise Price may be made in cash or by check, Shares or a combination thereof.
  4. Termination of Employment or Service and Expiration of Exercise Period.
    - a. Termination of Employment or Service. If the Optionee's employment or service with the Company and its Subsidiaries is terminated, the Optionee may exercise all or part of this Option prior to the expiration dates set forth in paragraph (b) herein, but only to the extent that the Option had become vested before the Optionee's employment or service terminated. Notwithstanding the above, if the Optionee's termination of employment or service is due to (1) Retirement and is more than 6 months from the Date of Grant set forth in this Agreement, then the Option shall continue to vest in accordance with the Vesting Schedule, or (2) death or Disability, the Option shall become 100% vested, and, in each case, shall remain exercisable until the expiration date determined pursuant to paragraph (b) of this Section.

When the Optionee's employment or service with the Company and its Subsidiaries terminates (except when due to Retirement, death or Disability), this Option shall expire immediately with respect to the number of Shares for which the Option is not yet vested. If the Optionee dies after termination of employment or service, but before the expiration of the Option, all or part of this Option may be exercised (prior to expiration) by the personal representative of the Optionee or by any person who has acquired this Option directly from the Optionee by will, bequest or inheritance, but only to the extent that the Option was vested and exercisable upon termination of the Optionee's employment or service.

- b. Expiration of Exercise Period. Upon termination of the Optionee's employment or service with the Company and its Subsidiaries, the Option shall expire on the earliest of the following occasions:
    - i. The Expiration Date;
    - ii. The date ninety (90) days following the termination of the Optionee's employment or service for any reason other than Cause, death, Disability, or Retirement;
    - iii. The date one year following the termination of the Optionee's employment or service due to death or Disability;
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- iv. The date five (5) years following the termination of the Optionee's employment or service due to Retirement, provided the Optionee's Retirement is more than 6 months from the Date of Grant set forth in this Agreement; or
  - v. The date of termination of the Optionee's employment or service for Cause.
- c. Definition of "Retirement." For purposes of this Agreement, the Optionee's employment or service shall be deemed to have terminated due to "Retirement" if the Optionee terminates employment or service as an Employee for any reason, including Disability (but other than for Cause) after (1) twenty (20) or more years of "vesting service," which solely for purposes of this Agreement, shall be calculated under Article III of The Clorox Company 401(k) Plan (the "401(k) Plan") entitled "Service" along with any other relevant provisions of the 401(k) Plan necessary or desirable to give full effect thereto, or any successor provisions, regardless of the status of the Optionee with respect to the 401(k) Plan ("Vesting Service"), or (2) attaining age fifty-five (55) with ten (10) or more years of Vesting Service.
- d. Definition of "Disability." For purposes of this Agreement, the Optionee's employment shall be deemed to have terminated due to the Optionee's Disability if the Optionee is entitled to long-term disability benefits under the Company's long-term disability plan or policy, as in effect on the date of termination of the Optionee's employment.
5. Change in Control. Upon the occurrence of a Change in Control, unless otherwise specifically prohibited under Applicable Laws or by the rules and regulations of any governing governmental agencies or national securities exchanges, the Option shall become 100% vested and immediately exercisable, unless such Option is assumed, converted or replaced by the continuing entity; provided, however, that in the event the Optionee's employment is terminated without Cause or by the Optionee for Good Reason upon or within twenty-four (24) months following consummation of a Change in Control, any replacement awards will become immediately exercisable.

For purposes of this Agreement, "Good Reason" shall mean the occurrence of any of the following with respect to the Optionee:

- (a) the assignment to the Optionee of any duties inconsistent in any material respect with the Optionee's position (including offices and reporting requirements), authority, duties or responsibilities, as in effect immediately prior to the occurrence of the Change in Control or the date of the Optionee's termination of employment, whichever is greater, or any other action by the Company which results in a material diminution in such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Optionee;
  - (b) any failure by the Company to substantially comply with, or any reduction by the Company in, any of the material provisions of the Optionee's compensation plans, programs, agreements or arrangements as in effect immediately prior to the Change in Control, including, without limitation, any material reduction in base salary, cash incentive compensation target bonus opportunity, equity compensation opportunity in the aggregate, or employee benefits and perquisites in the aggregate, other than an isolated, insubstantial and inadvertent failure or reduction not occurring in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Optionee;
  - (c) the Company's requiring the Optionee to be based at any office or location other than that in effect immediately prior to the Change in Control or any office or location not requiring the Optionee's commute to increase by more than 35 miles from his or her commute immediately prior to the Change in Control;
  - (d) any purported termination by the Company of the Optionee's employment other than (A) due to the death or Disability of the Optionee or (B) a termination of the Optionee's employment by the Company for Cause; or
  - (e) any material failure by the Company to require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to
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assume the obligations of the Company under this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place.

Any termination by the Optionee for Good Reason shall be communicated by a written notice to the Company within a period not to exceed ninety (90) days of such Optionee's knowledge of the condition. Such written notice (1) must indicate the specific termination provision in the Good Reason definition relied upon, (2) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Optionee's employment under the provision so indicated and (3) the Optionee's intended date of termination if the Company does not cure the issue (which date shall be not less than thirty (30) days after the giving of such notice). After receipt by the Company of such written notice, the Company shall have thirty (30) days during which it may remedy the condition and thereby cure the event or circumstance constituting "Good Reason".

6. Transferability of Option. This Option shall not be transferable by the Optionee other than by will or the laws of descent and distribution, and the Option shall be exercisable during the Optionee's lifetime only by the Optionee or on his or her behalf by the Optionee's guardian or legal representative.

7. Protection of Trade Secrets and Limitations on Exercise.

a. Definitions.

- i. "Affiliated Company" means any organization controlling, controlled by or under common control with the Company.
- ii. "Confidential Information" means the Company's technical or business or personnel information not readily available to the public or generally known in the trade, including inventions, developments, trade secrets and other confidential information, knowledge, data and know-how of the Company or any Affiliated Company, whether or not they originated with the Optionee, or information which the Company or any Affiliated Company received from third parties under an obligation of confidentiality.
- iii. "Conflicting Product" means any product, process, machine, or service of any person or organization, other than the Company or any Affiliated Company, in existence or under development that (1) resembles or competes with a product, process, machine, or service upon or with which the Optionee shall have worked during the two years prior to the Optionee's termination of employment with the Company or any Affiliated Company or (2) with respect to which during that period of time the Optionee, as a result of his/her job performance and duties, shall have acquired knowledge of Confidential Information, and whose use or marketability could be enhanced by application to it of Confidential Information. For purposes of this section, it shall be conclusively presumed that the Optionee has knowledge of information to which s/he has been directly exposed through actual receipt or review of memorandum or documents containing such information or through actual attendance at meetings at which such information was discussed or disclosed.
- iv. "Conflicting Organization" means any person or organization that is engaged in or about to become engaged in research on or development, production, marketing or selling of a Conflicting Product.

b. Right to Retain Shares Contingent on Protection of Confidential Information. In partial consideration for the award of this Option, the Optionee agrees that at all times, both during and after the term of the Optionee's employment with the Company or any Affiliated Company, to hold in the strictest confidence, and not to use (except for the benefit of the Company at the Company's direction) or disclose (except for the benefit of the Company at the Company's direction), regardless of when disclosed to the Optionee, any and all Confidential Information of the Company or any Affiliated Company. The Optionee understands

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that for purposes of this Section 7(b), Confidential Information further includes, but is not limited to, information pertaining to any aspect of the business of the Company or any Affiliated Company which is either information not known (or known as a result of a wrongful act of the Optionee or of others who were under confidentiality obligations as to the item or items involved) by actual or potential competitors of the Company or other third parties not under confidentiality obligations to the Company. If, prior to the expiration of the Option or at any time within one (1) year after the date of exercise of all or any portion of the Option, the Optionee discloses or uses, or threatens to disclose or use, any Confidential Information other than in the course of performing authorized services for the Company (or any Affiliated Company), the unexercised portion of the Option, whether vested or not, will be immediately forfeited and cancelled, and the Optionee shall immediately return to the Company the Shares or the pre-tax income derived from any disposition of the Shares.

- c. No Interference with Customers or Suppliers. In partial consideration for the award of this Option, in order to forestall the disclosure or use of Confidential Information as well as to avoid the Optionee's intentional interference with the contractual relations of the Company or any Affiliated Company, the Optionee's intentional interference with prospective economic advantage of the Company or any Affiliated Company and to promote fair competition, the Optionee agrees that the Optionee's right to exercise this Option is contingent upon the Optionee refraining, prior to the expiration of the Option and for a period of one (1) year after the date of exercise, for himself/herself or any third party, directly or indirectly, from using Confidential Information to (1) divert or attempt to divert from the Company (or any Affiliated Company) any business of any kind in which it is engaged, or (2) intentionally solicit its customers with which it has a contractual relationship as to Conflicting Products, or interfere with the contractual relationship with any of its suppliers or customers (collectively, "Interfere"). If, during the term of the Option or at any time within one (1) year after the date of exercise of all or any portion of the Option, the Optionee breaches his/her obligation not to Interfere, the Optionee's right to the Shares upon exercise of the Option shall not have been earned and the unexercised portion of the Option, whether vested or not, will be immediately cancelled, and the Optionee shall immediately return to the Company any Shares acquired upon exercise of the Option or the pre-tax income derived from any disposition of such Shares. For avoidance of doubt, the term "Interfere" shall not include any advertisement of Conflicting Products through the use of media intended to reach a broad public audience (such as television, cable or radio broadcasts, generalized online marketing, or newspapers or magazines) or the broad distribution of coupons through the use of direct mail or through independent retail outlets. THE OPTIONEE UNDERSTANDS THAT THIS PARAGRAPH IS NOT INTENDED TO AND DOES NOT PROHIBIT THE CONDUCT DESCRIBED, BUT PROVIDES FOR THE CANCELLATION OF THE UNEXERCISED PORTION OF THE OPTION AND A RETURN TO THE COMPANY OF THE SHARES OR THE GROSS TAXABLE PROCEEDS OF SHARES ISSUED UPON AN EXERCISE OF THE OPTION IF THE OPTIONEE SHOULD CHOOSE TO VIOLATE THIS "NO INTERFERENCE WITH CUSTOMERS OR SUPPLIERS" PROVISION PRIOR TO THE EXPIRATION OF THE OPTION OR WITHIN ONE (1) YEAR AFTER EXERCISE.
- d. No Solicitation of Employees. In partial consideration for the award of this Option, in order to forestall the disclosure or use of Confidential Information, as well as to deter the Optionee's intentional interference with the contractual relations of the Company or any Affiliated Company, the Optionee's intentional interference with prospective economic advantage of the Company or any Affiliated Company, and to promote fair competition, the Optionee agrees that the Optionee's right to exercise this Option is contingent upon the Optionee refraining, prior to the expiration of the Option and for a period of one (1) year after the date of exercise, for himself/herself or any third party, directly or indirectly, from soliciting for employment any person employed by the Company, or by any Affiliated Company, during the period of the solicited person's employment and for a period of one (1) year after the termination of the solicited person's employment with the Company or any Affiliated Company (collectively "Solicit"). If, during the term of the Option or at any time within one (1) year after the date of exercise of all or any portion of the Option, the Optionee breaches his/her obligation not to Solicit, the Optionee's right to the Shares upon exercise of the Option shall not have been earned and the unexercised portion of the Option, whether vested or not, will be immediately cancelled, and the Optionee shall immediately return to the Company any Shares acquired upon exercise of the Option or the pre-tax income derived from any disposition of such Shares. THE
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OPTIONEE UNDERSTANDS THAT THIS PARAGRAPH IS NOT INTENDED TO AND DOES NOT PROHIBIT THE CONDUCT DESCRIBED, BUT PROVIDES FOR THE CANCELLATION OF THE UNEXERCISED PORTION OF THE OPTION AND A RETURN TO THE COMPANY OF THE SHARES OR THE GROSS TAXABLE PROCEEDS OF SHARES ISSUED UPON AN EXERCISE OF THE OPTION IF THE OPTIONEE SHOULD CHOOSE TO VIOLATE THIS NON-SOLICITATION OF EMPLOYEES PROVISION PRIOR TO THE EXPIRATION OF THE OPTION OR WITHIN ONE (1) YEAR AFTER EXERCISE.

- e. Injunctive and Other Available Relief. By acceptance of this Option, the Optionee acknowledges that, if the Optionee were to breach or threaten to breach his/her obligation hereunder not to Interfere or Solicit or not to disclose or use any Confidential Information other than in the course of performing authorized services for the Company (or any Affiliated Company), the harm caused to the Company by such breach or threatened breach would be, by its nature, irreparable because, among other things, damages would be significant and the monetary harm that would ensue would not be able to be readily proven, and that the Company would be entitled to injunctive and other appropriate relief to prevent threatened or continued breach and to such other remedies as may be available at law or in equity. To the extent not prohibited by law, any cancellation of the Option pursuant to any of Sections 7(b) through 7(d) above shall not restrict, abridge or limit in any fashion the types and scope of injunctive and other available relief to the Company. Notwithstanding any provision of this Agreement to the contrary, nothing under this Agreement shall limit, abridge, modify or otherwise restrict the Company (or any Affiliated Company) from pursuing any or all legal, equitable or other appropriate remedies to which the Company may be entitled under any other agreement with the Optionee, any other plan, program, policy or arrangement of the Company (or any Affiliated Company) under which the Optionee is covered or participates, or any applicable law, all to the fullest extent not prohibited under applicable law.
- f. Permitted Reporting and Disclosure. Notwithstanding any language in this Agreement to the contrary, nothing in this Agreement prohibits Optionee from reporting possible violations of federal law or regulation to any governmental agency or governmental entity, or making other disclosures that are protected under federal law or regulation; provided, that, in each case such communications and disclosures are consistent with applicable law. Notwithstanding the foregoing, under no circumstance is Optionee authorized to disclose any information covered by the Company's attorney-client privilege or attorney work product or the Company's trade secrets without prior written consent of the Company's Chief Legal Officer. Any reporting or disclosure permitted under this Section 7(f) shall not result in the cancellation of Options. Optionee is entitled to certain immunities from liability under state and federal law for disclosing trade secrets if the disclosure was made to report or investigate an alleged violation of law, subject to certain conditions. Please see the Company's Confidential Information Policy for further details.
8. Right to Retain Shares Contingent on Continuing Non-Conflicting Employment. In partial consideration for the award of this Option in order to forestall the disclosure or use of Confidential Information, as well as to deter the Optionee's intentional interference with the contractual relations of the Company or any Affiliated Company, the Optionee's intentional interference with prospective economic advantage of the Company or any Affiliated Company, and to promote fair competition, the Optionee agrees that the Optionee's right to exercise this Option is contingent upon the Optionee refraining, prior to the expiration of the Option and for a period of one (1) year after the date of exercise, from rendering services, directly or indirectly, as director, officer, employee, agent, consultant or otherwise, to any Conflicting Organization except a Conflicting Organization whose business is diversified and that, as to that part of its business to which the Optionee renders services, is not a Conflicting Organization, provided that the Company shall receive separate written assurances satisfactory to the Company from the Optionee and the Conflicting Organization that the Optionee shall not render services during such period with respect to a Conflicting Product. If, prior to the expiration of the Option or at any time within one (1) year after the date of exercise of all or any portion of the Option, the Optionee shall render services to any Conflicting Organization other than as expressly permitted herein, the Optionee's right to the Shares upon exercise of the Option shall not have been earned and the unexercised portion of the Option, whether vested or not, will be immediately cancelled, and the Optionee shall immediately return to the
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Company any Shares acquired upon exercise of the Option or the pre-tax income derived from any disposition of such Shares. THE OPTIONEE UNDERSTANDS THAT THIS PARAGRAPH IS NOT INTENDED TO AND DOES NOT PROHIBIT THE OPTIONEE FROM RENDERING SERVICES TO A CONFLICTING ORGANIZATION, BUT PROVIDES FOR THE CANCELLATION OF THE UNEXERCISED PORTION OF THE OPTION AND A RETURN TO THE COMPANY OF THE SHARES OR THE GROSS TAXABLE PROCEEDS OF SHARES ISSUED UPON AN EXERCISE OF THE OPTION IF THE OPTIONEE SHOULD CHOOSE TO RENDER SUCH SERVICES PRIOR TO THE EXPIRATION OF THE OPTION OR WITHIN ONE (1) YEAR AFTER EXERCISE.

9. Repayment Obligations.

- a. [Restatement of Financials. In the event that (1) the Company issues a significant restatement of financial results and (2) the Committee determines, in good faith, that the Optionee's fraud or misconduct was a significant contributing factor to such restatement and (3) some or all of the Option that was granted and/or vested prior to such restatement would not have been granted and/or vested, as applicable, based upon the restated financial results, the Optionee shall immediately return to the Company the unexercised portion of the Option and any Shares or the pre-tax income derived from any disposition of the Shares previously received in upon exercise of the Option that would not have been granted and/or vested based upon the restated financial results (the "Repayment Obligation"). Notwithstanding anything herein to the contrary, in no event shall the Repayment Obligation apply to any portion of the Option that vested more than four years prior to the date the applicable restatement is announced. The Company shall be able to enforce the Repayment Obligation by all legal means available, including, without limitation, by withholding such amount from other sums owed by the Company to the Optionee.]<sup>1</sup>
- i. [Clawback Policy. The award of this Option under the Plan granted to Participants who are "Covered Employees" (as defined in the Company's Policy Regarding Clawback of Incentive Compensation, the "Policy") is subject to clawback in accordance with the terms of the Policy, as amended from time to time, and pursuant to any other policy the Company may adopt as required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law. No recovery of any Award granted hereunder pursuant to such a clawback policy shall be treated as an event giving rise to a Participant's right to terminate employment for "good reason" or "constructive termination" (or any similar term) under any agreement with the Company.]<sup>2 3</sup>

10. Miscellaneous Provisions.

- a. Rights as a Stockholder. Neither the Optionee nor the Optionee's transferee or representative shall have any rights as a stockholder with respect to any Shares subject to this Option until the Option has been exercised and Share certificates have been issued to the Optionee, transferee or representative, as the case may be.
- b. Choice of Law, Exclusive Jurisdiction and Venue. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction. **The courts of the State of Delaware shall have exclusive jurisdiction over any disputes or other proceedings relating to this Agreement, and venue shall reside with the courts in New Castle County, Delaware, including if jurisdiction shall so permit, the U.S. District Court for the District of Delaware.** Accordingly, the Optionee agrees that any claim of any type relating to this

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<sup>1</sup> To be included in agreements for individuals who are not subject to the Policy.

<sup>2</sup> To be included in agreements for individuals who are required to file disclosure statements under Section 16(a) of the Securities Exchange Act or otherwise subject to the Policy.

<sup>3</sup> **Note to Draft:** Grants should include either section 9(a) (for individuals who are not subject to the Policy) **OR** section 9(b) (for individuals who are subject to the Policy).

Agreement must be brought and maintained in the appropriate court located in New Castle County, Delaware, including if jurisdiction will so permit, in the U.S. District Court for the State of Delaware. The Optionee hereby consents to the jurisdiction over the Optionee of any such courts and waives all objections based on venue or inconvenient forum.

- c. Modification or Amendment. This Agreement may be modified or amended by the Board or the Committee at any time; provided, however, no modification or amendment to this Agreement shall be made which would materially and adversely affect the rights of the Optionee, without such Optionee's written consent.
  - d. Severability. In the event any provision of this Agreement shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions of this Agreement, and this Agreement shall be construed and enforced to reflect the intent of the parties to the fullest extent not prohibited by law, and in the event that such provision is not able to be so construed and enforced, then this Agreement shall be construed and enforced as if such illegal or invalid provision had not been included. In amplification of the preceding sentence, in the event that the time period or scope of any provision is declared by a court or arbitrator of competent jurisdiction to exceed the maximum time period or scope that such court or arbitrator deems enforceable, then such court or arbitrator shall have the power to reduce the time period or scope to the maximum time period or scope permitted by law.
  - e. References to Plan. All references to the Plan shall be deemed references to the Plan as may be amended.
  - f. Headings. The captions used in this Agreement are inserted for convenience and shall not be deemed a part of this Option for construction or interpretation.
  - g. Interpretation. Any dispute regarding the interpretation of this Agreement shall be submitted by the Optionee or by the Company forthwith to the Board or the Committee, which shall review such dispute at its next regular meeting. The resolution of such dispute by the Board or the Committee shall be final and binding on all persons. It is the intention of the Company and the Optionee to make the promises contained in this Agreement reasonable and binding only to the extent that it may be lawfully done under existing applicable laws. This Agreement and the Plan constitute the entire and exclusive agreement between the Optionee and the Company, and it supersedes all prior agreements or understandings, whether written or oral, with respect to the grant of Options set forth in this Agreement.
  - h. Section 409A Compliance. To the extent applicable, it is intended that the Plan and this Agreement comply with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and any related regulations or other guidance promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service ("Section 409A"). Any provision of the Plan or this Agreement that would cause this Award to fail to satisfy Section 409A shall have no force or effect until amended to comply with Section 409A, which amendment may be retroactive to the extent permitted by Section 409A.
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- i. Agreement with Terms. Receipt of any benefits under this Agreement by the Optionee shall constitute the Optionee's acceptance of and agreement with all of the provisions of this Agreement and of the Plan that are applicable to this Agreement, and the Company shall administer this Agreement accordingly.

**THE CLOROX COMPANY**

By:

Its: Chief Executive Officer

THE OPTIONEE ACKNOWLEDGES AND AGREES THAT THIS AGREEMENT IS A UNILATERAL CONTRACT AND THAT THE OPTIONEE'S RIGHT TO THE SHARES PURSUANT TO THE OPTION HEREOF IS ACCEPTED AND EARNED ONLY BY CONTINUING EMPLOYMENT AT THE WILL OF THE COMPANY (NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS OPTION OR ACQUIRING SHARES HEREUNDER) AND BY COMPLIANCE WITH THE OPTIONEE'S VARIOUS OBLIGATIONS UNDER THIS AGREEMENT. THE OPTIONEE FURTHER ACKNOWLEDGES AND AGREES THAT NOTHING IN THIS AGREEMENT, NOR IN THE PLAN, SHALL CONFER UPON THE OPTIONEE ANY RIGHT WITH RESPECT TO CONTINUATION OF EMPLOYMENT BY THE COMPANY, NOR SHALL IT INTERFERE IN ANY WAY WITH THE OPTIONEE'S RIGHT OR THE COMPANY'S RIGHT TO TERMINATE THE OPTIONEE'S EMPLOYMENT AT ANY TIME, FOR ANY REASON OR NO REASON, WITH OR WITHOUT CAUSE, AND WITH OR WITHOUT ADVANCE NOTICE EXCEPT AS MAY BE REQUIRED BY APPLICABLE LAW.

The Optionee acknowledges that a copy of the Plan and Plan Information are available for viewing on the Company's internal HR website at <https://clxweb.clorox.com/hr/Pages/HRatClorox/HRContentPages/StockIncentiveProgram.aspx>, and the Company's Annual Report and Proxy Statement (the "Prospectus Information") are available for viewing on the Company's Clorox website at <http://investors.thecloroxcompany.com/sec.cfm>. The Optionee hereby consents to receive the Prospectus Information electronically or, in the alternative, to contact the HR Service Center at 1-800-709-7095 to request a paper copy of the Prospectus Information. The Optionee represents that s/he is familiar with the terms and provisions thereof, and hereby accepts this Agreement subject to all of the terms and provisions thereof. The Optionee has reviewed the Plan and this Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Agreement and fully understands all provisions of this Agreement. The Optionee acknowledges and hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Plan or this Agreement. The Optionee further agrees to notify the Company upon any change in the residence address indicated below.

Dated: \_\_\_\_\_ Signed: \_\_\_\_\_  
Optionee

Residence Address:

\_\_\_\_\_  
\_\_\_\_\_

**THE CLOROX COMPANY**  
**2005 STOCK INCENTIVE PLAN**  
**PERFORMANCE SHARE AWARD AGREEMENT**

**NOTICE OF PERFORMANCE SHARE GRANT**

The Clorox Company, a Delaware company (the "Company"), grants to the Grantee named below, in accordance with the terms of The Clorox Company 2005 Stock Incentive Plan (the "Plan") and this performance share award agreement (the "Agreement"), the following number of Performance Shares on the terms set forth below:

**GRANTEE:** <<<Participant Name>>>

**TARGET AWARD:** <<<Target Shares Granted>>>

**GRANT ID:** <<<Grant ID>>>

**PERFORMANCE PERIOD:** July 1, 2020 through June 30, 2023

**DATE OF GRANT:** <<<Grant Date - 2>>>

**SETTLEMENT DATE:** Within 90 days following the last day of the Performance Period, provided the Grantee has remained in the employment or service of the Company or its Subsidiaries through such date (except for a termination of employment or service due to death, Disability or Retirement, as provided below)

**AGREEMENT**

1. Grant of Performance Shares. The Company hereby grants to the Grantee the Target Award set forth above, payment of which is dependent upon the achievement of certain performance goals more fully described in Section 3 of this Agreement. This Award is subject to the terms, definitions and provisions of the Plan and this Agreement. All terms, provisions, and conditions applicable to the Performance Shares set forth in the Plan and not set forth herein are incorporated by reference. To the extent any provision hereof is inconsistent with a provision of the Plan, the provisions of the Plan will govern. All capitalized terms that are used in this Agreement and not otherwise defined herein shall have the meanings ascribed to them in the Plan.
2. Nature and Settlement of Award. The Performance Shares awarded pursuant to this Agreement represent the opportunity to receive Shares of the Company and Dividend Equivalents on such Shares (as described in Section 4 below). The Company shall issue to the Grantee one Share for each vested Performance Share (plus any Dividend Equivalents accrued with respect to such vested Performance Shares), rounded to the nearest whole share, less any Shares withheld in accordance with the provisions of Section 7 of this Agreement. Settlement shall occur on a date chosen by the Committee, which date shall be within ninety (90) days following the last day of the Performance Period (the "Settlement Date"), or any Deferred Settlement Date established pursuant to Section 6 of this Agreement, whichever is later, and except as specifically provided in Section 5 of this Agreement, provided the Grantee has remained in the employment or service of the Company or its Subsidiaries through the Settlement Date; provided, that, in connection with a Change in Control as described in Section 8 of this Agreement, the Settlement Date shall be within sixty (60) days of either the Change in Control or the date of termination of employment without Cause or for "Good Reason" (as defined below), as applicable. Although vested within the meaning of Section 83 of the Internal Revenue Code since no substantial risk of forfeiture exists at the Settlement Date, the Performance Shares (and any associated Dividend Equivalents) will not be earned until the Grantee has fulfilled all of the conditions precedent set forth in this Agreement, including, but not limited to, the obligations set forth in Sections 10(b), 10(c), 10(d), 10(e) and

Section 11, and the Grantee shall have no right to retain the Shares or the value thereof upon vesting or settlement of the Performance Shares until all such conditions precedent have been satisfied.

3. Determination of Number of Performance Shares Vested. The number of Performance Shares vested, if any, for the Performance Period shall be determined in accordance with the following formula:

$$\# \text{ of Performance Shares} = \text{Average Payout Percentage} \times \text{Target Award}$$

The “Average Payout Percentage” is equal to the sum of the Payout Percentage for each of the fiscal years in the Performance Period, divided by three.

“Payout Percentage” for each fiscal year in the Performance Period is based on the growth of annual economic profit (“EP”), calculated as described in the paragraph below, for the applicable fiscal year in the Performance Period as compared to the prior fiscal year (“EP Growth”), expressed as a percentage and calculated based upon EP at the end of each fiscal year of the Performance Period, determined in accordance with the following table:

	EP Growth (for each fiscal year in the Performance Period)
EP Growth Threshold*	%
EP Growth Target**	%
EP Growth Max***	%

\* Achievement of the EP Growth Threshold Amount (or below) shall result in a Payout Percentage of 0% for the applicable fiscal year of the Performance Period.

\*\* Achievement of the EP Growth Target Amount shall result in a Payout Percentage of 100% for the applicable fiscal year of the Performance Period

\*\*\* Achievement of the EP Growth Max Amount (or above) shall result in a Payout Percentage of 200% for the applicable fiscal year of the Performance Period

Note: Achievement of EP Growth in between the Threshold and Target levels and in between the Target and Max levels shall be determined through linear interpolation. For the avoidance of doubt, if the EP Growth in excess of the Threshold level is not achieved, the Payout Percentage for the applicable fiscal year of the Performance Period shall be 0%.

EP is defined as Earnings Before Interest & Taxes, adjusted for non-cash restructuring charges, times one minus the tax rate, less capital charge.

For avoidance of doubt, while the expectation is that EP for a given fiscal year shall be calculated based upon the Company’s financial statements for such fiscal year that are filed with the SEC, the Committee shall have the authority to include information not reflected in such financial statements for purposes of determining EP for such fiscal year if the Committee determines that the inclusion of such information more accurately reflects the financial performance of the Company for such fiscal year. To the extent that such information used in a prior fiscal year is reflected in the filed financial statements for a subsequent fiscal year, appropriate changes shall be made to relevant information in such filed financial statements for purposes of calculating EP for such subsequent fiscal year to avoid double counting of the same information.

Notwithstanding the above, the applicable EP amount for the corresponding fiscal year that is used as the basis for calculating EP Growth results for such fiscal year shall be adjusted, fairly and appropriately, in accordance with the Plan and, as provided in this Agreement, to reflect accurately the direct and measurable effect of the impact of each of the following events not otherwise reflected in the determination of the initial EP levels (each,

an “Event”) including, without limitation, the financial statement impact on the Company on account of the occurrence or potential occurrence of an Event: (1) the acquisition or divestiture of a business, (2) a Change in Control, (3) U.S Federal changes in tax statutes or the addition or deletion of taxes to which the Company or any Affiliated Company is subject, (4) force majeure (including events known as “Acts of God”), (5) the adoption of new or revised accounting pronouncements or changes to application of accounting pronouncements, and (6) any extraordinary, unusual or non-recurring item not previously listed. Notwithstanding the foregoing, an event listed in the preceding sentence shall not qualify as an Event, and therefore no adjustment shall be made to the EP levels, unless the impact of the occurrence or potential occurrence of such an event listed in the preceding sentence exceeds \$2 million in EP. The purpose of any adjustments on account of the occurrence of an Event is to keep the probability of achieving the EP Growth goals the same as if the Event triggering such adjustment had either not occurred or had not resulted in any financial statement impact. The determination of any adjustments shall be based on the Company’s accounting as set forth in its books and records (including business projections) and/or in the annual budgets and/or long range plans of the Company pursuant to which the EP Growth goals were established. The amount of any such adjustment shall be approved by the Committee in its good faith determination in accordance with the provisions of this paragraph. To the extent applicable, the Committee shall condition the determination of the number of Performance Shares vested under this Section 3 upon the satisfaction of the adjusted EP levels. All Performance Shares that are not vested for the Performance Period shall be forfeited as of the last day of the Performance Period.

4. Dividend Equivalent Rights. No Dividend Equivalents shall be paid to the Grantee prior to the settlement of the award. Rather, such Dividend Equivalent payments will accrue and be notionally credited to the Grantee’s Performance Share account and paid out at the Payout Percentage in the form of additional Shares rounded down to the nearest whole Share (the “Dividend Equivalent Shares”) upon settlement of the award, as described in Section 2 above.
5. Termination of Continuous Service. Except as otherwise provided below, if the Grantee’s employment or service with the Company and its Subsidiaries is terminated for any reason prior to the Settlement Date, all Performance Shares and Dividend Equivalents subject to this Agreement shall be immediately forfeited.
  - a. Termination due to Death or Disability. If the Grantee’s termination of employment or service is due to death or Disability, all Performance Shares and Dividend Equivalents shall immediately vest and will be paid upon completion of the Performance Period based on the level of performance achieved as of the end of such Performance Period.
  - b. Termination due to Retirement. If the Grantee’s termination of employment or service is due to Retirement, the Performance Shares shall vest on a pro rata monthly basis, including full credit for partial months elapsed and rounded to the nearest whole Share, and will be paid upon completion of the Performance Period based on the level of performance achieved as of the end of such Performance Period; provided, however, that this provision shall not apply in the event the Grantee’s employment or service is terminated for Cause. The amount of the vested Award may be computed under the following formula: Target Award times (number of full months elapsed in Performance Period (i.e., rounding up for any partial month) divided by number of full months in Performance Period) times percent performance level achieved as of the end of the Performance Period. Dividend Equivalents accrued through the Grantee’s date of termination due to Retirement shall be paid at the same time as the settlement of the vested Performance Shares.
  - c. Definition of “Retirement.” For purposes of this Agreement, the term “Retirement” shall mean termination of employment or service as an Employee after (1) twenty (20) or more years of “vesting service,” which solely for purposes of this Agreement, shall be calculated under Article III of The Clorox Company 401(k) Plan (the “401(k) Plan”) entitled “Service” along with any other relevant provisions of the 401(k) Plan necessary or desirable to give full effect thereto, or any successor provisions, regardless of the status of the Grantee with respect to the 401(k) Plan (“Vesting Service”), or (2) attaining age fifty-five with ten (10) or more years of Vesting Service.

- d. Definition of “Disability.” For purposes of this Agreement, the Grantee’s employment shall be deemed to have terminated due to the Grantee’s Disability if the Grantee is entitled to long-term disability benefits under the Company’s long-term disability plan or policy, as in effect on the date of termination of the Grantee’s employment.
6. Election to Defer Settlement. Prior to the commencement of the last year of the Performance Period, the Grantee may elect to defer the settlement of the Performance Shares from the last day of the Performance Period until a date at least two years following such date, or until the Grantee’s later termination of employment or service. Such date shall be referred to as the “Deferred Settlement Date”. If the Grantee makes such an election, it will become irrevocable on the date of such election. If the Grantee makes such an election, any Dividend Equivalents awarded with respect to such deferred Performance Shares shall also be deferred under the same terms. If the Grantee makes such an election, but a transaction occurs that subjects the Grantee’s Performance Shares to Section 19 of the Plan prior to the Deferred Settlement Date, the Grantee’s deferral election will terminate and the Grantee’s Performance Shares and Dividend Equivalents will be settled as of the date of that transaction. The Company may terminate any deferral hereunder if a change in law requires such termination.
7. Taxes. Pursuant to Section 16 of the Plan, the Committee shall have the power and the right to deduct or withhold, or require the Grantee to remit to the Company, an amount sufficient to satisfy any applicable tax withholding requirements applicable to this Award. The Committee may condition the issuance of Shares upon the Grantee’s satisfaction of such withholding obligations. The Grantee may elect to satisfy all or part of such withholding requirement by tendering previously-owned Shares or by having the Company withhold Shares having a Fair Market Value equal to the minimum statutory withholding rate that could be imposed on the transaction (or such other rate that will not result in a negative accounting impact) or in such other manner as is acceptable to the Company. Such election shall be irrevocable, made in writing, signed by the Grantee, and shall be subject to any restriction or limitations that the Committee, in its sole discretion, deems appropriate.
8. Change in Control. Upon the occurrence of a Change in Control, unless otherwise specifically prohibited under Applicable Laws or by the rules and regulations of any governing governmental agencies or national securities exchanges, the portion of any and all Performance Shares that remain outstanding following the occurrence of a Change in Control shall be determined by applying actual performance from the beginning of the Performance Period through the date of the Change in Control using the formula set forth above in Section 3 (“Performance Measure Formula”) to determine the amount of the payout or distribution rounded to the nearest whole Share. Notwithstanding the foregoing, if the Change in Control occurs prior to the end of the Performance Period, the Performance Measure Formula shall generally be adjusted to take into account the shorter period of time available to achieve the performance measures set forth above in Section 3 (the “Performance Measures”). If a quantitative Performance Measure Formula for the entire Performance Period has been determined by the Company by adding together one or more goals for Performance Measures (“Performance Measure Goals”) for multiple time periods within the Performance Period (each a “subperiod”), then the adjusted Performance Measure Formula for a given level of performance shall be equal to the sum of (1) the Performance Measure Goals for each completed subperiod for such level of performance and (2) a prorated Performance Measure Goal (determined by the number of days in such subperiod falling on or before the occurrence of the Change in Control divided by the total number of days in such subperiod) for such level of performance for each subperiod not completed on or before the occurrence of the Change in Control. If there are no subperiods, then the quantitative Performance Measure Formula shall be prorated by taking the Performance Measure Goal for each specified level of performance for the entire Performance Period and multiplying it by a fraction, the numerator of which is the number of days in the Performance Period falling on or before the occurrence of the Change in Control and the denominator of which is the total number of days in the Performance Period. In the unlikely event that the Company is unable to substantially adjust the target Performance Measure(s) as set forth above, then the portion of the Performance Shares that shall remain outstanding shall be based on the assumption that the target level of performance for each Performance Measure for the entire Performance Period has been achieved.

The portion of the Performance Shares that remain outstanding following the occurrence of a Change in Control as determined in the preceding paragraph shall vest in full at the end of the Performance Period so long as the Grantee's employment with the Company or a Subsidiary does not terminate until the end of the Performance Period. Notwithstanding the foregoing, such portion shall vest in full upon the earliest to occur of the following events: (1) the termination of the Grantee by the Company without Cause, (2) the refusal of the continuing entity to assume, convert, replace or continue the Award, or (3) if applicable, the resignation of the Grantee for "Good Reason" (as defined below).

For purposes of this Agreement, "Good Reason" shall mean the occurrence of any of the following with respect to the Grantee:

(a) the assignment to the Grantee of any duties inconsistent in any material respect with the Grantee's position (including offices and reporting requirements), authority, duties or responsibilities, as in effect immediately prior to the occurrence of the Change in Control or the date of the Grantee's termination of employment, whichever is greater, or any other action by the Company which results in a material diminution in such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Grantee;

(b) any failure by the Company to substantially comply with, or any reduction by the Company in, any of the material provisions of the Grantee's compensation plans, programs, agreements or arrangements as in effect immediately prior to the Change in Control, including, without limitation, any material reduction in base salary, cash incentive compensation target bonus opportunity, equity compensation opportunity in the aggregate, or employee benefits and perquisites in the aggregate, other than an isolated, insubstantial and inadvertent failure or reduction not occurring in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Grantee;

(c) the Company's requiring the Grantee to be based at any office or location other than that in effect immediately prior to the Change in Control or any office or location not requiring the Grantee's commute to increase by more than 35 miles from his or her commute immediately prior to the Change in Control;

(d) any purported termination by the Company of the Grantee's employment other than (A) due to the death or Disability of the Grantee or (B) a termination of the Grantee's employment by the Company for Cause; or

(e) any material failure by the Company to require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume the obligations of the Company under this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place.

Any termination by the Grantee for Good Reason shall be communicated by a written notice to the Company within a period not to exceed ninety (90) days of such Grantee's knowledge of the condition. Such written notice (1) must indicate the specific termination provision in the Good Reason definition relied upon, (2) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Grantee's employment under the provision so indicated and (3) the Grantee's intended date of termination if the Company does not cure the issue (which date shall be not less than thirty (30) days after the giving of such notice). After receipt by the Company of such written notice, the Company shall have thirty (30) days during which it may remedy the condition and thereby cure the event or circumstance constituting "Good Reason".

9. Transferability of Performance Shares. Performance Shares shall not be transferable by the Grantee other than by will or by the laws of descent or distribution. For avoidance of doubt, Shares issued to the Grantee in settlement of Performance Shares pursuant to Section 2 of this Agreement shall not be subject to any of the foregoing transferability restrictions.

10. Protection of Trade Secrets and Limitations on Retention.

i. Definitions.

- a. “Affiliated Company” means any organization controlling, controlled by or under common control with the Company.
- b. “Confidential Information” means the Company’s technical or business or personnel information not readily available to the public or generally known in the trade, including inventions, developments, trade secrets and other confidential information, knowledge, data and know-how of the Company or any Affiliated Company, whether or not they originated with the Grantee, or information which the Company or any Affiliated Company received from third parties under an obligation of confidentiality.
- c. “Conflicting Product” means any product, process, machine, or service of any person or organization, other than the Company or any Affiliated Company, in existence or under development that (1) resembles or competes with a product, process, machine, or service upon or with which the Grantee shall have worked during the two years prior to the Grantee’s termination of employment with the Company or any Affiliated Company or (2) with respect to which during that period of time the Grantee, as a result of his/her job performance and duties, shall have acquired knowledge of Confidential Information, and whose use or marketability could be enhanced by application to it of Confidential Information. For purposes of this section, it shall be conclusively presumed that the Grantee has knowledge of information to which s/he has been directly exposed through actual receipt or review of memorandum or documents containing such information or through actual attendance at meetings at which such information was discussed or disclosed.
- d. “Conflicting Organization” means any person or organization that is engaged in or about to become engaged in research on or development, production, marketing or selling of a Conflicting Product.

- ii. Right to Retain Shares Contingent on Protection of Confidential Information. In partial consideration for the award of these Performance Shares, the Grantee agrees that at all times, both during and after the term of the Grantee’s employment with the Company or any Affiliated Company, to hold in the strictest confidence, and not to use (except for the benefit of the Company at the Company’s direction) or disclose (except for the benefit of the Company at the Company’s direction), regardless of when disclosed to the Grantee, any and all Confidential Information of the Company or any Affiliated Company. The Grantee understands that for purposes of this Section 10(b), Confidential Information further includes, but is not limited to, information pertaining to any aspect of the business of the Company or any Affiliated Company which is either information not known (or known as a result of a wrongful act of the Grantee or of others who were under confidentiality obligations as to the item or items involved) by actual or potential competitors of the Company or other third parties not under confidentiality obligations to the Company. If, prior to the expiration of the Performance Period or at any time within one (1) year after the Settlement Date, the Grantee discloses or uses, or threatens to disclose or use, any Confidential Information other than in the course of performing authorized services for the Company (or any Affiliated Company), the Performance Shares, whether vested or not, will be immediately forfeited and cancelled, and the Grantee shall immediately return to the Company the Shares or the pre-tax income derived from any disposition of the Shares.
- iii. No Interference with Customers or Suppliers. In partial consideration for the award of these Performance Shares, in order to forestall the disclosure or use of Confidential Information as well as to deter the Grantee’s intentional interference with the contractual relations of the Company or any Affiliated Company, the Grantee’s intentional interference with prospective economic advantage of the Company or any Affiliated Company and to promote fair competition, the Grantee agrees that the Grantee’s right to the Shares upon settlement of the Performance Shares is contingent upon the Grantee refraining, for a period of one (1) year after the Settlement Date of the Performance Shares, for himself/herself or any third party,

directly or indirectly, from using Confidential Information to (1) divert or attempt to divert from the Company (or any Affiliated Company) any business of any kind in which it is engaged, or (2) intentionally solicit its customers with which it has a contractual relationship as to Conflicting Products, or to interfere with the contractual relationship with any of its suppliers or customers (collectively, "Interfere"). If, during the term of the Performance Period or at any time within one (1) year after the Settlement Date, the Grantee breaches his/her obligation not to Interfere, the Grantee's right to the Shares upon settlement of the Performance Shares shall not have been earned and the Performance Shares, whether vested or not, will be immediately cancelled, and the Grantee shall immediately return to the Company the Shares or the pre-tax income derived from any disposition of the Shares. For avoidance of doubt, the term "Interfere" shall not include any advertisement of Conflicting Products through the use of media intended to reach a broad public audience (such as television, cable or radio broadcasts, generalized online marketing, or newspapers or magazines) or the broad distribution of coupons through the use of direct mail or through independent retail outlets. THE GRANTEE UNDERSTANDS THAT THIS PARAGRAPH IS NOT INTENDED TO AND DOES NOT PROHIBIT THE CONDUCT DESCRIBED, BUT PROVIDES FOR THE CANCELLATION OF THE PERFORMANCE SHARES AND A RETURN TO THE COMPANY OF THE SHARES OR THE GROSS TAXABLE PROCEEDS OF THE SHARES IF THE GRANTEE SHOULD CHOOSE TO VIOLATE THIS "NO INTERFERENCE WITH CUSTOMERS OR SUPPLIERS" PROVISION DURING THE TERM OF THE PERFORMANCE PERIOD OR WITHIN ONE (1) YEAR AFTER THE SETTLEMENT DATE.

- iv. No Solicitation of Employees. In partial consideration for the award of these Performance Shares, in order to forestall the disclosure or use of Confidential Information, as well as to deter the Grantee's intentional interference with the contractual relations of the Company or any Affiliated Company, the Grantee's intentional interference with prospective economic advantage of the Company or any Affiliated Company, and to promote fair competition, the Grantee agrees that the Grantee's right to the Shares upon settlement of the Performance Shares is contingent upon the Grantee refraining, for a period of one (1) year after the Settlement Date, for himself/herself or any third party, directly or indirectly, from soliciting for employment any person employed by the Company, or by any Affiliated Company, during the period of the solicited person's employment and for a period of one (1) year after the termination of the solicited person's employment with the Company or any Affiliated Company (collectively "Solicit"). If, during the term of the Performance Period or at any time within one (1) year after the Settlement Date, the Grantee breaches his/her obligation not to Solicit, the Grantee's right to the Shares upon settlement of the Performance Shares shall not have been earned and the Performance Shares, whether vested or not, will be immediately cancelled, and the Grantee shall immediately return to the Company the Shares or the pre-tax income derived from any disposition of the Shares. THE GRANTEE UNDERSTANDS THAT THIS PARAGRAPH IS NOT INTENDED TO AND DOES NOT PROHIBIT THE CONDUCT DESCRIBED, BUT PROVIDES FOR THE CANCELLATION OF THE PERFORMANCE SHARES AND A RETURN TO THE COMPANY OF THE SHARES OR THE GROSS TAXABLE PROCEEDS OF THE SHARES IF THE GRANTEE SHOULD CHOOSE TO VIOLATE THIS NON-SOLICITATION OF EMPLOYEES PROVISION DURING THE TERM OF THE PERFORMANCE PERIOD OR WITHIN ONE (1) YEAR AFTER THE SETTLEMENT DATE.
- v. Injunctive and Other Available Relief. By acceptance of these Performance Shares, the Grantee acknowledges that, if the Grantee were to breach or threaten to breach his/her obligation hereunder not to Interfere or Solicit or not to disclose or use any Confidential Information other than in the course of performing authorized services for the Company (or any Affiliated Company), the harm caused to the Company by such breach or threatened breach would be, by its nature, irreparable because, among other things, damages would be significant and the monetary harm that would ensue would not be able to be readily proven, and that the Company would be entitled to injunctive and other appropriate relief to prevent threatened or continued breach and to such other remedies as may be available at law or in equity. To the extent not prohibited by law, any cancellation of the Performance Shares pursuant to any of Sections 10(b) through 10(d) above shall not restrict, abridge or otherwise limit in any fashion the types and scope of injunctive and other available relief to the Company. Notwithstanding any provision of this Agreement to the contrary, nothing under this Agreement shall limit, abridge, modify or otherwise restrict the Company

(or any Affiliated Company) from pursuing any or all legal, equitable or other appropriate remedies to which the Company may be entitled under any other agreement with the Grantee, any other plan, program, policy or arrangement of the Company (or any Affiliated Company) under which the Grantee is covered or participates, or any applicable law, all to the fullest extent not prohibited under applicable law.

- vi. Permitted Reporting and Disclosure. Notwithstanding any language in this Agreement to the contrary, nothing in this Agreement prohibits Grantee from reporting possible violations of federal law or regulation to any governmental agency or governmental entity, or making other disclosures that are protected under federal law or regulation; provided, that, in each case such communications and disclosures are consistent with applicable law. Notwithstanding the foregoing, under no circumstance is Grantee authorized to disclose any information covered by the Company's attorney-client privilege or attorney work product or the Company's trade secrets without prior written consent of the Company's Chief Legal Officer. Any reporting or disclosure permitted under this Section 10(f) shall not result in the cancellation of Performance Shares. Grantee is entitled to certain immunities from liability under state and federal law for disclosing trade secrets if the disclosure was made to report or investigate an alleged violation of law, subject to certain conditions. Please see the Company's Confidential Information Policy for further details.
11. Right to Retain Shares Contingent on Continuing Non-Conflicting Employment. In partial consideration for the award of these Performance Shares, in order to forestall the disclosure or use of Confidential Information, as well as to deter the Grantee's intentional interference with the contractual relations of the Company or any Affiliated Company, the Grantee's intentional interference with prospective economic advantage of the Company or any Affiliated Company, and to promote fair competition, the Grantee agrees that the Grantee's right to the Shares upon settlement of the Performance Shares is contingent upon the Grantee refraining, during the term of the Performance Period and for a period of one (1) year after the Settlement Date, from rendering services, directly or indirectly, as director, officer, employee, agent, consultant or otherwise, to any Conflicting Organization except a Conflicting Organization whose business is diversified and that, as to that part of its business to which the Grantee renders services, is not a Conflicting Organization, provided that the Company shall receive separate written assurances satisfactory to the Company from the Grantee and the Conflicting Organization that the Grantee shall not render services during such period with respect to a Conflicting Product. If, prior to the expiration of the Performance Period or at any time within one (1) year after the Settlement Date, the Grantee shall render services to any Conflicting Organization other than as expressly permitted herein, the Grantee's right to the Shares upon settlement of the Performance Shares shall not have been earned and the Performance Shares, whether vested or not, will be immediately cancelled, and the Grantee shall immediately return to the Company the Shares or the pre-tax income derived from any disposition of the Shares. THE GRANTEE UNDERSTANDS THAT THIS PARAGRAPH IS NOT INTENDED TO AND DOES NOT PROHIBIT THE GRANTEE FROM RENDERING SERVICES TO A CONFLICTING ORGANIZATION, BUT PROVIDES FOR THE CANCELLATION OF THE PERFORMANCE SHARES AND A RETURN TO THE COMPANY OF THE SHARES OR THE GROSS TAXABLE PROCEEDS OF THE SHARES IF THE GRANTEE SHOULD CHOOSE TO RENDER SUCH SERVICES DURING THE TERM OF THE PERFORMANCE PERIOD OR WITHIN ONE (1) YEAR AFTER THE SETTLEMENT DATE.
12. Repayment Obligations.
- vii. Restatement of Financials. In the event that (1) the Company issues a restatement of financial results to correct a material error and (2) the Committee determines, in good faith, that the Grantee's fraud or willful misconduct was a significant contributing factor to the need to issue such restatement and (3) some or all of the Performance Shares that were granted and/or vested prior to such restatement would not have been granted and/or vested, as applicable, based upon the restated financial results, the Grantee shall immediately return to the Company the Performance Shares or any Shares or the pre-tax income derived from any disposition of the Shares previously received in settlement of the Performance Shares that would not have been granted and/or vested based upon the restated financial results (the "Repayment Obligation").

The Company shall be able to enforce the Repayment Obligation by all legal means available, including, without limitation, by withholding such amount from other sums owed by the Company to the Grantee.<sup>1]</sup>

- viii. [Clawback Policy]. Awards under the Plan granted to Participants who are “Covered Employees” (as defined in the Company’s Policy Regarding Clawback of Incentive Compensation, the “Policy”) are subject to clawback in accordance with the terms of the Policy, as amended from time to time, and pursuant to any other policy the Company may adopt as required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law. No recovery of any Award granted hereunder pursuant to such a clawback policy shall be treated as an event giving rise to a Participant’s right to terminate employment for “good reason” or “constructive termination” (or any similar term) under any agreement with the Company.]<sup>2 3</sup>

13. Miscellaneous Provisions.

- a. Rights as a Stockholder. Neither the Grantee nor the Grantee’s transferee or representative shall have any rights as a stockholder with respect to any Shares subject to this Award until the Performance Shares have been settled and Share certificates have been issued to the Grantee, transferee or representative, as the case may be.
- b. Choice of Law, Exclusive Jurisdiction and Venue. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction. **The courts of the State of Delaware shall have exclusive jurisdiction over any disputes or other proceedings relating to this Agreement, and venue shall reside with the courts in New Castle County, Delaware, including if jurisdiction shall so permit, the U.S. District Court for the District of Delaware.** Accordingly, the Grantee agrees that any claim of any type relating to this Agreement must be brought and maintained in the appropriate court located in New Castle County, Delaware, including if jurisdiction will so permit, in the U.S. District Court for the State of Delaware. The Grantee hereby consents to the jurisdiction over the Grantee of any such courts and waives all objections based on venue or inconvenient forum.
- c. Modification or Amendment. This Agreement may be modified or amended by the Board or the Committee at any time; provided, however, no modification or amendment to this Agreement shall be made which would materially and adversely affect the rights of the Grantee, without such Grantee’s written consent.
- d. Severability. In the event any provision of this Agreement shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions of this Agreement, and this Agreement shall be construed and enforced to reflect the intent of the parties to the fullest extent not prohibited by law, and in the event that such provision is not able to be so construed and enforced, then this Agreement shall be construed and enforced as if such illegal or invalid provision had not been included. In amplification of the preceding sentence, in the event that the time period or scope of any provision is declared by a court or arbitrator of competent jurisdiction to exceed the maximum time period or scope that such court or arbitrator deems enforceable, then such court or arbitrator shall have the power to reduce the time period or scope to the maximum time period or scope permitted by law.
- e. References to Plan. All references to the Plan shall be deemed references to the Plan as may be amended.

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<sup>1</sup> To be included in agreements for individuals who are **not** subject to the Policy.

<sup>2</sup> To be included in agreements for individuals who are required to file disclosure statements under Section 16(a) of the Securities Exchange Act or otherwise subject to the Policy.

<sup>3</sup> **Note to Draft:** Grants should include either section 12(a) (for individuals who are **not** subject to the Policy) **OR** section 12(b) (for individuals who **are** subject to the Policy).

- f. Headings. The captions used in this Agreement are inserted for convenience and shall not be deemed a part of this Agreement for construction or interpretation.
- g. Interpretation. Any dispute regarding the interpretation of this Agreement shall be submitted by the Grantee or by the Company forthwith to the Board or the Committee, which shall review such dispute at its next regular meeting. The resolution of such dispute by the Board or the Committee shall be final and binding on all persons. It is the intention of the Company and the Grantee to make the promises contained in this Agreement reasonable and binding only to the extent that it may be lawfully done under existing applicable laws. This Agreement and the Plan constitute the entire and exclusive agreement between the Grantee and the Company, and it supersedes all prior agreements or understandings, whether written or oral, with respect to the grant of Performance Shares set forth in this Agreement.
- h. Section 409A Compliance. To the extent applicable, it is intended that the Plan and this Agreement comply with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and any related regulations or other guidance promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service ("Section 409A"). Any provision of the Plan or this Agreement that would cause this Award to fail to satisfy Section 409A shall have no force or effect until amended to comply with Section 409A, which amendment may be retroactive to the extent permitted by Section 409A.

Notwithstanding any provision of the Plan to the contrary, if the Grantee is a "specified employee" (as defined in Section 1.409A-1(i) of the Treasury Department Regulations) at the time of the Grantee's "separation from service" (as defined in Section 1.409A-1(h) of the Treasury Department Regulations and including a termination of employment or service on account of Disability that does not satisfy the definition of "disability" under Section 409A-3(i)(4) of the Treasury Department Regulations), and payments to the Grantee hereunder are not exempt from Section 409A as a short-term deferral or otherwise, these payments, to the extent otherwise payable within six (6) months after the Grantee's separation from service shall be delayed until the earlier of the date which is six (6) months after the date of the Grantee's separation from service or the date of death of the Grantee. Any payments that were scheduled to be paid during the six (6) month period following the Grantee's separation from service, but which were delayed pursuant to this Section 13(h), shall be paid without interest on, or as soon as administratively practicable after, the first day following the six (6) month anniversary of the Grantee's separation from service (or, if earlier, the date of the Grantee's death). Any payments that were originally scheduled to be paid following the six (6) months after the Grantee's separation from service shall continue to be paid in accordance with their predetermined schedule.

- i. Agreement with Terms. Receipt of any benefits under this Agreement by the Grantee shall constitute the Grantee's acceptance of and agreement with all of the provisions of this Agreement and of the Plan that are applicable to this Agreement, and the Company shall administer this Agreement accordingly.

**THE CLOROX COMPANY**

By:

Its: Chief Executive Officer

THE GRANTEE ACKNOWLEDGES AND AGREES THAT THIS AGREEMENT IS A UNILATERAL CONTRACT AND THAT THE GRANTEE'S RIGHT TO THE SHARES PURSUANT TO THIS AGREEMENT IS ACCEPTED AND EARNED ONLY BY CONTINUING EMPLOYMENT (FOR PURPOSES OF THIS PARAGRAPH, IGNORING ANY ELECTION TO DEFER SETTLEMENT PURSUANT TO SECTION 6) AT THE WILL OF THE COMPANY (NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS AWARD OR ACQUIRING SHARES HEREUNDER) AND BY ACHIEVEMENT OF THE PERFORMANCE CRITERIA AND BY COMPLIANCE WITH THE GRANTEE'S VARIOUS OBLIGATIONS UNDER THIS AGREEMENT. THE GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT NOTHING IN THIS AGREEMENT, NOR IN THE PLAN, SHALL CONFER UPON THE GRANTEE ANY RIGHT WITH RESPECT TO CONTINUATION OF EMPLOYMENT BY THE COMPANY, NOR SHALL IT INTERFERE IN ANY WAY WITH THE GRANTEE'S RIGHT OR THE COMPANY'S RIGHT TO TERMINATE THE GRANTEE'S EMPLOYMENT AT ANY TIME, FOR ANY REASON OR NO REASON, WITH OR WITHOUT CAUSE, AND WITH OR WITHOUT ADVANCE NOTICE EXCEPT AS MAY BE REQUIRED BY APPLICABLE LAW.

The Grantee acknowledges that a copy of the Plan and Plan Information are available for viewing on the Company's internal HR website at <https://clxweb.clorox.com/hr/Pages/HRatClorox/HRContentPages/StockIncentiveProgram.aspx>, and the Company's Annual Report and Proxy Statement (the "Prospectus Information") are available for viewing on the Company's Clorox website at <http://investors.thecloroxcompany.com/sec.cfm>. The Grantee hereby consents to receive the Prospectus Information electronically or, in the alternative, to contact the HR Service Center at 1-800-709-7095 to request a paper copy of the Prospectus Information. The Grantee represents that s/he is familiar with the terms and provisions thereof, and hereby accepts this Agreement subject to all of the terms and provisions thereof. The Grantee has reviewed the Plan and this Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Agreement and fully understands all provisions of the Agreement. The Grantee acknowledges and hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Plan or this Agreement. The Grantee further agrees to notify the Company upon any change in the residence address indicated below.

Dated: \_\_\_\_\_ Signed: \_\_\_\_\_  
Grantee

Residence Address:

\_\_\_\_\_

\_\_\_\_\_

THE CLOROX COMPANY  
2005 STOCK INCENTIVE PLAN  
RESTRICTED STOCK UNIT AWARD AGREEMENT  
(US Employees)

**SUMMARY OF RESTRICTED STOCK UNIT AWARD**

The Clorox Company, a Delaware company (the "Company"), grants to the Grantee named below, in accordance with the terms of The Clorox Company 2005 Stock Incentive Plan (the "Plan") and this restricted stock unit award agreement (the "Agreement"), the following number of Restricted Stock Units (the "Units"), on the terms set forth below:

GRANTEE <<Participant ID>>  
TOTAL RESTRICTED UNITS AWARDED <<Units Granted>>  
DATE OF AWARD <<Grant Date>>  
PERIOD OF RESTRICTION 25% vests on each of the first four anniversaries of the date of award; provided that [the Committee][a committee consisting of the Chief Executive Officer and the Chief People Officer] may provide in its sole discretion for the vesting of additional Units in an amount sufficient to satisfy any applicable tax withholding amounts arising due to Grantee's eligibility under this Agreement to terminate employment or services due to "Retirement".<sup>1,2</sup>

**TERMS OF AGREEMENT**

1. Grant of Units. The Company hereby grants to the Grantee the Units set forth above, subject to the terms, definitions and provisions of the Plan and this Agreement. All terms, provisions, and conditions applicable to the Units set forth in the Plan and not set forth herein are incorporated by reference. To the extent any provision hereof is inconsistent with a provision of the Plan, the provisions of the Plan will govern. All capitalized terms that are used in this Agreement and not otherwise defined herein shall have the meanings ascribed to them in the Plan.
2. Nature and Settlement of Award. The Units represent an unfunded, unsecured promise by the Company to issue Shares. Units will become vested and be settled in Shares on a one Share for one Unit basis, rounded to the nearest whole Share, less any Shares withheld in accordance with the provisions of Section 4 of this Agreement. Settlement shall occur as soon as practicable after the Period of Restriction lapses as provided in the Summary of Restricted Stock Unit Award above, but in any event, within the period ending on the later to occur of the date that is 2 ½ months from the end of (1) the Grantee's tax year that includes the date of the lapse of the Period of Restriction, or (2) the Company's tax year that includes the date of the lapse of the Period of Restriction (which payment schedule is intended to comply with the "short-term deferral" exemption from the application of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code")) (the "Settlement Date"). Notwithstanding the foregoing, if the Grantee elects to receive any

<sup>1</sup> To be included in agreements for individuals who are members of the Clorox Executive Committee and/or required to file disclosure statements under Section 16(a) of the Securities Exchange Act.

<sup>2</sup> To be included in agreements for individuals who are neither members of the Clorox Executive Committee nor required to file disclosure statements under Section 16(a) of the Securities Exchange Act.

Shares on a Deferred Settlement Date established pursuant to Section 6 of this Agreement, the Units to which such election applies shall be settled on the Deferred Settlement Date. Although the Units shall be vested within the meaning of Section 83 of the Internal Revenue Code since no substantial risk of forfeiture exists after the Period of Restriction lapses, the Units will not be earned until the Grantee has fulfilled all of the conditions precedent set forth in this Agreement, including, but not limited to, the obligations set forth in Section 10(b), 10(c), 10(d), 10(e) and Section 11, and the Grantee shall have no right to retain the Shares or the value thereof upon vesting or settlement of the Units until all such conditions precedent have been satisfied.

3. Dividend Equivalents. No Dividend Equivalents shall be paid to the Grantee prior to the lapse of the Period of Restriction. Rather, such Dividend Equivalent payments will accrue and be notionally credited to the Grantee's RSU account and paid out in the form of additional Shares, rounded down to the nearest whole Share, after the lapse of the Period of Restriction, within the time period described in Section 2 above.
4. Taxes. Pursuant to Section 16 of the Plan, the Committee shall have the power and the right to deduct or withhold, or require the Grantee to remit to the Company, an amount sufficient to satisfy any applicable tax withholding requirements applicable to this Award. The Committee may condition the issuance of Shares in settlement of Units upon the Grantee's satisfaction of such withholding obligations. The Grantee may elect to satisfy all or part of such withholding requirement by tendering previously-owned Shares or by having the Company withhold Shares having a Fair Market Value equal to the minimum statutory tax withholding rate that could be imposed on the transaction (or such other rate that will not result in a negative accounting impact) or in such other manner as is acceptable to the Company. Such election shall be irrevocable, made in writing, signed by the Grantee, and shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate.
5. Termination of Employment or Service.
  - a. If the Grantee's employment or service with the Company and its Subsidiaries is terminated for any reason, any Units (the "Unvested Units") for which the Period of Restriction has not lapsed before such termination of employment or service and/or any Dividend Equivalents related thereto shall be forfeited. Notwithstanding the above, if the Grantee's termination of employment or service is due to (i) Retirement and is more than 6 months from the date of award set forth in this Agreement, then the restrictions on the Units and all Dividend Equivalents related thereto shall continue to lapse in accordance with the Period of Restriction provided in the Summary of Restricted Stock Unit Award above, *provided* that the "Settlement Date" for such Units and Dividend Equivalents shall occur no later than December 31 of the calendar year in which the applicable Period of Restriction lapses or (ii) death or Disability, the Units shall become 100% vested and the Period of Restriction on the Units shall lapse and all Dividend Equivalents related thereto shall become immediately vested and payable as of such termination date.
  - b. Definition of "Disability." For purposes of this Agreement, the Grantee's employment shall be deemed to have terminated due to the Grantee's Disability if the Grantee is entitled to long-term disability benefits under the Company's long-term disability plan or policy, as in effect on the date of termination of the Grantee's employment.
  - c. Definition of "Retirement." For purposes of this Agreement, the Grantee's employment or service shall be deemed to have terminated due to "Retirement" if the Grantee terminates employment or service as an Employee for any reason, including Disability (but other than for Cause) after (1) twenty (20) or more years of "vesting service," which solely for purposes of this Agreement, shall be calculated under Article III of The Clorox Company 401(k) Plan (the "401(k) Plan") entitled "Service" along with any other relevant provisions of the 401(k) Plan necessary or desirable to give full effect thereto, or any successor provisions, regardless of the status of the Grantee with respect to the 401(k) Plan ("Vesting Service"), or (2) attaining age fifty-five (55) with ten (10) or more years of Vesting Service.
6. Election to Defer Settlement. Within the first four (4) months following the Date of Award set forth above, the Grantee may elect to defer the settlement of the date on which the Period of Restriction lapses until a date at

least two years following such date, or until the Grantee's later termination of employment or service. Such date shall be referred to as the "Deferred Settlement Date". If the Grantee makes such an election, it will become irrevocable on the date of such election. If the Grantee makes such an election, any Dividend Equivalents awarded with respect to such deferred Shares shall also be deferred under the same terms. If the Grantee makes such an election, but a transaction occurs that subjects the Grantee's Shares to Section 19 of the Plan prior to the Deferred Settlement Date, the Grantee's deferral election will terminate and the Grantee's Shares and Dividend Equivalents will be settled as of the date of that transaction. The Company may terminate any deferral hereunder if a change in law requires such termination.

7. Authorization to Return Forfeited Units. The Grantee authorizes the Company or its designee to return to the Company all Units and related Dividend Equivalents and Shares subject thereto which are forfeited along with any cash or other property held with respect to or in substitution of such Units, related Dividend Equivalents and/or Shares. Any such action shall comply with all applicable provisions of this Agreement or the Plan.
8. Transferability of Units. Unless otherwise determined by the Committee, Units shall not be transferable by the Grantee other than by will or by the laws of descent or distribution. For avoidance of doubt, Shares issued to the Grantee in settlement of Units pursuant to Section 2 of this Agreement shall not be subject to any of the foregoing transferability restrictions.
9. Change in Control. Upon the occurrence of a Change in Control, unless otherwise specifically prohibited under Applicable Laws or by the rules and regulations of any governing governmental agencies or national securities exchanges, any Unvested Units and related Dividend Equivalents shall become 100% vested and the Period of Restriction for the Units and related Dividend Equivalents shall lapse, unless the Units are assumed, converted or replaced by the continuing entity; provided, however, that in the event the Grantee's employment is terminated without Cause or by the Grantee for Good Reason upon or within twenty-four (24) months following consummation of a Change in Control, the Period of Restriction on any replacement awards shall lapse and all Dividend Equivalents related thereto shall become immediately payable.

For purposes of this Agreement, "Good Reason" shall mean the occurrence of any of the following with respect to the Grantee:

- (a) the assignment to the Grantee of any duties inconsistent in any material respect with the Grantee's position (including offices and reporting requirements), authority, duties or responsibilities, as in effect immediately prior to the occurrence of the Change in Control or the date of the Grantee's termination of employment, whichever is greater, or any other action by the Company which results in a material diminution in such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Grantee;
- (b) any failure by the Company to substantially comply with, or any reduction by the Company in, any of the material provisions of the Grantee's compensation plans, programs, agreements or arrangements as in effect immediately prior to the Change in Control, including, without limitation, any material reduction in base salary, cash incentive compensation target bonus opportunity, equity compensation opportunity in the aggregate, or employee benefits and perquisites in the aggregate, other than an isolated, insubstantial and inadvertent failure or reduction not occurring in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Grantee;
- (c) the Company's requiring the Grantee to be based at any office or location other than that in effect immediately prior to the Change in Control or any office or location not requiring the Grantee's commute to increase by more than 35 miles from his or her commute immediately prior to the Change in Control;
- (d) any purported termination by the Company of the Grantee's employment other than (A) due to the death or Disability of the Grantee or (B) a termination of the Grantee's employment by the Company for Cause; or

(e) any material failure by the Company to require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume the obligations of the Company under this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place.

Any termination by the Grantee for Good Reason shall be communicated by a written notice to the Company within a period not to exceed ninety (90) days of such Grantee's knowledge of the condition. Such written notice (1) must indicate the specific termination provision in the Good Reason definition relied upon, (2) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Grantee's employment under the provision so indicated and (3) the Grantee's intended date of termination if the Company does not cure the issue (which date shall be not less than thirty (30) days after the giving of such notice). After receipt by the Company of such written notice, the Company shall have thirty (30) days during which it may remedy the condition and thereby cure the event or circumstance constituting "Good Reason".

10. Protection of Trade Secrets and Limitations on Retention.

a. Definitions.

- i. "Affiliated Company" means any organization controlling, controlled by or under common control with the Company.
  - ii. "Confidential Information" means the Company's technical or business or personnel information not readily available to the public or generally known in the trade, including inventions, developments, trade secrets and other confidential information, knowledge, data and know-how of the Company or any Affiliated Company, whether or not they originated with the Grantee, or information which the Company or any Affiliated Company received from third parties under an obligation of confidentiality.
  - iii. "Conflicting Product" means any product, process, machine, or service of any person or organization, other than the Company or any Affiliated Company, in existence or under development that (1) resembles or competes with a product, process, machine, or service upon or with which the Grantee shall have worked during the two years prior to the Grantee's termination of employment with the Company or any Affiliated Company or (2) with respect to which during that period of time the Grantee, as a result of his/her job performance and duties, shall have acquired knowledge of Confidential Information, and whose use or marketability could be enhanced by application to it of Confidential Information. For purposes of this section, it shall be conclusively presumed that the Grantee has knowledge of information to which s/he has been directly exposed through actual receipt or review of memorandum or documents containing such information or through actual attendance at meetings at which such information was discussed or disclosed.
  - iv. "Conflicting Organization" means any person or organization that is engaged in or about to become engaged in research on or development, production, marketing or selling of a Conflicting Product.
- b. Right to Retain Units/Shares Contingent on Protection of Confidential Information. In partial consideration for the award of these Units, the Grantee agrees that at all times, both during and after the term of the Grantee's employment with the Company or any Affiliated Company, to hold in the strictest confidence, and not to use (except for the benefit of the Company at the Company's direction) or disclose (except for the benefit of the Company at the Company's direction), regardless of when disclosed to the Grantee, any and all Confidential Information of the Company or any Affiliated Company. The Grantee understands that for purposes of this Section 9(b), Confidential Information further includes, but is not limited to, information pertaining to any aspect of the business of the Company or any Affiliated Company which is either information not known (or known as a result of a wrongful act of the Grantee or of others who were under confidentiality obligations as to the item or items involved) by actual or potential competitors of the Company or other third parties not under confidentiality obligations to the Company. If, prior to the

expiration of the Period of Restriction or at any time within one (1) year after the Settlement Date, the Grantee discloses or uses, or threatens to disclose or use, any Confidential Information other than in the course of performing authorized services for the Company (or any Affiliated Company), the Units, whether vested or not, will be immediately forfeited and cancelled, and the Grantee shall immediately return to the Company the Shares issued in settlement of the Units or the pre-tax income derived from any disposition of such Shares.

- c. No Interference with Customers or Suppliers. In partial consideration for the award of these Units, in order to forestall the disclosure or use of Confidential Information as well as to deter the Grantee's intentional interference with the contractual relations of the Company or any Affiliated Company, the Grantee's intentional interference with prospective economic advantage of the Company or any Affiliated Company and to promote fair competition, the Grantee agrees that the Grantee's right to receive the Shares upon settlement of the Units is contingent upon the Grantee refraining, during the Period of Restriction and for a period of one (1) year after the Settlement Date, for himself/herself or any third party, directly or indirectly, from using Confidential Information to (1) divert or attempt to divert from the Company (or any Affiliated Company) any business of any kind in which it is engaged, or (2) intentionally solicit its customers with which it has a contractual relationship as to Conflicting Products, or interfere with the contractual relationship with any of its suppliers or customers (collectively, "Interfere"). If, during the Period of Restriction or at any time within one (1) year after the Settlement Date, the Grantee breaches his/her obligation not to Interfere, the Grantee's right to the Shares upon settlement of the Units shall not have been earned and the Units, whether vested or not, will be immediately cancelled, and the Grantee shall immediately return to the Company the Shares issued in settlement of the Units or the pre-tax income derived from any disposition of such Shares. For avoidance of doubt, the term "Interfere" shall not include any advertisement of Conflicting Products through the use of media intended to reach a broad public audience (such as television, cable or radio broadcasts, generalized online marketing, or newspapers or magazines) or the broad distribution of coupons through the use of direct mail or through independent retail outlets. THE GRANTEE UNDERSTANDS THAT THIS PARAGRAPH IS NOT INTENDED TO AND DOES NOT PROHIBIT THE CONDUCT DESCRIBED, BUT PROVIDES FOR THE CANCELLATION OF THE UNITS AND A RETURN TO THE COMPANY OF THE SHARES OR THE GROSS TAXABLE PROCEEDS OF THE SHARES IF THE GRANTEE SHOULD CHOOSE TO VIOLATE THIS "NO INTERFERENCE WITH CUSTOMERS OR SUPPLIERS" PROVISION DURING THE PERIOD OF RESTRICTION OR WITHIN ONE (1) YEAR AFTER THE SETTLEMENT DATE.
- d. No Solicitation of Employees. In partial consideration for the award of these Units, in order to forestall the disclosure or use of Confidential Information, as well as to deter the Grantee's intentional interference with the contractual relations of the Company or any Affiliated Company, the Grantee's intentional interference with prospective economic advantage of the Company or any Affiliated Company, and to promote fair competition, the Grantee agrees that the Grantee's right to receive the Shares upon settlement of the Units is contingent upon the Grantee refraining, during the Period of Restriction and for a period of one (1) year after the Settlement Date, for himself/herself or any third party, directly or indirectly, from soliciting for employment any person employed by the Company, or by any Affiliated Company, during the period of the solicited person's employment and for a period of one (1) year after the termination of the solicited person's employment with the Company or any Affiliated Company (collectively "Solicit"). If, during the term of the Period of Restriction or at any time within one (1) year after the Settlement Date, the Grantee breaches his/her obligation not to Solicit, the Grantee's right to the Shares upon settlement of the Units shall not have been earned and the Units, whether vested or not, will be immediately cancelled, and the Grantee shall immediately return to the Company the Shares issued in settlement of the Units or the pre-tax income derived from any disposition of such Shares. THE GRANTEE UNDERSTANDS THAT THIS PARAGRAPH IS NOT INTENDED TO AND DOES NOT PROHIBIT THE CONDUCT DESCRIBED, BUT PROVIDES FOR THE CANCELLATION OF THE UNITS AND A RETURN TO THE COMPANY OF THE SHARES OR THE GROSS TAXABLE PROCEEDS OF THE SHARES IF THE GRANTEE SHOULD CHOOSE TO VIOLATE THIS NON-SOLICITATION OF EMPLOYEES PROVISION DURING THE PERIOD OF RESTRICTION OR WITHIN ONE (1) YEAR AFTER THE SETTLEMENT DATE.

- e. Injunctive and Other Available Relief. By acceptance of these Units and any Shares issued in settlement thereof, the Grantee acknowledges that, if the Grantee were to breach or threaten to breach his/her obligation hereunder not to Interfere or Solicit or not to disclose or use any Confidential Information other than in the course of performing authorized services for the Company (or any Affiliated Company), the harm caused to the Company by such breach or threatened breach would be, by its nature, irreparable because, among other things, damages would be significant and the monetary harm that would ensue would not be able to be readily proven, and that the Company would be entitled to injunctive and other appropriate relief to prevent threatened or continued breach and to such other remedies as may be available at law or in equity. To the extent not prohibited by law, any cancellation of the Units pursuant to any of Sections 10(b) through 10(d) above shall not restrict, abridge or otherwise limit in any fashion the types and scope of injunctive and other available relief to the Company. Notwithstanding any provision of this Agreement to the contrary, nothing under this Agreement shall limit, abridge, modify or otherwise restrict the Company (or any Affiliated Company) from pursuing any or all legal, equitable or other appropriate remedies to which the Company may be entitled under any other agreement with the Grantee, any other plan, program, policy or arrangement of the Company (or any Affiliated Company) under which the Grantee is covered or participates, or any applicable law, all to the fullest extent not prohibited under applicable law.
- f. Permitted Reporting and Disclosure. Notwithstanding any language in this Agreement to the contrary, nothing in this Agreement prohibits Grantee from reporting possible violations of federal law or regulation to any governmental agency or governmental entity, or making other disclosures that are protected under federal law or regulation; provided, that, in each case such communications and disclosures are consistent with applicable law. Notwithstanding the foregoing, under no circumstance is Grantee authorized to disclose any information covered by the Company's attorney-client privilege or attorney work product or the Company's trade secrets without prior written consent of the Company's Chief Legal Officer. Any reporting or disclosure permitted under this Section 10(f) shall not result in the cancellation of Shares. Grantee is entitled to certain immunities from liability under state and federal law for disclosing trade secrets if the disclosure was made to report or investigate an alleged violation of law, subject to certain conditions. Please see the Company's Confidential Information Policy for further details.
11. Right to Retain Units/Shares Contingent on Continuing Non-Conflicting Employment. In partial consideration for the award of these Units in order to forestall the disclosure or use of Confidential Information, as well as to deter the Grantee's intentional interference with the contractual relations of the Company or any Affiliated Company, the Grantee's intentional interference with prospective economic advantage of the Company or any Affiliated Company, and to promote fair competition, the Grantee agrees that the Grantee's right to receive the Shares upon settlement of the Units is contingent upon the Grantee refraining, during the Period of Restriction and for a period of one (1) year after the Settlement Date, from rendering services, directly or indirectly, as director, officer, employee, agent, consultant or otherwise, to any Conflicting Organization except a Conflicting Organization whose business is diversified and that, as to that part of its business to which the Grantee renders services, is not a Conflicting Organization, provided that the Company shall receive separate written assurances satisfactory to the Company from the Grantee and the Conflicting Organization that the Grantee shall not render services during such period with respect to a Conflicting Product. If, prior to the expiration of the Period of Restriction or at any time within one (1) year after the Settlement Date, the Grantee shall render services to any Conflicting Organization other than as expressly permitted herein, the Grantee's right to the Shares upon settlement of the Units shall not have been earned and the Units, whether vested or not, will be immediately cancelled, and the Grantee shall immediately return to the Company the Shares issued in settlement of the Units or the pre-tax income derived from any disposition of such Shares. THE GRANTEE UNDERSTANDS THAT THIS PARAGRAPH IS NOT INTENDED TO AND DOES NOT PROHIBIT THE GRANTEE FROM RENDERING SERVICES TO A CONFLICTING ORGANIZATION, BUT PROVIDES FOR THE CANCELLATION OF THE UNITS AND A RETURN TO THE COMPANY OF THE SHARES OR THE GROSS TAXABLE PROCEEDS OF THE SHARES IF THE GRANTEE SHOULD CHOOSE TO RENDER SUCH SERVICES DURING THE PERIOD OF RESTRICTION OR WITHIN ONE YEAR AFTER THE SETTLEMENT DATE.
12. Repayment Obligations.

- a. Restatement of Financials. In the event that (1) the Company issues a restatement of financial results to correct a material error and (2) the Committee determines, in good faith, that the Grantee's fraud or willful misconduct was a significant contributing factor to the need to issue such restatement and (3) some or all of the Units that were granted and/or vested prior to such restatement would not have been granted and/or vested, as applicable, based upon the restated financial results, the Grantee shall immediately return to the Company any Units or any Shares or the pre-tax income derived from any disposition of any Shares previously received in settlement of the Units that would not have been granted and/or vested based upon the restated financial results (the "Repayment Obligation"). The Company shall be able to enforce the Repayment Obligation by all legal means available, including, without limitation, by withholding such amount from other sums owed by the Company to the Grantee.<sup>3</sup>
- b. Clawback Policy. Awards under the Plan granted to Participants who are "Covered Employees" (as defined in the Company's Policy Regarding Clawback of Incentive Compensation, the "Policy") are subject to clawback in accordance with the terms of the Policy, as amended from time to time, and pursuant to any other policy the Company may adopt as required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law. No recovery of any Award granted hereunder pursuant to such a clawback policy shall be treated as an event giving rise to a Participant's right to terminate employment for "good reason" or "constructive termination" (or any similar term) under any agreement with the Company.<sup>4 5</sup>

13. Miscellaneous Provisions.

- a. Rights as a Stockholder. Neither the Grantee nor the Grantee's transferee or representative shall have any rights as a stockholder with respect to any Shares subject to this Award until the Units have been settled and Share certificates have been issued to the Grantee, transferee or representative, as the case may be.
- b. Choice of Law, Exclusive Jurisdiction and Venue. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction. **The courts of the State of Delaware shall have exclusive jurisdiction over any disputes or other proceedings relating to this Agreement, and venue shall reside with the courts in New Castle County, Delaware, including if jurisdiction shall so permit, the U.S. District Court for the District of Delaware.** Accordingly, the Grantee agrees that any claim of any type relating to this Agreement must be brought and maintained in the appropriate court located in New Castle County, Delaware, including if jurisdiction will so permit, in the U.S. District Court for the State of Delaware. The Grantee hereby consents to the jurisdiction over the Grantee of any such courts and waives all objections based on venue or inconvenient forum.
- c. Modification or Amendment. This Agreement may be modified or amended by the Board or the Committee at any time; provided, however, no modification or amendment to this Agreement shall be made which would materially and adversely affect the rights of the Grantee, without such Grantee's written consent.
- d. Severability. In the event any provision of this Agreement shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions of this Agreement, and this Agreement shall be construed and enforced to reflect the intent of the parties to the fullest extent not prohibited by law, and in the event that such provision is not able to be so construed and enforced, then this Agreement shall be construed and enforced as if such illegal or invalid provision had not been included. In amplification of

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<sup>3</sup> To be included in agreements for individuals who are **not** subject to the Policy.

<sup>4</sup> To be included in agreements for individuals who are required to file disclosure statements under Section 16(a) of the Securities Exchange Act or otherwise subject to the Policy.

<sup>5</sup> **Note to Draft:** Grants should include either section 12(a) (for individuals who are **not** subject to the Policy) **OR** section 12(b) (for individuals who **are** subject to the Policy).

the preceding sentence, in the event that the time period or scope of any provision is declared by a court or arbitrator of competent jurisdiction to exceed the maximum time period or scope that such court or arbitrator deems enforceable, then such court or arbitrator shall have the power to reduce the time period or scope to the maximum time period or scope permitted by law.

- e. References to Plan. All references to the Plan shall be deemed references to the Plan as may be amended.
- f. Headings. The captions used in this Agreement are inserted for convenience and shall not be deemed a part of this Agreement for construction or interpretation.
- g. Interpretation. Any dispute regarding the interpretation of this Agreement shall be submitted by the Grantee or by the Company forthwith to the Board or the Committee, which shall review such dispute at its next regular meeting. The resolution of such dispute by the Board or the Committee shall be final and binding on all persons. It is the intention of the Company and the Grantee to make the promises contained in this Agreement reasonable and binding only to the extent that it may be lawfully done under existing applicable laws. This Agreement and the Plan constitute the entire and exclusive agreement between the Grantee and the Company, and it supersedes all prior agreements or understandings, whether written or oral, with respect to the grant of Units set forth in this Agreement.
- h. Section 409A Compliance. To the extent applicable, it is intended that the Plan and this Agreement comply with the requirements of Section 409A of the Code, and any related regulations or other guidance promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service ("Section 409A"). Any provision of the Plan or this Agreement that would cause this Award to fail to satisfy Section 409A shall have no force or effect until amended to comply with Section 409A, which amendment may be retroactive to the extent permitted by Section 409A.

Notwithstanding any provision of the Plan to the contrary, if the Grantee is a "specified employee" (as defined in Section 1.409A-1(i) of the Treasury Department Regulations) at the time of the Grantee's "separation from service" (as defined in Section 1.409A-1(h) of the Treasury Department Regulations and including a termination of employment or service on account of Disability that does not satisfy the definition of "disability" under Section 409A-3(i)(4) of the Treasury Department Regulations), and payments to the Grantee hereunder are not exempt from Section 409A as a short-term deferral or otherwise, these payments, to the extent otherwise payable within six (6) months after the Grantee's separation from service shall be delayed until the earlier of the date which is six (6) months after the date of the Grantee's separation from service or the date of death of the Grantee. Any payments that were scheduled to be paid during the six (6) month period following the Grantee's separation from service, but which were delayed pursuant to this Section 13(h), shall be paid without interest on, or as soon as administratively practicable after, the first day following the six (6) month anniversary of the Grantee's separation from service (or, if earlier, the date of the Grantee's death). Any payments that were originally scheduled to be paid following the six (6) months after the Grantee's separation from service shall continue to be paid in accordance with their predetermined schedule.

- i. Agreement with Terms. Receipt of any benefits under this Agreement by the Grantee shall constitute the Grantee's acceptance of and agreement with all of the provisions of this Agreement and of the Plan that are applicable to this Agreement, and the Company shall administer this Agreement accordingly.

**THE CLOROX COMPANY**

By:

Its: Chief Executive Officer

THE GRANTEE ACKNOWLEDGES AND AGREES THAT THIS AGREEMENT IS A UNILATERAL CONTRACT AND THAT THE GRANTEE'S RIGHT TO THE SHARES PURSUANT TO THIS AGREEMENT

IS ACCEPTED AND EARNED ONLY BY CONTINUING EMPLOYMENT (FOR PURPOSES OF THIS PARAGRAPH, IGNORING ANY ELECTION TO DEFER SETTLEMENT PURSUANT TO SECTION 6) AT THE WILL OF THE COMPANY (NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS AWARD OR ACQUIRING SHARES HEREUNDER) AND BY COMPLIANCE WITH THE GRANTEE'S VARIOUS OBLIGATIONS UNDER THIS AGREEMENT. THE GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT NOTHING IN THIS AGREEMENT, NOR IN THE PLAN, SHALL CONFER UPON THE GRANTEE ANY RIGHT WITH RESPECT TO CONTINUATION OF EMPLOYMENT BY THE COMPANY, NOR SHALL IT INTERFERE IN ANY WAY WITH THE GRANTEE'S RIGHT OR THE COMPANY'S RIGHT TO TERMINATE THE GRANTEE'S EMPLOYMENT AT ANY TIME, FOR ANY REASON OR NO REASON, WITH OR WITHOUT CAUSE, AND WITH OR WITHOUT ADVANCE NOTICE EXCEPT AS MAY BE REQUIRED BY APPLICABLE LAW.

The Grantee acknowledges that a copy of the Plan and Plan Information are available for viewing on the Company's internal HR website at <https://clxweb.clorox.com/hr/Pages/HRatClorox/HRContentPages/StockIncentiveProgram.aspx>, and the Company's Annual Report and Proxy Statement (the "Prospectus Information") are available for viewing on the Company's Clorox web site at <http://CLOROXWEB/hr/stock>. The Grantee hereby consents to receive the Prospectus Information electronically, or, in the alternative, to contact the HR Service Center at 1-800-709-7095 to request a paper copy of the Prospectus Information. The Grantee represents that s/he is familiar with the terms and provisions thereof, and hereby accepts this Agreement subject to all of the terms and provisions thereof. The Grantee has reviewed the Plan and this Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Agreement and fully understands all provisions of this Agreement. The Grantee acknowledges and hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Plan or this Agreement. The Grantee further agrees to notify the Company upon any change in the residence address indicated below.

Dated: \_\_\_\_\_ Signed: \_\_\_\_\_  
Grantee

Residence Address:  
\_\_\_\_\_  
\_\_\_\_\_

THE CLOROX COMPANY  
2005 STOCK INCENTIVE PLAN  
RESTRICTED STOCK UNIT AWARD AGREEMENT  
(US Employees)

**SUMMARY OF RESTRICTED STOCK UNIT AWARD**

The Clorox Company, a Delaware company (the "Company"), grants to the Grantee named below, in accordance with the terms of The Clorox Company 2005 Stock Incentive Plan (the "Plan") and this restricted stock unit award agreement (the "Agreement"), the following number of Restricted Stock Units (the "Units"), on the terms set forth below:

GRANTEE <<Participant ID>>

TOTAL RESTRICTED UNITS AWARDED <<Units Granted>>

DATE OF AWARD <<Grant Date>>

PERIOD OF RESTRICTION 100% vests 36 months from the date of award

**TERMS OF AGREEMENT**

1. **Grant of Units.** The Company hereby grants to the Grantee the Units set forth above, subject to the terms, definitions and provisions of the Plan and this Agreement. All terms, provisions, and conditions applicable to the Units set forth in the Plan and not set forth herein are incorporated by reference. To the extent any provision hereof is inconsistent with a provision of the Plan, the provisions of the Plan will govern. All capitalized terms that are used in this Agreement and not otherwise defined herein shall have the meanings ascribed to them in the Plan.
2. **Nature and Settlement of Award.** The Units represent an unfunded, unsecured promise by the Company to issue Shares. Units will become vested and be settled in Shares on a one Share for one Unit basis, rounded to the nearest whole Share, less any Shares withheld in accordance with the provisions of Section 4 of this Agreement. Settlement shall occur as soon as practicable after the Period of Restriction lapses as provided in the Summary of Restricted Stock Unit Award above, but in any event, within the period ending on the later to occur of the date that is 2 ½ months from the end of (1) the Grantee's tax year that includes the date of the lapse of the Period of Restriction, or (2) the Company's tax year that includes the date of the lapse of the Period of Restriction (which payment schedule is intended to comply with the "short-term deferral" exemption from the application of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code")) (the "Settlement Date"). Notwithstanding the foregoing, if the Grantee elects to receive any Shares on a Deferred Settlement Date established pursuant to Section 6 of this Agreement, the Units to which such election applies shall be settled on the Deferred Settlement Date. Although the Units shall be vested within the meaning of Section 83 of the Internal Revenue Code since no substantial risk of forfeiture exists after the Period of Restriction lapses, the Units will not be earned until the Grantee has fulfilled all of the conditions precedent set forth in this Agreement, including, but not limited to, the obligations set forth in Section 10(b), 10(c), 10(d), 10(e) and Section 11, and the Grantee shall have no right to retain the Shares or the value thereof upon vesting or settlement of the Units until all such conditions precedent have been satisfied.
3. **Dividend Equivalents.** No Dividend Equivalents shall be paid to the Grantee prior to the lapse of the Period of Restriction. Rather, such Dividend Equivalent payments will accrue and be notionally credited to the Grantee's RSU account and paid out in the form of additional Shares, rounded down to the nearest whole Share, after the lapse of the Period of Restriction, within the time period described in Section 2 above.
4. **Taxes.** Pursuant to Section 16 of the Plan, the Committee shall have the power and the right to deduct or withhold, or require the Grantee to remit to the Company, an amount sufficient to satisfy any applicable tax

withholding requirements applicable to this Award. The Committee may condition the issuance of Shares in settlement of Units upon the Grantee's satisfaction of such withholding obligations. The Grantee may elect to satisfy all or part of such withholding requirement by tendering previously-owned Shares or by having the Company withhold Shares having a Fair Market Value equal to the minimum statutory tax withholding rate that could be imposed on the transaction (or such other rate that will not result in a negative accounting impact) or in such other manner as is acceptable to the Company. Such election shall be irrevocable, made in writing, signed by the Grantee, and shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate.

5. Termination of Employment or Service.

- a. If the Grantee's employment or service with the Company and its Subsidiaries is terminated for any reason, any Units (the "Unvested Units") for which the Period of Restriction has not lapsed before such termination of employment or service and/or any Dividend Equivalents related thereto shall be forfeited. Notwithstanding the above, if the Grantee's termination of employment or service is due to death or Disability, the Units shall become 100% vested and the Period of Restriction on the Units shall lapse and all Dividend Equivalents related thereto shall become immediately vested and payable as of such termination date.
- b. Definition of "Disability." For purposes of this Agreement, the Grantee's employment shall be deemed to have terminated due to the Grantee's Disability if the Grantee is entitled to long-term disability benefits under the Company's long-term disability plan or policy, as in effect on the date of termination of the Grantee's employment.

6. Election to Defer Settlement. Within the first four (4) months following the Date of Award set forth above, the Grantee may elect to defer the settlement of the date on which the Period of Restriction lapses until a date at least two years following such date, or until the Grantee's later termination of employment or service. Such date shall be referred to as the "Deferred Settlement Date". If the Grantee makes such an election, it will become irrevocable on the date of such election. If the Grantee makes such an election, any Dividend Equivalents awarded with respect to such deferred Shares shall also be deferred under the same terms. If the Grantee makes such an election, but a transaction occurs that subjects the Grantee's Shares to Section 19 of the Plan prior to the Deferred Settlement Date, the Grantee's deferral election will terminate and the Grantee's Shares and Dividend Equivalents will be settled as of the date of that transaction. The Company may terminate any deferral hereunder if a change in law requires such termination.

7. Authorization to Return Forfeited Units. The Grantee authorizes the Company or its designee to return to the Company all Units and related Dividend Equivalents and Shares subject thereto which are forfeited along with any cash or other property held with respect to or in substitution of such Units, related Dividend Equivalents and/or Shares. Any such action shall comply with all applicable provisions of this Agreement or the Plan.

8. Transferability of Units. Unless otherwise determined by the Committee, Units shall not be transferable by the Grantee other than by will or by the laws of descent or distribution. For avoidance of doubt, Shares issued to the Grantee in settlement of Units pursuant to Section 2 of this Agreement shall not be subject to any of the foregoing transferability restrictions.

9. Change in Control. Upon the occurrence of a Change in Control, unless otherwise specifically prohibited under Applicable Laws or by the rules and regulations of any governing governmental agencies or national securities exchanges, any Unvested Units and related Dividend Equivalents shall become 100% vested and the Period of Restriction for the Units and related Dividend Equivalents shall lapse, unless the Units are assumed, converted or replaced by the continuing entity; provided, however, that in the event the Grantee's employment is terminated without Cause or by the Grantee for Good Reason upon or within twenty-four (24) months following consummation of a Change in Control, the Period of Restriction on any replacement awards shall lapse and all Dividend Equivalents related thereto shall become immediately payable.

For purposes of this Agreement, “Good Reason” shall mean the occurrence of any of the following with respect to the Grantee:

- (a) the assignment to the Grantee of any duties inconsistent in any material respect with the Grantee’s position (including offices and reporting requirements), authority, duties or responsibilities, as in effect immediately prior to the occurrence of the Change in Control or the date of the Grantee’s termination of employment, whichever is greater, or any other action by the Company which results in a material diminution in such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Grantee;
- (b) any failure by the Company to substantially comply with, or any reduction by the Company in, any of the material provisions of the Grantee’s compensation plans, programs, agreements or arrangements as in effect immediately prior to the Change in Control, including, without limitation, any material reduction in base salary, cash incentive compensation target bonus opportunity, equity compensation opportunity in the aggregate, or employee benefits and perquisites in the aggregate, other than an isolated, insubstantial and inadvertent failure or reduction not occurring in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Grantee;
- (c) the Company’s requiring the Grantee to be based at any office or location other than that in effect immediately prior to the Change in Control or any office or location not requiring the Grantee’s commute to increase by more than 35 miles from his or her commute immediately prior to the Change in Control;
- (d) any purported termination by the Company of the Grantee’s employment other than (A) due to the death or Disability of the Grantee or (B) a termination of the Grantee’s employment by the Company for Cause; or
- (e) any material failure by the Company to require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume the obligations of the Company under this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place.

Any termination by the Grantee for Good Reason shall be communicated by a written notice to the Company within a period not to exceed ninety (90) days of such Grantee’s knowledge of the condition. Such written notice (1) must indicate the specific termination provision in the Good Reason definition relied upon, (2) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Grantee’s employment under the provision so indicated and (3) the Grantee’s intended date of termination if the Company does not cure the issue (which date shall be not less than thirty (30) days after the giving of such notice). After receipt by the Company of such written notice, the Company shall have thirty (30) days during which it may remedy the condition and thereby cure the event or circumstance constituting “Good Reason”.

10. Protection of Trade Secrets and Limitations on Retention.

a. Definitions.

- i. “Affiliated Company” means any organization controlling, controlled by or under common control with the Company.
- ii. “Confidential Information” means the Company’s technical or business or personnel information not readily available to the public or generally known in the trade, including inventions, developments, trade secrets and other confidential information, knowledge, data and know-how of the Company or any Affiliated Company, whether or not they originated with the Grantee, or information which the Company or any Affiliated Company received from third parties under an obligation of confidentiality.

- iii. “Conflicting Product” means any product, process, machine, or service of any person or organization, other than the Company or any Affiliated Company, in existence or under development that (1) resembles or competes with a product, process, machine, or service upon or with which the Grantee shall have worked during the two years prior to the Grantee’s termination of employment with the Company or any Affiliated Company or (2) with respect to which during that period of time the Grantee, as a result of his/her job performance and duties, shall have acquired knowledge of Confidential Information, and whose use or marketability could be enhanced by application to it of Confidential Information. For purposes of this section, it shall be conclusively presumed that the Grantee has knowledge of information to which s/he has been directly exposed through actual receipt or review of memorandum or documents containing such information or through actual attendance at meetings at which such information was discussed or disclosed.
- iv. “Conflicting Organization” means any person or organization that is engaged in or about to become engaged in research on or development, production, marketing or selling of a Conflicting Product.
- b. Right to Retain Units/Shares Contingent on Protection of Confidential Information. In partial consideration for the award of these Units, the Grantee agrees that at all times, both during and after the term of the Grantee’s employment with the Company or any Affiliated Company, to hold in the strictest confidence, and not to use (except for the benefit of the Company at the Company’s direction) or disclose (except for the benefit of the Company at the Company’s direction), regardless of when disclosed to the Grantee, any and all Confidential Information of the Company or any Affiliated Company. The Grantee understands that for purposes of this Section 9(b), Confidential Information further includes, but is not limited to, information pertaining to any aspect of the business of the Company or any Affiliated Company which is either information not known (or known as a result of a wrongful act of the Grantee or of others who were under confidentiality obligations as to the item or items involved) by actual or potential competitors of the Company or other third parties not under confidentiality obligations to the Company. If, prior to the expiration of the Period of Restriction or at any time within one (1) year after the Settlement Date, the Grantee discloses or uses, or threatens to disclose or use, any Confidential Information other than in the course of performing authorized services for the Company (or any Affiliated Company), the Units, whether vested or not, will be immediately forfeited and cancelled, and the Grantee shall immediately return to the Company the Shares issued in settlement of the Units or the pre-tax income derived from any disposition of such Shares.
- c. No Interference with Customers or Suppliers. In partial consideration for the award of these Units, in order to forestall the disclosure or use of Confidential Information as well as to deter the Grantee’s intentional interference with the contractual relations of the Company or any Affiliated Company, the Grantee’s intentional interference with prospective economic advantage of the Company or any Affiliated Company and to promote fair competition, the Grantee agrees that the Grantee’s right to receive the Shares upon settlement of the Units is contingent upon the Grantee refraining, during the Period of Restriction and for a period of one (1) year after the Settlement Date, for himself/herself or any third party, directly or indirectly, from using Confidential Information to (1) divert or attempt to divert from the Company (or any Affiliated Company) any business of any kind in which it is engaged, or (2) intentionally solicit its customers with which it has a contractual relationship as to Conflicting Products, or interfere with the contractual relationship with any of its suppliers or customers (collectively, “Interfere”). If, during the Period of Restriction or at any time within one (1) year after the Settlement Date, the Grantee breaches his/her obligation not to Interfere, the Grantee’s right to the Shares upon settlement of the Units shall not have been earned and the Units, whether vested or not, will be immediately cancelled, and the Grantee shall immediately return to the Company the Shares issued in settlement of the Units or the pre-tax income derived from any disposition of such Shares. For avoidance of doubt, the term “Interfere” shall not include any advertisement of Conflicting Products through the use of media intended to reach a broad public audience (such as television, cable or radio broadcasts, generalized online marketing, or newspapers or magazines) or the broad distribution of coupons through the use of direct mail or through independent retail outlets. THE GRANTEE UNDERSTANDS THAT THIS PARAGRAPH IS NOT INTENDED TO AND DOES NOT PROHIBIT THE CONDUCT DESCRIBED, BUT PROVIDES FOR THE CANCELLATION OF THE UNITS AND A RETURN TO THE COMPANY OF THE SHARES OR THE GROSS

TAXABLE PROCEEDS OF THE SHARES IF THE GRANTEE SHOULD CHOOSE TO VIOLATE THIS “NO INTERFERENCE WITH CUSTOMERS OR SUPPLIERS” PROVISION DURING THE PERIOD OF RESTRICTION OR WITHIN ONE (1) YEAR AFTER THE SETTLEMENT DATE.

- d. No Solicitation of Employees. In partial consideration for the award of these Units, in order to forestall the disclosure or use of Confidential Information, as well as to deter the Grantee’s intentional interference with the contractual relations of the Company or any Affiliated Company, the Grantee’s intentional interference with prospective economic advantage of the Company or any Affiliated Company, and to promote fair competition, the Grantee agrees that the Grantee’s right to receive the Shares upon settlement of the Units is contingent upon the Grantee refraining, during the Period of Restriction and for a period of one (1) year after the Settlement Date, for himself/herself or any third party, directly or indirectly, from soliciting for employment any person employed by the Company, or by any Affiliated Company, during the period of the solicited person’s employment and for a period of one (1) year after the termination of the solicited person’s employment with the Company or any Affiliated Company (collectively “Solicit”). If, during the term of the Period of Restriction or at any time within one (1) year after the Settlement Date, the Grantee breaches his/her obligation not to Solicit, the Grantee’s right to the Shares upon settlement of the Units shall not have been earned and the Units, whether vested or not, will be immediately cancelled, and the Grantee shall immediately return to the Company the Shares issued in settlement of the Units or the pre-tax income derived from any disposition of such Shares. THE GRANTEE UNDERSTANDS THAT THIS PARAGRAPH IS NOT INTENDED TO AND DOES NOT PROHIBIT THE CONDUCT DESCRIBED, BUT PROVIDES FOR THE CANCELLATION OF THE UNITS AND A RETURN TO THE COMPANY OF THE SHARES OR THE GROSS TAXABLE PROCEEDS OF THE SHARES IF THE GRANTEE SHOULD CHOOSE TO VIOLATE THIS NON-SOLICITATION OF EMPLOYEES PROVISION DURING THE PERIOD OF RESTRICTION OR WITHIN ONE (1) YEAR AFTER THE SETTLEMENT DATE.
- e. Injunctive and Other Available Relief. By acceptance of these Units and any Shares issued in settlement thereof, the Grantee acknowledges that, if the Grantee were to breach or threaten to breach his/her obligation hereunder not to Interfere or Solicit or not to disclose or use any Confidential Information other than in the course of performing authorized services for the Company (or any Affiliated Company), the harm caused to the Company by such breach or threatened breach would be, by its nature, irreparable because, among other things, damages would be significant and the monetary harm that would ensue would not be able to be readily proven, and that the Company would be entitled to injunctive and other appropriate relief to prevent threatened or continued breach and to such other remedies as may be available at law or in equity. To the extent not prohibited by law, any cancellation of the Units pursuant to any of Sections 10(b) through 10(d) above shall not restrict, abridge or otherwise limit in any fashion the types and scope of injunctive and other available relief to the Company. Notwithstanding any provision of this Agreement to the contrary, nothing under this Agreement shall limit, abridge, modify or otherwise restrict the Company (or any Affiliated Company) from pursuing any or all legal, equitable or other appropriate remedies to which the Company may be entitled under any other agreement with the Grantee, any other plan, program, policy or arrangement of the Company (or any Affiliated Company) under which the Grantee is covered or participates, or any applicable law, all to the fullest extent not prohibited under applicable law.
- f. Permitted Reporting and Disclosure. Notwithstanding any language in this Agreement to the contrary, nothing in this Agreement prohibits Grantee from reporting possible violations of federal law or regulation to any governmental agency or governmental entity, or making other disclosures that are protected under federal law or regulation; provided, that, in each case such communications and disclosures are consistent with applicable law. Notwithstanding the foregoing, under no circumstance is Grantee authorized to disclose any information covered by the Company’s attorney-client privilege or attorney work product or the Company’s trade secrets without prior written consent of the Company’s Chief Legal Officer. Any reporting or disclosure permitted under this Section 10(f) shall not result in the cancellation of Shares. Grantee is entitled to certain immunities from liability under state and federal law for disclosing trade secrets if the disclosure was made to report or investigate an alleged violation of law, subject to certain conditions. Please see the Company’s Confidential Information Policy for further details.

11. Right to Retain Units/Shares Contingent on Continuing Non-Conflicting Employment. In partial consideration for the award of these Units in order to forestall the disclosure or use of Confidential Information, as well as to deter the Grantee's intentional interference with the contractual relations of the Company or any Affiliated Company, the Grantee's intentional interference with prospective economic advantage of the Company or any Affiliated Company, and to promote fair competition, the Grantee agrees that the Grantee's right to receive the Shares upon settlement of the Units is contingent upon the Grantee refraining, during the Period of Restriction and for a period of one (1) year after the Settlement Date, from rendering services, directly or indirectly, as director, officer, employee, agent, consultant or otherwise, to any Conflicting Organization except a Conflicting Organization whose business is diversified and that, as to that part of its business to which the Grantee renders services, is not a Conflicting Organization, provided that the Company shall receive separate written assurances satisfactory to the Company from the Grantee and the Conflicting Organization that the Grantee shall not render services during such period with respect to a Conflicting Product. If, prior to the expiration of the Period of Restriction or at any time within one (1) year after the Settlement Date, the Grantee shall render services to any Conflicting Organization other than as expressly permitted herein, the Grantee's right to the Shares upon settlement of the Units shall not have been earned and the Units, whether vested or not, will be immediately cancelled, and the Grantee shall immediately return to the Company the Shares issued in settlement of the Units or the pre-tax income derived from any disposition of such Shares. THE GRANTEE UNDERSTANDS THAT THIS PARAGRAPH IS NOT INTENDED TO AND DOES NOT PROHIBIT THE GRANTEE FROM RENDERING SERVICES TO A CONFLICTING ORGANIZATION, BUT PROVIDES FOR THE CANCELLATION OF THE UNITS AND A RETURN TO THE COMPANY OF THE SHARES OR THE GROSS TAXABLE PROCEEDS OF THE SHARES IF THE GRANTEE SHOULD CHOOSE TO RENDER SUCH SERVICES DURING THE PERIOD OF RESTRICTION OR WITHIN ONE YEAR AFTER THE SETTLEMENT DATE.
12. Repayment Obligations.
- a. [Restatement of Financials]. In the event that (1) the Company issues a restatement of financial results to correct a material error and (2) the Committee determines, in good faith, that the Grantee's fraud or willful misconduct was a significant contributing factor to the need to issue such restatement and (3) some or all of the Units that were granted and/or vested prior to such restatement would not have been granted and/or vested, as applicable, based upon the restated financial results, the Grantee shall immediately return to the Company any Units or any Shares or the pre-tax income derived from any disposition of any Shares previously received in settlement of the Units that would not have been granted and/or vested based upon the restated financial results (the "Repayment Obligation"). The Company shall be able to enforce the Repayment Obligation by all legal means available, including, without limitation, by withholding such amount from other sums owed by the Company to the Grantee.]<sup>1</sup>
- b. [Clawback Policy]. Awards under the Plan granted to Participants who are "Covered Employees" (as defined in the Company's Policy Regarding Clawback of Incentive Compensation, the "Policy") are subject to clawback in accordance with the terms of the Policy, as amended from time to time, and pursuant to any other policy the Company may adopt as required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law. No recovery of any Award granted hereunder pursuant to such a clawback policy shall be treated as an event giving rise to a Participant's right to terminate employment for "good reason" or "constructive termination" (or any similar term) under any agreement with the Company.]<sup>2 3</sup>
13. Miscellaneous Provisions.

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<sup>1</sup> To be included in agreements for individuals who are **not** subject to the Policy.

<sup>2</sup> To be included in agreements for individuals who are required to file disclosure statements under Section 16(a) of the Securities Exchange Act or otherwise subject to the Policy.

<sup>3</sup> **Note to Draft:** Grants should include either section 12(a) (for individuals who are **not** subject to the Policy) **OR** section 12(b) (for individuals who **are** subject to the Policy).

- a. Rights as a Stockholder. Neither the Grantee nor the Grantee's transferee or representative shall have any rights as a stockholder with respect to any Shares subject to this Award until the Units have been settled and Share certificates have been issued to the Grantee, transferee or representative, as the case may be.
- b. Choice of Law, Exclusive Jurisdiction and Venue. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction. **The courts of the State of Delaware shall have exclusive jurisdiction over any disputes or other proceedings relating to this Agreement, and venue shall reside with the courts in New Castle County, Delaware, including if jurisdiction shall so permit, the U.S. District Court for the District of Delaware.** Accordingly, the Grantee agrees that any claim of any type relating to this Agreement must be brought and maintained in the appropriate court located in New Castle County, Delaware, including if jurisdiction will so permit, in the U.S. District Court for the State of Delaware. The Grantee hereby consents to the jurisdiction over the Grantee of any such courts and waives all objections based on venue or inconvenient forum.
- c. Modification or Amendment. This Agreement may be modified or amended by the Board or the Committee at any time; provided, however, no modification or amendment to this Agreement shall be made which would materially and adversely affect the rights of the Grantee, without such Grantee's written consent.
- d. Severability. In the event any provision of this Agreement shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions of this Agreement, and this Agreement shall be construed and enforced to reflect the intent of the parties to the fullest extent not prohibited by law, and in the event that such provision is not able to be so construed and enforced, then this Agreement shall be construed and enforced as if such illegal or invalid provision had not been included. In amplification of the preceding sentence, in the event that the time period or scope of any provision is declared by a court or arbitrator of competent jurisdiction to exceed the maximum time period or scope that such court or arbitrator deems enforceable, then such court or arbitrator shall have the power to reduce the time period or scope to the maximum time period or scope permitted by law.
- e. References to Plan. All references to the Plan shall be deemed references to the Plan as may be amended.
- f. Headings. The captions used in this Agreement are inserted for convenience and shall not be deemed a part of this Agreement for construction or interpretation.
- g. Interpretation. Any dispute regarding the interpretation of this Agreement shall be submitted by the Grantee or by the Company forthwith to the Board or the Committee, which shall review such dispute at its next regular meeting. The resolution of such dispute by the Board or the Committee shall be final and binding on all persons. It is the intention of the Company and the Grantee to make the promises contained in this Agreement reasonable and binding only to the extent that it may be lawfully done under existing applicable laws. This Agreement and the Plan constitute the entire and exclusive agreement between the Grantee and the Company, and it supersedes all prior agreements or understandings, whether written or oral, with respect to the grant of Units set forth in this Agreement.
- h. Section 409A Compliance. To the extent applicable, it is intended that the Plan and this Agreement comply with the requirements of Section 409A of the Code, and any related regulations or other guidance promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service ("Section 409A"). Any provision of the Plan or this Agreement that would cause this Award to fail to satisfy Section 409A shall have no force or effect until amended to comply with Section 409A, which amendment may be retroactive to the extent permitted by Section 409A.

Notwithstanding any provision of the Plan to the contrary, if the Grantee is a "specified employee" (as defined in Section 1.409A-1(i) of the Treasury Department Regulations) at the time of the Grantee's "separation from service" (as defined in Section 1.409A-1(h) of the Treasury Department Regulations and including a termination of employment or service on account of Disability that does not satisfy the definition of "disability" under Section 409A-3(i)(4) of the Treasury Department Regulations), and payments to the Grantee hereunder are not exempt from Section 409A as a short-term deferral or otherwise, these payments, to the extent otherwise payable within six (6) months after the Grantee's separation from service shall be delayed until the earlier of the date which is six (6) months after the date of the Grantee's separation from service or the date of death of the Grantee. Any payments that were scheduled to be paid during the six (6) month period following the Grantee's separation from service, but which were delayed pursuant to this Section 13(h), shall be paid without interest on, or as soon as administratively practicable after, the first day following the six (6) month anniversary of the Grantee's separation from service (or, if earlier, the date of the Grantee's death). Any payments that were originally scheduled to be paid following the six (6) months after the Grantee's separation from service shall continue to be paid in accordance with their predetermined schedule.

- i. Agreement with Terms. Receipt of any benefits under this Agreement by the Grantee shall constitute the Grantee's acceptance of and agreement with all of the provisions of this Agreement and of the Plan that are applicable to this Agreement, and the Company shall administer this Agreement accordingly.

#### **THE CLOROX COMPANY**

By:

Its: Chief Executive Officer

THE GRANTEE ACKNOWLEDGES AND AGREES THAT THIS AGREEMENT IS A UNILATERAL CONTRACT AND THAT THE GRANTEE'S RIGHT TO THE SHARES PURSUANT TO THIS AGREEMENT IS ACCEPTED AND EARNED ONLY BY CONTINUING EMPLOYMENT (FOR PURPOSES OF THIS PARAGRAPH, IGNORING ANY ELECTION TO DEFER SETTLEMENT PURSUANT TO SECTION 6) AT THE WILL OF THE COMPANY (NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS AWARD OR ACQUIRING SHARES HEREUNDER) AND BY COMPLIANCE WITH THE GRANTEE'S VARIOUS OBLIGATIONS UNDER THIS AGREEMENT. THE GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT NOTHING IN THIS AGREEMENT, NOR IN THE PLAN, SHALL CONFER UPON THE GRANTEE ANY RIGHT WITH RESPECT TO CONTINUATION OF EMPLOYMENT BY THE COMPANY, NOR SHALL IT INTERFERE IN ANY WAY WITH THE GRANTEE'S RIGHT OR THE COMPANY'S RIGHT TO TERMINATE THE GRANTEE'S EMPLOYMENT AT ANY TIME, FOR ANY REASON OR NO REASON, WITH OR WITHOUT CAUSE, AND WITH OR WITHOUT ADVANCE NOTICE EXCEPT AS MAY BE REQUIRED BY APPLICABLE LAW.

The Grantee acknowledges that a copy of the Plan and Plan Information are available for viewing on the Company's internal HR website at <https://clxweb.clorox.com/hr/Pages/HRatClorox/HRContentPages/StockIncentiveProgram.aspx>, and the Company's Annual Report and Proxy Statement (the "Prospectus Information") are available for viewing on the Company's Clorox web site at <http://CLOROXWEB/hr/stock>. The Grantee hereby consents to receive the Prospectus Information electronically, or, in the alternative, to contact the HR Service Center at 1-800-709-7095 to request a paper copy of the Prospectus Information. The Grantee represents that s/he is familiar with the terms and provisions thereof, and hereby accepts this Agreement subject to all of the terms and provisions thereof. The Grantee has reviewed the Plan and this Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Agreement and fully understands all provisions of this Agreement. The Grantee acknowledges and hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Plan or this Agreement. The Grantee further agrees to notify the Company upon any change in the residence address indicated below.



**Severance Plan for Clorox Executive Committee Members**  
Third Amended and Restated Effective as of February 9, 2021

The Severance Plan for Clorox Executive Committee Members (the “Plan”) provides benefits in certain instances to Participants who are employed by The Clorox Company, a Delaware corporation (“Clorox”) or an Affiliate (as defined below) of Clorox (collectively, the “Company”) and whose employment is involuntarily terminated. The Plan was originally adopted effective as of May 19, 2010. The Plan was subsequently amended and restated for the first time effective as of November 20, 2014, for the second time effective as of February 11, 2020 and is hereby amended and restated for the third time effective as of February 9, 2021.

**Article I. Definitions**

1.1 “Affiliate” means any corporation or other entity that, now or hereafter, directly or indirectly owns, is owned by, or is under common ownership with Clorox. A corporation or other entity shall be deemed to be “owned” by Clorox where Clorox owns more than fifty percent (50%) of the equity or other ownership interest in, or has the power to vote on or direct the affairs of, such corporation or other entity.

1.2 “Average Annual Bonus” means the average annual incentive bonus that the Participant received for the three (3) completed fiscal years immediately preceding the Separation Date, or the average annual incentive bonus that the Participant received for the actual number of completed fiscal years immediately preceding the Separation Date if less than three (3), under the Company’s annual incentive cash bonus plan in which the Participant was a participant.

1.3 “Base Salary” means the annual base salary of the Participant immediately prior to termination of employment by the Company.

1.4 “Board” means the Board of Directors of Clorox.

1.5 “Bonus Target” means the annual bonus that the Participant would have received in a fiscal year under the annual cash incentive bonus plan in which the Participant was then participating, if the target goals had been achieved.

1.6 “Code” means the Internal Revenue Code of 1986, as amended.

1.7 “General Release” means a general release of all claims substantially in the form attached as Exhibit 1, which may be amended by the Management Development and Compensation Committee of Clorox’s Board (the “Committee”) at its sole discretion from time to time.

1.8 “Medical Insurance Coverage” means any medical, dental, vision and prescription drug insurance coverage offered by the Company to its salaried employees.

1.9 “Misconduct” means any act or omission of the Participant through which the Participant: (i) willfully neglects significant duties he or she is required to perform or willfully violates a

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material Company policy; (ii) commits a material act of dishonesty, fraud, misrepresentation or other act of moral turpitude; (iii) acts (or omits to act) with gross negligence in the course of employment; (iv) fails to obey a lawful direction of the Board or, for Participants other than the Company's Chief Executive Officer (the "CEO"), a corporate officer to whom he or she reports, directly or indirectly; or (v) engages in any conduct materially detrimental to the Company, including, but not limited to, the name, business interests or corporate, brand, business or other reputation of the Company.

No act or failure to act on the part of the Participant shall be considered "willful" unless it is done, or omitted to be done, by the Participant in bad faith or without reasonable belief that the Participant's action or omission was in the best interests of the Company. Any act or failure to act based upon authority given pursuant to a resolution duly adopted by the Board, upon the instructions of the Chief Executive Officer (with respect to Participants other than the Chief Executive Officer), or upon the advice of counsel for the Company shall be conclusively presumed to be done or omitted to be done by the Participant in good faith and in the best interests of the Company. The Participant shall not be deemed to have committed an act or omission of Misconduct unless and until the Authorized Person determines that, in its good faith opinion, the Participant is guilty of conduct described in subparagraphs (i) through (v) above, and so notifies the Participant specifying the particulars thereof. For purposes of the Plan, the term "Authorized Person" shall mean: (1) with respect to the CEO and any other executive who at the time is a "named executive officer" within the meaning of Item 402(b) of Regulation S-K promulgated by the Securities and Exchange Commission ("NEO"), the Committee, (2) with respect to all other Participants (except as expressly provided herein), the unanimous determination of the CEO, Chief People Officer or comparable most senior human resources executive ("CPO") and Chief Legal Officer or comparable most senior legal executive ("CLO"), (3) with respect to the CPO, if the CPO is not an NEO, the CEO and the CLO, and (4) with respect to the CLO, if the CLO is not an NEO, the CEO and CPO.

1.10 "Participant" means a regular salaried employee of the Company scheduled to work more than twenty (20) hours per week who is a member of the Clorox Executive Committee.

1.11 "Section 409A" means Section 409A of the Code, and any related regulations or other guidance promulgated thereunder by the U.S. Department of the Treasury or the Internal Revenue Service.

1.12 "Separation Date" means the last day a Participant is employed by the Company.

1.13 "Specified Employee" means a Participant who, for purposes of Section 409A of the Code on the Separation Date, is classified as:

A. an officer of the Company having annual compensation greater than the compensation limit in Section 416(i)(1)(A)(i) of the Code, provided that no more than fifty (50) officers of the Company shall be determined to be Specified Employees as of any Separation Date;

B. a five percent owner of the Company, regardless of compensation; or

C. a one percent owner of the Company having annual compensation from the Company of more than \$150,000.

The Company's Specified Employees shall be determined in accordance with Section 409A.

1.14 Other Definitions.

Bonus Section 3.1(B)  
CIC Severance Plan Section 3.5  
Claimant Section 4.2  
Clorox Recital  
COBRA Section 3.1(D)  
Committee Section 1.7  
Company Recital  
ERISA Section 5.6  
Other Benefits Section 3.5  
Plan Recital  
Plan Administrator Section 4.1

**Article II. Termination of Employment**

2.1 By Company for Misconduct. The Company may terminate the Participant's employment for Misconduct (as defined in Section 1.9 above) at any time in accordance with such definition. The Company shall pay the Participant the salary and other amounts (e.g., accrued but unused vacation) to which he or she is entitled by law through the Separation Date or under the terms of another compensation or benefit plan, program or arrangement sponsored by the Company, and thereafter the Company's obligations shall terminate. The Participant shall not be entitled to any unpaid cash incentive bonus for the prior fiscal year or the fiscal year in which termination occurs, and the Participant shall not be entitled to any benefits under the Plan.

2.2 By Participant. The Participant may, after satisfying any obligation to provide advance written notice to the Company and continuing his or her employment until the end of such period, terminate his or her employment, for any reason or no reason. The Company shall pay the Participant the salary and other amounts (e.g., accrued but unused vacation) to which he or she is entitled by law through the end of the Participant's employment or under the terms of another compensation or benefit plan, program or arrangement sponsored by the Company, and thereafter the Company's obligations shall terminate. The Participant shall not be entitled to any benefits under the Plan.

2.3 By Company at Will. The Company may, at any time, with or without notice, and for any reason or no reason, terminate the Participant's employment. If the Company terminates the Participant's employment other than for Misconduct or on account of disability, the Company shall pay the Participant the salary and other amounts (e.g., accrued but unused vacation) to which he or she is entitled by law through the Separation Date or under the terms of another compensation or benefit plan, program or arrangement sponsored by the Company, the severance payment provisions of Article III

shall apply and the Company shall have no additional liability. The Company’s progressive discipline policy and practice do not apply to such terminations.

**Article III. Severance Benefits**

3.1 A Participant whose employment with the Company is involuntarily terminated by the Company other than for Misconduct or on account of disability is entitled to receive the benefits described below:

A. An amount equal to two times the Participant’s Base Salary. In the case of the CEO, an amount equal to the sum of (i) two times the CEO’s Base Salary and (ii) two times the CEO’s Bonus Target multiplied by 75%. Such amount(s) shall be paid as soon as reasonably practicable and, subject to Section 3.4, no later than sixty (60) days after the Separation Date.

B. An amount equal to:

$$\text{Bonus} \quad \times \quad \frac{\text{\# of days in the current fiscal year through the Separation Date}}{365} \quad \times \quad 75\%$$

Provided, however, that the amount under 3.1(B) shall not be multiplied by 75%, in the case of the CEO.

This amount under 3.1(B) will be paid after the close of the fiscal year at the same time that annual cash incentive award payments are made to then employed executives; provided, however, that if the Participant is a Specified Employee (as defined in Section 1.409A-1(i) of the Treasury Department Regulations) on the Separation Date, such payments shall be made in accordance with Section 3.4 below. For purposes of this section, “Bonus” means a percentage of the Participant’s Bonus Target for such fiscal year based upon the application of the overall corporate results factor and the division and/or functional results factor, if applicable, for the annual cash incentive bonus plan in which the Participant was then participating. The Bonus will not be based on any personal objectives factor; thus, the individual modifier to be applied to the corporate and business and/or functional results, if any, will be calculated at 100% or otherwise in order to remove any influence of personal objectives from the calculation of the amount of the Bonus.

Provided, however, that if the Participant meets retirement eligibility on the Separation Date and thus is eligible to receive a prorated bonus (“Retirement Bonus”) in the year of separation in accordance with the terms of the Company’s annual cash incentive bonus plan in which the Participant is then participating, the Company may determine, in its sole discretion, to either pay such Retirement Bonus or pay the amount calculated in accordance with this Section 3.1(B), but it shall not be obligated to pay both.

C. The Company shall pay the applicable Participant an amount equal to the product of (1) 24 multiplied by (2) the excess of (x) the monthly cost of health benefits of the

type applicable to the applicable Participant (including the Participant's covered dependents) under the Consolidated Omnibus Budget Reconciliation Act of 1985 as of immediately prior to the Separation Date over (y) the portion of the monthly premium for such coverage that would be paid by an active employee (determined as of immediately prior to the Separation Date. Such amount shall be paid as soon as reasonably practicable and, subject to Section 3.4, no later than sixty (60) days after the Separation Date.

D. In addition, solely for purposes of determining eligibility for retiree Medical Insurance Coverage, the Participant shall be credited with two additional years of age and service as of the Separation Date. If, taking into account these additional credits, the Participant would meet the age and service requirements for non-subsidized or subsidized participation under the Company's retiree Medical Insurance Coverage as and if offered to similarly situated former employees, the Participant shall have the right to continued participation under such retiree Medical Insurance Coverage on the same terms and conditions as for such former employees, including applicable retiree premium contributions from the Participant as in effect from time to time. Such right to participate shall apply from the time such coverage would otherwise terminate pursuant to Section 3.1(D) above and shall continue until the Participant attains age 65; thereafter the Participant may participate in the Company's post-65 retiree Medical Insurance Coverage as and if it may exist from time to time in the future, if he or she would be eligible to participate pursuant to the terms of that plan. The Company reserves the right to amend or eliminate retiree Medical Insurance Coverage and nothing in this paragraph guarantees such coverage.

3.2 A Participant shall not be entitled to the severance benefits set forth in this Article III if the Participant is terminated by the Company but continues to be employed by, or is offered employment with either (i) a third party or related entity in connection with an outsourcing of such Participant's position to such third party or related entity; or (ii) any entity or individual that acquires all or any portion of the assets or operations of the Company, or that assumes responsibility for the performance of the obligations of all or any portion of the Company. Notwithstanding the foregoing, if the continued or offered employment referenced above in this Section 3.2 is in a location that would result in an increase in the Participant's commute of more than 35 miles from the commute to the Participant's pre-relocation principal work location, and the Participant elects not to continue or accept such employment, then the Participant shall be deemed to have been involuntarily terminated by the Company other than for Misconduct or on account of disability and therefore shall be entitled to severance benefits, pursuant and subject to the other terms of the Plan.

3.3 As a condition to receipt of any severance benefits set forth in this Article III, a Participant must execute a General Release within the time specified therein. If the Participant does not execute the General Release within the time provided, or having executed such General Release, effectively revokes the General Release, or fails to comply with his or her obligations and requirements under the General Release, then the Company will not be obligated to provide any benefits or payments of any kind to the Participant pursuant to the Plan and the Participant shall be obligated to return to the Company any payments or benefits previously provided to the Participant pursuant to the Plan.

3.4 Notwithstanding the foregoing, if the Participant is a Specified Employee on the Separation Date, all payments specified in this Article III that are subject to Section 409A but are not made by March 15 of the year immediately following the Separation Date, may be made to the extent that the amount does not exceed two times the lesser of (i) the sum of the Participant's annualized compensation based upon the annual rate of pay for services provided to the Company for the taxable year preceding the termination, or (ii) the maximum amount (\$285,000 in 2020) that may be taken into account pursuant to Section 401(a)(17) of the Code for the year in which the Participant has terminated. Any amounts exceeding such limit may not be made before the earlier of the date which is six (6) months after the Separation Date or the date of death of the Participant. Furthermore, any payments pursuant to this Article III shall be postponed until six (6) months following the end of any consulting period so long as the Participant continues to work on a consulting basis for the Company following termination and such consulting requires the Participant to work more than 20% of his or her average hours worked during the 36 months preceding his or her termination. Any payments that were scheduled to be paid during the six (6) month period following the Participant's Separation Date, but which were delayed pursuant to this Section 3.4, shall be paid without interest on, or as soon as administratively practicable after, the first day following the six (6) month anniversary of the Participant's Separation Date (or, if earlier, the date of Participant's death). Any payments that were originally scheduled to be paid following the six (6) months after the Participant's Separation Date shall continue to be paid in accordance to their predetermined schedule.

3.5 Notwithstanding any other provision of the Plan to the contrary, any benefits payable to a Participant under the Plan shall be in lieu of any severance benefits payable by the Company to such individual under any other arrangement covering the individual, unless expressly otherwise agreed to by the Company in writing. Further, in the event that the Participant is entitled to receive severance benefits under (1) any agreement or contract with the Company, excluding The Clorox Company Executive Change in Control Severance Plan ("CIC Severance Plan"), (2) any plan, policy, program or other arrangement adopted or established by the Company; (3) the Worker Adjustment and Retraining Notification (WARN) Act, 29 U.S.C. § 2101 et seq., or (4) other applicable law providing for payments from Clorox or its subsidiaries or affiliates on account of termination of employment, including pay in lieu of advance notice of termination ("Other Benefits"), any severance benefits payable hereunder shall be reduced by the Other Benefits. In the event that the Participant becomes entitled to receive benefits under the CIC Severance Plan, any benefits payable thereunder shall be in lieu of any severance benefits payable under the Plan.

3.6 Recoupment in Event of Subsequently Discovered Misconduct. If, after the Separation Date of a Participant, the Company discovers the Participant had engaged in acts or omissions during the course of the Participant's employment with the Company that meet the definition of Misconduct (as defined in Section 1.9 above, excluding any notice, prior written warning and other similar procedural terms of that definition), then the Plan Administrator may immediately cease the delivery of any further payments or benefits provided for under this Article III. and shall be entitled to recoup from the Participant for the benefit of the Company any payments and/or the value of any benefits provided to the Participant described in this Article III, plus interest at the then prevailing prime rate.

#### **Article IV. Plan Administration and Claims**

4.1 Plan Administration. The Committee shall serve as the person responsible for administration of the Plan (“Plan Administrator”). As the Plan Administrator, the Committee has full discretionary authority to administer and interpret the Plan, including discretionary authority to determine eligibility for participation and for benefits under the Plan and to correct errors. The Plan Administrator may delegate administrative duties to other Company personnel or to any other committee. Any such delegation will carry with it the full discretionary authority of the Plan Administrator to carry out these duties. Any determination by the Plan Administrator or its delegate will be final and conclusive upon all persons unless determined to be arbitrary and capricious or made in bad faith.

4.2 Claims Procedure. If an individual (“Claimant”) believes that he or she is entitled to a benefit under the Plan that is greater than the benefit about which the Claimant has received notice under the Plan, the Claimant may submit a written application to the Plan Administrator or its delegate within 90 days of having been denied such a benefit. The Claimant will generally be notified of the approval or denial of this application within 90 days (180 days if the Plan Administrator (or its delegate) determines that an extension of time for processing is required and provides written notice to the Claimant) of the date that the Plan Administrator (or its delegate) receives the application. If the claim is denied in whole or in part, the notification will state specific reasons for the denial, reference the Plan provisions on which the denial is based, include a description of any additional materials or information necessary for the Claimant to perfect the claim and an explanation of why such material or information is necessary, and describe the Plan’s claims review procedures. The Claimant will have 60 days to file an appeal of the denial with the Plan Administrator (or its delegate). This appeal will include the reasons for requesting an appeal, facts supporting the appeal and any other relevant comments. The Plan Administrator (or its delegate), operating pursuant to its discretionary authority to administer and interpret the Plan and to determine eligibility for benefits under the terms of the Plan, will generally make a final, written determination of the Claimant’s appeal within 60 days (120 days if the Plan Administrator (or its delegate) determines that an extension of time for processing is required and provides written notice to the Claimant) of receipt of the request for review. If the appeal is denied in whole or in part, the notification will state specific reasons for the denial, reference the Plan provisions on which the denial is based, and notify the Claimant of the right to initiate an arbitration proceeding in accordance with Section 4.3. The Claimant must exhaust the procedures set forth in this Section 4.2 before initiating an arbitration proceeding relating to a claim for benefits under the Plan in accordance with Section 4.3. Each Participant agrees as a condition of participating in the Plan that arbitration is the exclusive dispute resolution mechanism with respect to the Plan following a Claimant’s exhaustion of the procedures described in this Section 4.2.

4.3 Arbitration. Within one (1) year following a Claimant’s exhaustion of the procedures in Section 4.2, any remaining controversy relating to the Plan shall be settled by the Claimant and the Company solely pursuant to final and binding arbitration before a single arbitrator in accordance with the then current commercial arbitration rules of the American Arbitration Association, and judgment on the award rendered by the arbitrator may be entered by any court having jurisdiction thereof. Failure by the Claimant to initiate arbitration within the one (1) year time period set forth above shall prevent the Claimant from any pursuit of such claim by any means, whether through arbitration or otherwise, and the resolution of such claim upon the completion of the claims procedure set forth in Section 4.2 shall be final and binding on Claimant and any and all successors in interest. The arbitrator shall determine

whether to affirm or reverse the Plan Administrator's (or its delegate's) denial of the appeal, and shall reverse such denial it determines that the Plan Administrator's (or its delegate's) decision was arbitrary or capricious or made in bad faith. The arbitrator shall have no power to alter, add to, or subtract from any provision of the Plan. The arbitrator's decision shall be final and binding on all parties, if warranted on the record and reasonably based on applicable law and the provisions of the Plan. The arbitrator shall have no power to award any damages that are not permitted by ERISA, and under no circumstances shall an award contain any amount that in any way reflects any of such types of damages. Each party shall bear its own attorney's fees, but the Company shall bear the costs and expenses of arbitration (provided that if the Company prevails in the arbitration, the arbitrator may, in his or her discretion, require the Claimant to pay or reimburse the Company for all or a portion of such costs and expenses). The location of the arbitration shall be within fifty (50) miles of the last place of employment with the Company of the Participant with respect to whose potential Plan benefit the claim is brought. Service of legal process should be directed to the Legal Services Department of Clorox. Process may also be served on the Corporate Secretary of Clorox. Clorox's employer identification number is 31-0595760. Clorox's address and telephone number are: 1221 Broadway, Oakland, CA 94612, (510) 271-7000.

#### **Article V. Miscellaneous Provisions**

5.1 Assignment. To the fullest extent not prohibited by law, Plan benefits are not assignable.

5.2 Death of Participant. If a Participant dies after an involuntary termination, the benefit that otherwise would have been payable to the Participant will be paid, in a single sum payment, as soon as administratively practicable to the Participant's surviving spouse, or if there is no such spouse, to the Participant's estate.

5.3 Compliance. Plan benefits are conditioned on a Participant's compliance with any confidentiality agreement or release that the Participant has entered into with Clorox and/or with an Affiliate in addition to any other requirement or obligation set forth in the Plan or the General Release.

5.4 Amendment and Termination. The Board or the Committee, by a signed writing, may amend or terminate the Plan at any time, with or without notice; provided, however, that the Plan may not be amended or terminated to reduce or eliminate benefits that would otherwise be payable under the Plan to Participants who are entitled to benefits under Article III as of the date such amendment or termination is approved by the Board or the Committee, as applicable. Notwithstanding the foregoing, the CEO may amend the Plan if the amendments are ministerial in nature or necessary to comply with applicable law or other regulatory matters.

5.5 Continued Services. The Plan does not provide a Participant with any right to continue employment with the Company or affect the right of the Company to terminate the services of any individual at any time with or without cause, for any reason or no reason.

5.6 Governing Law. The Plan is intended to be an unfunded welfare benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). To the extent applicable and not preempted by ERISA, the laws of the State of Delaware will govern the Plan.

5.7 Plan Year. The Plan's fiscal records are maintained on a fiscal year basis with a June 30 year end.

5.8 Source of Payments. Benefits payable under the Plan are not funded and are payable only from the general assets of Clorox or the appropriate Affiliate.

5.9 Section 409A. To the extent applicable, it is intended that the Plan and any payment made hereunder shall comply with, or be exempt from, the requirements of Section 409A. Any provision that would cause the Plan or any payment hereunder to fail to satisfy Section 409A shall have no force or effect until amended to the minimum extent required to comply with Section 409A, which amendment may be retroactive to the extent permitted by Section 409A.

5.10 Gender, Number and References. Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine, the plural shall include the singular and the singular shall include the plural. Any reference in the Plan to a Section of the Plan or to an act or code or to any section thereof or rule or regulation thereunder shall be deemed to refer to such Section of the Plan, act, code, section, rule or regulation, as may be amended from time to time, or to any successor Section of the Plan, act, code, section, rule or regulation.

5.11 Severability. The provisions of the Plan are severable and in the event that a court of competent jurisdiction determines that any provision of the Plan is in violation of any law or public policy, in whole or in part, only the portions of the Plan that violate such law or public policy shall be stricken. All portions of the Plan that do not violate any statute or public policy shall not be affected thereby and shall continue in full force and effect. Further, any court order striking any portion of the Plan shall modify the stricken terms as narrowly as possible to give as much effect as possible to the intent of the Company under the Plan.

5.12 Notices. All notices or other communications required or permitted hereunder shall be made in writing. Notice shall be effective on the date of delivery if delivered by hand, on the first business day following the date of dispatch if delivered utilizing next day service by a recognized next day courier to the applicable address set forth below, or if mailed, three business days after having been mailed, postage prepaid, by certified or registered mail, return receipt requested, and addressed to the applicable address set forth below.

If to the Participant:

To the residence address for the Participant last shown on the Company's payroll records.

If to the Company:

The Clorox Company

1221 Broadway  
Oakland, California 94612  
Attention: Chief Legal Officer

or to such other address as either party shall have furnished to the other in writing in accordance herewith.

5.13 Waiver. No waiver of any breach of any term or provision of the Plan by the Company shall be construed to be, nor shall be, a waiver of any other breach of the Plan. No waiver shall be binding unless in writing and signed by the Company.

5.14 Tax Withholding. All amounts or benefits payable pursuant to the Plan shall be subject to such withholding taxes as may be required by law.

END OF DOCUMENT

**EXHIBIT 1**

**GENERAL RELEASE**

**This document is an important one. You should review it carefully and, if you agree to it, sign at the end on the line indicated.**

**You have [ ] [21] [45] days to sign this Release, during which time you are advised to consult with an attorney regarding its terms.**

**[After signing this Release, you have seven days to revoke it. Revocation should be made in writing and delivered so that it is received by the Corporate Secretary of The Clorox Company, 1221 Broadway, Oakland, CA 94612 no later than 4:30 p.m. on the seventh day after signing this Release. If you do revoke this Release within that time frame, you will have no rights under it. This Release shall not become effective or enforceable until the seven day revocation period has expired.]**

**[The agreement for payment of consideration in paragraph 2 will not become effective until the seven day revocation period has passed.]**

This GENERAL RELEASE is entered into between The Clorox Company (hereinafter referred to as "Employer") and \_\_\_\_\_ (hereinafter referred to as "Executive"). Defined terms used in this General Release not defined herein shall have the meaning set forth in the Severance Plan (as defined below). Employer and Executive agree as set forth herein, including as follows:

1. Executive's regular employment with Employer will terminate as of \_\_\_\_\_, 20\_\_\_. Executive is ineligible for reemployment or reinstatement with Employer.
2. Upon Executive's acceptance of the terms set forth herein, the Employer agrees to provide the Executive with compensation and benefits set forth in Article III of the Severance Plan for Clorox Executive Committee Members (the "Severance Plan"), which compensation and benefits shall be provided subject to the terms and conditions of the Severance Plan, a copy of which is attached to this General Release.

3. In consideration of the Employer providing Executive this compensation, Executive and Executive's heirs, assignees and agents agree to release the Employer, all affiliated companies, and each of their respective directors, officers, employees, owners, contractors, representatives, and agents, and each of their respective successors and assigns (hereinafter referred to as "Releasees") fully and finally from any claims, liabilities, demands or causes of action which Executive may have or claim to have against the Releasees at present or in the future, except for the following: (i) claims for vested benefits under the terms of an employee compensation or benefit plan, program or arrangement sponsored by the Company, (ii) claims for workers' compensation benefits under any of the Company's workers' compensation insurance policies or funds, (iii) claims related to Executive's COBRA rights, (iv) claims for indemnification to which Executive is or may become entitled, including but not limited to claims submitted to an insurance company providing the Company with directors and officers liability insurance, (v) claims for benefits to be provided in accordance with Article III of the Severance Plan, and (vi) claims that may not be legally waived. The claims released include, but are not limited to, any tax obligations as a result of the payment of consideration referred to in paragraph 2, and claims arising under federal, state or local laws prohibiting discrimination in employment, including the Age Discrimination in Employment Act (ADEA) or claims growing out of any legal restrictions on the Employer's right to terminate its employees. Claims of discrimination, wrongful termination, age discrimination, and any claims for benefits other than for vested benefits are hereby released.

(a) By signing this document, Executive agrees not to file a lawsuit to assert such claims. Executive also agrees that if Executive breaches this provision, Executive will be liable for all costs and attorneys' fees incurred by any Releasee resulting from such action and shall

pay all expenses incurred by a Releasee in defending any proceeding pursuant to this Section 3(b) as they are incurred by the Releasee in advance of the final disposition of such proceedings, together with any tax liability incurred by the Releasee in connection with the receipt of such amounts; provided, however, that the payment of such expenses incurred in advance of the final disposition of such proceeding shall be made only upon delivery to the Executive of an undertaking, by or on behalf of the Releasee, to repay all amounts so advanced to the extent the arbitrator in such proceeding affirmatively determines that the Executive is the prevailing party, taking into account all claims made by any party to such proceeding.

4. By signing this document, Executive is also expressly waiving the provisions of California Civil Code Section 1542, which provides as follows:

“A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.”

By signing this document, Executive agrees and understands that Executive is releasing unknown as well as known claims related to Executive’s employment in exchange for the compensation set forth above.

5. Executive agrees to maintain in complete confidence the terms of this Release, except as it may be necessary to comply with a legally compelled request for information. It is agreed since confidentiality of this Release is of the essence, damages for violation being impossible to assess with precision, that \$10,000 is a fair estimate of the damage caused by each disclosure and is agreed to as the measure of damages for each violation.

6. To forestall the disclosure or use of Proprietary Information (as defined below) and in consideration of the Plan, Executive agrees that for a period of two years after termination

of his or her employment, he or she shall not, for himself or herself, or for any third party, directly or indirectly, use the Company's trade secrets or other Proprietary Information to (i) divert or attempt to divert from the Employer (or any of its affiliated companies) any business of any kind in which it is engaged, including, without limitation, the solicitation of its customers as to products that are directly competitive with products sold by the Employer at the time of Executive's termination, or interference with any of its customer or suppliers, or (ii) solicit for employment any person employed by the Employer, or any of its affiliates, during the period of such person's employment and for a period of one year after the termination of such person's employment with the Employer.

7. Executive's execution of this General Release and the absence of an effective revocation of such General Release by Executive shall constitute Executive's resignation from all offices, directorships and other positions then held with the Employer or any of its affiliates, and any other position held for the benefit of or at the request of the Employer or any of its affiliates, and Executive hereby agrees that this General Release constitutes such resignation. Executive also agree to execute a confirmatory letter of resignation if requested.

8. Executive hereby acknowledges and agrees that all personal property and equipment furnished to or prepared by the Executive in the course of or incident to his or her employment, belong to the Employer and shall, if physically returnable, be promptly returned to the Employer upon termination of his or her employment. "Personal property" includes, without limitation, all books, manuals, records, reports, notes, contracts, lists, blueprints, and other documents, computer media or materials, or copies thereof, and Proprietary Information. Following termination, the Executive will not retain any written or other tangible material containing any Proprietary Information. "Proprietary Information" is all information and any

idea in whatever form, tangible or intangible, pertaining in any manner to the business of the Employer or any its affiliates, or to their respective clients, consultants, or business associates, unless: (i) the information is or becomes publicly known through lawful means; (ii) the information was rightfully in the Executive's possession or part of his or her general knowledge prior to his or her employment by the Employer; or (iii) the information is disclosed to the Executive without confidential or proprietary restriction by a third party who rightfully possesses the information (without confidential or proprietary restriction) and did not learn of it, directly or indirectly, from the Employer.

9. Following termination, Executive will continue to abide by the Employer's policy and any obligations that the Executive has to protect the Company's Proprietary Information. In amplification of the foregoing, Executive agrees to hold all Proprietary Information in strict confidence and trust for the sole benefit of the Employer and not to, directly or indirectly, disclose, use, copy, publish, summarize or remove from the Employer's premises any Proprietary Information (or remove from the premises any other property of the Company), except (i) during his or her employment to the extent necessary to carry out Executive's responsibilities to the Employer, (ii) after termination of his or her employment as specifically authorized in writing by the Board, and (iii) pursuant to a subpoena.

10. Each Executive covered by the Plan agrees that he or she will not do or say anything that could reasonably be expected to disparage or impact negatively the name or reputation in the marketplace of the Company, all affiliated companies, and each of their respective employees, officers, directors, stockholders, members, principals, contractors, representatives or agents, and each of their respective successors or assigns. Nothing herein shall preclude Executive from complying with applicable disclosure requirements, responding

truthfully to any legal process or truthfully testifying in a legal or regulatory proceeding, provided that, to the extent permitted by law, Executive promptly informs the Company of any such obligation prior to participating in any such proceedings. The Company likewise agrees that it will not release any information or make any statements, and it shall instruct its officers, directors and other representatives who may reasonably be viewed as speaking on its behalf not to say anything that could reasonably be expected to disparage or impact negatively the name or reputation in the marketplace of an Executive. Nothing herein shall preclude the Company from complying with applicable disclosure requirements, responding truthfully to any legal process or truthfully testifying in a legal or regulatory proceeding, provided that to the extent permitted by law, the Company will promptly inform an Executive in advance if they have reason to believe such response or testimony will directly relate to such Executive.

11. Following termination, Executive will continue to abide by the Employer's policy that prohibits discussing any aspect of the Employer's business with representatives of the press without first obtaining the permission of the Employer's public relations group.

12. Nothing in this General Release is intended to limit any remedy of the Employer (or any of its affiliated companies) under the California Uniform Trade Secrets Act (California Civil Code Section 3426), or otherwise available under law. In addition, and notwithstanding any other provision in this General Release to the contrary, nothing contained in this General Release limits Executive's ability to file a charge or complaint with the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission (each a "Government Agency"). Executive further understands that this General Release does not limit Executive's ability to communicate with any

Government Agency or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to Employer. However, to the maximum extent permitted by law, Executive agrees that if such a charge or complaint is made, Executive shall not be entitled to recover any individual monetary relief or other individual remedies. This General Release does not limit or prohibit Executive's right to receive an award for information provided to any Government Agency to the extent that such limitation or prohibition is a violation of law.

13. The provisions of this General Release are severable and in the event that a court of competent jurisdiction determines that any provision of this General Release is in violation of any law or public policy, in whole or in part, only the portions of this General Release that violate such law or public policy shall be stricken. All portions of this General Release that do not violate any statute or public policy shall not be affected thereby and shall continue in full force and effect. Further, any court order striking any portion of this General Release shall modify the stricken terms as narrowly as possible to give as much effect as possible to the intent of the Employer and Executive under this General Release.

14. Executive agrees to indemnify and hold Employer harmless from and against any tax obligations for which Executive may become liable as a result of this Release and/or payments made pursuant to the Severance Plan, other than tax obligations of the Employer resulting from the nondeductibility of any payments made pursuant to this Release or the Severance Plan.

15. Agreeing to this Release shall not be deemed or construed by either party as an admission of liability or wrongdoing by either party.

16. This Release, the Severance Plan and the plans of The Clorox Company referred to in the Severance Plan set forth the entire agreement between Executive and the Employer. This Release is not subject to modification except in writing executed by both of the parties. The Clorox Company plan documents of plans referred to in the Severance Plans may be amended in accordance with the provisions of those plans.

Executive acknowledges by signing below that Executive has not relied upon any representations, written or oral, not set forth in this Release.

Executive

Dated:

THE CLOROX COMPANY

By:

Dated:

## CERTIFICATION

I, Linda Rendle, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Clorox Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 30, 2021

/s/ Linda Rendle

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Linda Rendle

Chief Executive Officer

## CERTIFICATION

I, Kevin B. Jacobsen, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Clorox Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 30, 2021

/s/ Kevin B. Jacobsen

Kevin B. Jacobsen

Executive Vice President - Chief Financial Officer

**CERTIFICATION**

In connection with the periodic report of The Clorox Company (the "Company") on Form 10-Q for the period ended March 31, 2021, as filed with the Securities and Exchange Commission (the "Report"), we, Linda Rendle, Chief Executive Officer of the Company, and Kevin B. Jacobsen, Executive Vice President - Chief Financial Officer of the Company, hereby certify as of the date hereof, solely for purposes of Title 18, Chapter 63, Section 1350 of the United States Code, that to our knowledge:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

This Certification has not been, and shall not be deemed, "filed" with the Securities and Exchange Commission.

Date: April 30, 2021

/s/ Linda Rendle  
\_\_\_\_\_  
Linda Rendle  
Chief Executive Officer

/s/ Kevin B. Jacobsen  
\_\_\_\_\_  
Kevin B. Jacobsen  
Executive Vice President - Chief Financial Officer