CLOROX CO /DE/
Form PREC14A
September 16, 2011

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

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

Filed by the Registrant [X]
Filed by a Party other than the Registrant [ ]

Check the appropriate box:

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

THE CLOROX COMPANY
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

[X] No fee required.

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

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3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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3)	Filing Party:
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Notice of 2011 Annual Meeting, Proxy Statement and Annual Financial Statements

Annual Meeting of Stockholders
[ ], 2011

[ ], 2011

Dear Clorox Stockholders:

It is my great pleasure to invite you to Clorox's 2011 Annual Meeting of Stockholders. The Annual Meeting will be held on [ ], [ ], 2011, at [ ] Pacific time, at [ ]. Details regarding admission to the Annual Meeting and the business to be conducted are more fully described in the accompanying Notice of 2011 Annual Meeting of Stockholders and Proxy Statement.

Your board of directors ("Board") is recommending a highly qualified, experienced and diverse slate of nominees for election at the 2011 Annual Meeting. Your management team and Board are excited about Clorox and about continuing to create superior value for investors. At the Annual Meeting, you will be asked to elect the ten directors named in the accompanying Proxy Statement and to vote on several other proposals more fully described in the accompanying Notice of 2011 Annual Meeting of Stockholders and Proxy Statement.

We hope you will be able to attend the Annual Meeting, but if you cannot do so it is important that your shares be represented. Your vote is very important to Clorox. We urge you to read the accompanying Proxy Statement carefully, and to use the Company's WHITE proxy card to vote for the Board's nominees and in accordance with the Board's recommendations on the other proposals, as soon as possible. You may vote your shares by signing, dating and returning the enclosed WHITE proxy card in the postage-paid envelope provided, whether or not you plan to attend the Annual Meeting. For your convenience, you may also vote your shares by telephone and via the Internet by following the instructions on the enclosed WHITE proxy card.

As you may know, High River Limited Partnership and certain of its affiliated entities led by Carl C. Icahn (the "Icahn Group") have stated their intention to propose eleven director nominees for election at the Annual Meeting. Your Nominating and Governance Committee and Board have carefully reviewed the Icahn Group's candidates, and we urge you to vote only for your Board's proposed nominees by using the enclosed WHITE proxy card and not to sign or return or vote any proxy card sent to you by the Icahn Group. If you vote using a proxy card sent to you by the Icahn Group, you can subsequently revoke it by signing, dating and returning the enclosed WHITE proxy card in the postage-paid envelope provided, or by voting by telephone or via the Internet. Only your last-dated proxy will count, and any proxy may be revoked at any time prior to its exercise at the Annual Meeting as described in this proxy statement.

Thank you for your continued support. If you have any questions, please contact Innisfree M&A Incorporated, our proxy solicitor assisting us in connection with the Annual Meeting. Stockholders may call toll-free at (877) 825-8730. Banks and brokers may call collect at (212) 750-5833.

Sincerely,

Donald R. Knauss
Chairman of the Board and Chief Executive Officer

PRELIMINARY PROXY STATEMENT DATED [ ], 2011, SUBJECT TO COMPLETION

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON [ ], 2011

The 2011 Annual Meeting of Stockholders (the "Annual Meeting") of The Clorox Company, a Delaware corporation ("Clorox" or the "Company"), will be held at [ ], Pacific time on [ ], [ ], 2011, at [ ], for the following purposes:

1. To elect ten directors to serve until the 2011 Annual Meeting;
2. To conduct an advisory vote on the compensation of the Company's named executive officers;
3. To conduct an advisory vote on the frequency of future advisory votes on the compensation of the Company's named executive officers;
4. To ratify the selection of Ernst & Young LLP as the Company's independent registered public accounting firm for the fiscal year ending June 30, 2012;
5. To consider and act upon one stockholder proposal if properly presented at the Annual Meeting; and
6. To consider and act upon such other business as may properly come before the Annual Meeting or any adjournment thereof.

The board of directors (the "Board") has fixed the close of business on [ ], 2011, as the record date for determining the stockholders entitled to notice of, and to vote at, the Annual Meeting and any adjournment thereof. A list of such stockholders will be available at the Annual Meeting and during the 10 days prior to the Annual Meeting at the office of the Secretary of the Company at 1221 Broadway, Oakland, CA 94612-1888.

Please note that High River Limited Partnership and certain of its affiliated entities led by Carl C. Icahn (the "Icahn Group") have stated their intention to propose eleven alternative director nominees for election at the Annual Meeting.

We urge you to vote for the nominees proposed by the Board by using the enclosed WHITE proxy card and not to sign or return or vote any proxy card sent to you by the Icahn Group. If you have already voted using a proxy card sent to you by the Icahn Group, you can revoke it by voting the enclosed WHITE proxy card by telephone or via the Internet, or by signing, dating and returning the WHITE proxy card in the postage-paid envelope provided. Only your last-dated proxy will count — any proxy may be revoked at any time prior to its exercise at the Annual Meeting as described in this proxy statement.

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

YOUR VOTE IS VERY IMPORTANT. EVEN IF YOU PLAN TO ATTEND THE ANNUAL MEETING, WE HOPE THAT YOU WILL READ THE PROXY STATEMENT AND VOTE YOUR PROXY BY SIGNING, DATING AND RETURNING THE ENCLOSED WHITE PROXY CARD OR BY VOTING OVER THE TELEPHONE OR VIA THE INTERNET.

By Order of the Board of Directors
Angela C. Hilt
Vice President – Corporate Secretary
& Associate General Counsel

[ ], 2011

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

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

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

Stockholders may call toll-free at (877) 825-8730

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

IMPORTANT

We urge you NOT to sign the proxy card sent to you by the Icahn Group, which has notified us it intends to put forth its own slate. If you have already signed the Icahn Group's proxy card, you have every legal right to change your vote by using the enclosed WHITE proxy card to vote TODAY — by telephone, by Internet, or by signing, dating and returning the WHITE proxy card in the postage-paid envelope provided.

THE CLOROX COMPANY

1221 BROADWAY
OAKLAND, CA 94612-1888

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THE CLOROX COMPANY

1221 Broadway
Oakland, CA 94612-1888

PROXY STATEMENT

This proxy statement and enclosed WHITE proxy card are being sent to stockholders of The Clorox Company, a Delaware corporation ("Clorox" or the "Company"), on or about [ ], 2011, for use at the 2011 Annual Meeting of Stockholders (the "Annual Meeting") of the Company, to be held at [ ] a.m. Pacific time on [ ], [ ], 2011, at [ ]. Please refer to the "Attending the Annual Meeting" section of this proxy statement for more information about procedures for attending the Annual Meeting.

INFORMATION ABOUT THE MEETING AND VOTING

Q: Why did you send me this proxy statement?

A: We sent you this proxy statement and the enclosed WHITE proxy card because the board of directors (the "Board") of Clorox is soliciting your proxy to vote at our 2011 Annual Meeting of Stockholders to be held on [ ], 2011, and at any adjournments of the Annual Meeting. This proxy statement summarizes information that is intended to assist you in making an informed vote on the proposals described in this proxy statement.

Q: Has the Company been notified that a stockholder intends to propose alternative director nominees at the Annual Meeting?

A: Yes. On August 18, 2011, the Company received a notice from certain entities affiliated with Carl C. Icahn, namely High River Limited Partnership (the "Icahn Group"), stating their intention to propose eleven alternative director nominees for election at the Annual Meeting. The Icahn Group nominees have NOT been endorsed by our Board. We urge stockholders NOT to use any proxy card that you may receive from the Icahn Group. Our Board urges you to use the WHITE proxy card and vote FOR ALL of our nominees for director.

OUR BOARD OF DIRECTORS URGES YOU NOT TO SIGN OR RETURN ANY PROXY CARD SENT TO YOU BY THE ICAHN GROUP.

We are not responsible for the accuracy of any information provided by or relating to the Icahn Group contained in any proxy solicitation materials filed or disseminated by, or on behalf of, the Icahn Group or any other statements that the Icahn Group may otherwise make.

Who is entitled to vote at the Annual Meeting?

Only stockholders of record at the close of business on [ ], 2011 (the "Record Date"), are entitled to vote at the Annual Meeting. On that date, there were [ ] shares of our common stock (the "Common Stock") outstanding and entitled to vote. Holders of Common Stock are entitled to one vote per share on each matter submitted to a vote of stockholders.

How can I vote my shares?

You can vote your shares in one of two ways: either by proxy or in person at the Annual Meeting by written ballot. If you choose to vote by proxy, you may vote your shares by signing, dating and returning the enclosed WHITE proxy card. For your convenience, you may also vote your shares by telephone and Internet by following the instructions on the enclosed WHITE proxy card. Each of these procedures is explained below. Even if you plan to attend the Annual Meeting, the Board recommends that you submit a proxy in advance by telephone, Internet or by mail. In this way, your shares of Common Stock will be voted as directed by you even if you should become unable to attend the Annual Meeting.

May I change my vote?

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

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

If you have previously signed a proxy card sent to you by the Icahn Group, you may change your vote by signing, dating and returning the enclosed WHITE proxy card in the accompanying postage-paid envelope or by voting by telephone or via the Internet by following the instructions on your WHITE proxy card. Submitting an Icahn Group proxy card—even if you vote in protest against the Icahn nominees—will revoke any votes you previously made via the Company's WHITE proxy card.

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

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

What are broker non-votes?

A broker non-vote occurs when a bank or brokerage firm does not receive voting instructions from the beneficial owner and does not have the discretion to direct the voting of the shares. Broker non-votes are not counted as votes against a proposal or as abstentions, and will not be counted for purposes of determining the number of votes present in person or represented by proxy and entitled to vote with respect to a particular proposal or the number of votes cast on a particular proposal. Thus, a broker non-vote will not affect the outcome of the vote on a proposal that requires a plurality of votes cast (Proposal 1), the approval of a majority of the votes present in person or represented by proxy and entitled to vote on the matter (Proposals 2, 4 and 5) or the approval of a majority of the votes cast (Proposal 3).

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

If you are a participant in our 401(k) plan, the enclosed WHITE voting instruction card will serve to direct T. Rowe Price Company, as trustee of our 401(k) plan, how to vote the shares of our common stock attributable to your individual account. T. Rowe Price Company will vote shares as instructed by participants prior to 11:59 PM (EDT) on [ ], 2011. If you do not provide voting directions to T. Rowe Price Company by that time, the shares attributable to your account will not be voted.

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

Because many stockholders cannot attend the Annual Meeting in person, it is necessary that a large number of stockholders be represented by proxy. By signing, dating and returning the enclosed WHITE proxy card in the postage-paid envelope provided or by voting your shares by telephone or via the Internet by following the instructions on the enclosed WHITE proxy card, you will enable Donald R. Knauss, Daniel J. Heinrich or Laura Stein, each of whom is named on the proxy card as a "proxy holder," to vote your shares at the Annual Meeting in the manner you indicate on your proxy card. When you vote your proxy, you can specify whether your shares should be voted for or against each of the nominees for director identified in Proposal 1, or you can abstain from voting on the director nominees. You can also specify how you want your shares voted with respect to Proposals 2, 3, 4 or 5, which are described in this proxy statement.

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

- Voting by Mail. You can vote by mail by signing, dating and returning the enclosed WHITE proxy in the postage-paid envelope provided.

- Voting via the Internet. You can vote your shares via the Internet by following the instructions provided on the proxy card. The Internet voting procedures are designed to authenticate your identity and to allow you to vote your shares and confirm that your voting instructions have been properly recorded. Voting by Internet authorizes the named proxies to vote your shares in the same manner as if you had submitted a validly executed proxy card.
- Voting by Telephone. You can vote your shares by telephone by following the instructions provided on the proxy card. The telephone voting procedures are designed to authenticate your identity and to allow you to vote your shares and confirm that your voting instructions have been properly recorded. Voting by telephone authorizes the named proxies to vote your shares in the same manner as if you had submitted a validly executed proxy card.

May I vote in person at the Annual Meeting?

Yes, you may vote your shares at the Annual Meeting if you attend in person and use a written ballot. However, if your shares are held in the name of a broker, trust, bank or other nominee, you must bring a legal proxy or other proof from that broker, trust, bank or nominee granting you authority to vote your shares directly at the Annual Meeting. If you vote by proxy and also attend the Annual Meeting, you do not need to vote again at the Annual Meeting unless you wish to change your vote. Even if you plan to attend the Annual Meeting, we strongly urge you to vote in advance by proxy by signing, dating and returning the WHITE proxy card.

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

If you are the beneficial owner of shares held in a “street name” by a broker, the broker, as the record holder of the shares, is required to vote those shares in accordance with your instructions. Under applicable New York Stock Exchange rules, if you hold your shares through a bank or brokerage firm and your broker delivers this proxy statement to you, but you do not give instructions to the broker, the broker does not have the discretion to vote on any proposal that is subject to a counter-solicitation. Therefore, unless you provide voting instructions to the broker holding shares on your behalf, the broker will not have discretionary authority to vote your shares on any of the proposals described in this proxy statement. We strongly encourage you to vote your proxy or provide voting instructions to the broker so that your vote on these matters will be counted.

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

Proposal 1: Election of Directors. As a result of the Icahn Group’s proposal of a slate of directors, there are more directors nominated than positions available. The Company’s Bylaws provide for plurality voting for directors in contested elections. Accordingly, this means that the ten candidates receiving the highest number of FOR votes will be elected. A properly executed proxy card marked WITHHOLD with respect to the election of a director nominee will be counted for purposes of determining if there is a quorum at the Annual Meeting, but will not be considered to have been voted for or against the director nominee. An abstention or a broker non-vote on Proposal 1 will not have any effect on the election of directors and will not be counted in determining the number of votes cast.

It will NOT help elect your Board if you sign and return proxies sent by the Icahn Group even if you vote AGAINST or withhold on their directors using the Icahn Group proxy card. In fact, doing so will cancel any previous vote you may have cast on the Company’s proxy card. The only way to support your Board’s nominees is to vote FOR the Board’s nominees on the WHITE proxy card.

In the event that the Icahn Group withdraws its nominees on or prior to the day immediately preceding the day before we mail the Notice of Meeting in this proxy statement to our stockholders, we will disclose such withdrawal to our stockholders and, as provided by the Company’s Bylaws, our directors will be elected by a vote of a majority of the votes cast. In the event that our directors are elected by a vote of a majority of the votes cast, you may vote FOR or AGAINST or abstain from voting with respect to each director nominee. A majority of votes cast means that the number of shares cast FOR a director’s election exceeds the number of votes cast AGAINST such director’s election. Abstentions and broker non-votes will have no effect on the outcome of the election and will not be counted in determining the number of votes cast.

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

Proposal 3: Approval (on an advisory basis) of Future Advisory Votes on the Compensation of the Company's Named Executive Officers on an Annual Basis at Each Year's Annual Meeting. Proposal 3 is being submitted to enable stockholders to express a preference as to whether future advisory votes on executive compensation should be held every year, every two years or every three years. Since it is an advisory vote, the provisions of our Bylaws regarding the vote required to "approve" a proposal are not applicable to Proposal 3. Abstentions and broker non-votes will not be counted as expressing any preference. If none of the frequency alternatives (one year, two years or three years) receives a majority of the votes cast on the proposal, we will consider the frequency that receives the highest number of votes cast by stockholders to be the frequency that has been selected by stockholders. However, because Proposal 3 is advisory and not binding on us or our Board in any way, our Board may decide that it is in our and our stockholders' best interests to hold an advisory vote on executive compensation more or less frequently than the option selected by our stockholders.

Proposal 4: Ratification of Selection of Independent Registered Public Accounting Firm. The affirmative vote of a majority of the votes present in person or represented by proxy and entitled to vote on the matter is required to approve Proposal 4. An abstention on Proposal 4 will have the same effect as a vote against Proposal 4. A broker non-vote will not have any effect on Proposal 4 and will not be counted.

Proposal 5: Stockholder Proposal. The affirmative vote of a majority of the shares of Common Stock represented and entitled to vote at the Annual Meeting on Proposal 5 is required to approve Proposal 5. An abstention on Proposal 5 will have the same effect as a vote against Proposal 5. A broker non-vote will not have any effect on Proposal 5 and will not be counted.

What are the recommendations of the Board of Directors?

The Board recommends that you vote:

- FOR the election of the ten nominees for director named in this proxy statement (Proposal 1);
- FOR the proposal to approve (on an advisory basis) the compensation of the Company's named executive officers (Proposal 2);
- FOR the proposal to approve (on an advisory basis) future advisory votes on the compensation of the Company's named executive officers on an annual basis at each year's Annual Meeting (Proposal 3);
- FOR the ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for the fiscal year ending June 30, 2012 (Proposal 4); and
- AGAINST the stockholder proposal (Proposal 5).

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

Many stockholders hold their shares in more than one account, and may receive separate proxy cards or voting instructions forms for each of those accounts. To ensure that ALL of your shares are represented at the Meeting, we recommend that you vote every WHITE proxy card you receive.

Additionally, please note that the Icahn Group has stated its intention to propose eleven alternative director nominees for election at the Annual Meeting. If the Icahn Group proceeds with its alternative nominations, you may receive proxy solicitation materials from the Icahn Group, including an opposition proxy statement and a proxy card. Your Board unanimously recommends you disregard any proxy card you receive from the Icahn Group.

If you have already voted using the Icahn Group's proxy card, you have every right to change your vote by executing the enclosed WHITE proxy card or by voting by telephone or via the Internet by following the instructions provided on the enclosed proxy card. Only the latest dated proxy you submit will be counted. If you vote against any Icahn Group nominee using the Icahn Group's proxy card, your vote will not be counted as a vote for the Board's nominees and will result in the revocation of any previous vote you may have cast on the Company's WHITE proxy card. If you wish to vote pursuant to the recommendation of the Board, you should disregard any proxy card that you receive other than the WHITE proxy card.

If you have any questions or need assistance voting, please call Innisfree M&A Incorporated, our proxy solicitor assisting us in connection with the Annual Meeting, at (877) 825-8730.

Who will count the votes?

Votes will be counted by [ ], independent inspectors of election appointed for the meeting.

What happens if the Annual Meeting is postponed or adjourned?

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

What is the deadline to propose actions for consideration at next year's Annual Meeting?

Stockholders may present proper proposals for inclusion in our proxy statement and for consideration at the next annual meeting of stockholders by submitting their proposals in writing to the Company in a timely manner. Proposals should be addressed to The Clorox Company, c/o Secretary, 1221 Broadway, Oakland, CA 94612-1888. For a stockholder proposal to be considered for inclusion in our proxy statement for our 2012 Annual Meeting of Stockholders, we must receive the written proposal no later than [ ], 2012. In addition, stockholder proposals must otherwise comply with the requirements of Rule 14a-8 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

Our Bylaws also establish an advance notice procedure for stockholders who wish to present a proposal, including the nomination of directors, before an annual meeting of stockholders but do not intend for the proposal to be included in our proxy statement. Pursuant to our Bylaws, a proposal may be brought before the meeting by a stockholder who was a stockholder of record at the time notice is given and is entitled to vote at the annual meeting, and who complied with the notice procedures specified in our Bylaws. To be timely for our 2012 Annual Meeting, and assuming the 2012 Annual Meeting takes place within 30 days of the anniversary of this year's Annual Meeting, we must receive the written notice at our principal executive offices between [ ], 2012 and [ ], 2012. For more information regarding proposals for consideration at the next annual meeting, please see the "Stockholder Proposals for the 2012 Annual Meeting" section. If a stockholder who has notified us of his or her intention to present a proposal at an annual meeting does not appear in person or through a qualified representative to present his or her proposal at such meeting, we are not required to present the proposal for a vote at such meeting.

Whom can I contact if I have questions?

If you have any questions about the annual meeting or how to vote your shares, please call Innisfree M&A Incorporated, at (877) 825-8730.

Where can I find the voting results?

We will report final results in a filing with the U.S. Securities and Exchange Commission (the "SEC") on Form 8-K.

PROPOSAL 1:
ELECTION OF DIRECTORS

At the Annual Meeting, ten people will be elected as members of the Board to serve until the 2012 Annual Meeting, or until their respective successors are duly elected and qualified. The Board, upon the recommendation of the Nominating and Governance Committee, has nominated the ten people listed below for election at the Annual Meeting. Each nominee is currently serving as a director of the Company. Each of the nominees has agreed to be named in this proxy statement and to serve as a director if elected.[1]

The Board unanimously recommends a vote FOR each of the Board's ten nominees for director on the enclosed WHITE proxy card. The persons named as proxies intend to vote the proxies FOR the election of each of these nominees unless you indicate on the WHITE proxy card a vote against or an abstention with respect to any of the nominees. If for some reason any director nominee is unable to serve, or for good cause will not serve if elected, the persons named as proxies may vote for a substitute nominee recommended by the Board, and unless you indicate otherwise on the WHITE proxy card, the proxies will be voted in favor of the remaining nominees. If any substitute nominees are designated, we will file an amended proxy statement that, as applicable, identifies the substitute nominees, discloses that such nominees have consented to being named in the revised proxy statement and to serve if elected, and includes certain biographical and other information about such nominees required by SEC rules.

Board of Directors' Recommendation

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

Certain information with respect to each nominee appears on the following pages, including age, period served as a director, position (if any) with the Company, business experience, directorships of other publicly-owned corporations within the past five years (if any), service on non-profit or non-public company boards and relevant experiences and qualifications that contributed to the conclusion that each director is qualified to serve as a director of the Company. Ages are as of July 31, 2011.

In addition to the information set forth below, Appendix B sets forth information relating to our director nominees as well as certain of our directors, officers and employees who are considered "participants" in our solicitation under the rules of the SEC by reason of their position as directors or director nominees of the Company or because they may be soliciting proxies on our behalf.

Vote Required

Plurality Voting for Directors. The Company's Bylaws require each director to be elected by a plurality of the votes cast in contested elections (a situation in which the number of nominees exceeds the number of directors to be elected). The standard for election of directors will be a plurality of the shares represented in person or by proxy at any such meeting and entitled to vote on the election of directors. The ten directors receiving the highest number of FOR votes will be elected.

In the event that the Icahn Group withdraws its nominees on or prior to the day immediately preceding the day we mail the Notice of Meeting in this proxy statement to our stockholders, we will disclose such withdrawal to our stockholders and, as provided by the Company's Bylaws, our directors will be elected by a vote of a majority of the votes cast. In the event that our directors are elected by a vote of a majority of the votes cast, you may vote FOR or AGAINST or abstain from voting with respect to each director nominee. A majority of votes cast means that the number of shares cast FOR a director's election exceeds the number of votes cast AGAINST such director's election. Abstentions and broker non-votes will have no effect on the outcome of the election.

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1 As Ms. Murley has informed us that she does not intend to stand for re-election, Ms. Murley is the only current director who has not been nominated for election at the Annual Meeting. The Board has determined that upon expiration of the term of the directors currently in office, the number of directors constituting the whole Board will be ten.

Name, Principal Occupation and Other Information	Director Since
DANIEL BOGGAN, JR. Retired Senior Vice President, the National Collegiate Athletic Association.	1990

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

Other Public Company Boards:

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

Non-Profit/Other Boards:

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

Director Qualifications:

Mr. Boggan has been a director of the Company for twenty-one years, providing him with considerable knowledge of the Company's business as well as a historical perspective and focus on the long-term interests of the Company and its stockholders. He resides in Oakland, and his involvement in Oakland's local government and as Chair of The Alameda County Medical Center has provided him with an understanding of the Company's local community. Mr. Boggan's previous leadership positions at the National Collegiate Athletic Association and the University of California as well as his service on several public company and non-profit boards have provided him with a broad perspective and management, governance and leadership experience that he brings to the Company as Chair of the Nominating and Governance Committee. Additionally, his involvement with The Alameda County Medical Center and The California Endowment (a large health care foundation in California) provides him with an understanding of health and wellness matters. Age: 65.

RICHARD H. CARMONA, M.D., M.P.H., F.A.C.S. Vice Chairman, Canyon Ranch; Former Surgeon General of the United States.	2007

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

Other Public Company Boards:

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

Non-Profit/Other Boards:

Dr. Carmona serves on the board of Healthline Networks.

Director Qualifications:

Dr. Carmona's experience as the Surgeon General of the United States and extensive background in public health provide him with a valuable perspective on health and wellness matters, as well as insight into regulatory organizations and institutions, which are important to the Company's business strategy. In addition, his executive leadership experience, including with a global lifestyle enhancement company, provides him with international experience and enables him to make valuable contributions to the Company's international growth strategies. Dr. Carmona's experience in the United States Army and in academia also strengthens the board's collective qualifications, skills and experience. Age: 61.

Name, Principal Occupation and Other Information	Director Since
TULLY M. FRIEDMAN Chairman and Chief Executive Officer, Friedman Fleischer & Lowe LLC.	1997

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

Other Public Company Boards:

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

Non-Profit/Other Boards:

Mr. Friedman currently serves on the boards of Kool Smiles Holding Corp. and is the Chairman and a director of Church's Chicken.

Director Qualifications:

Mr. Friedman's more than thirty-five years of experience in finance and twenty-five years as a private equity investor have provided him with expertise in financial matters. This enables him to make valuable contributions in the areas of mergers and acquisitions, capital deployment and other major financial decisions and in his service as Chair of our Finance Committee. In addition, Mr. Friedman's executive leadership roles and board positions in several industries provide him with a broad perspective and experience in the areas of management, operations and strategy. Mr. Friedman also has a deep understanding of the Company's business, having served on its board of directors for more than ten years, enabling him to make significant contributions to the Company's strategy, innovation and long-range plans. Age: 69.

GEORGE J. HARAD Retired Executive Chairman of the Board of OfficeMax Incorporated (formerly known as Boise Cascade Corporation).	2006

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

Director Qualifications:

Mr. Harad's prior executive leadership roles enable him to provide valuable contributions with respect to management, operations, strategy, growth and long-range plans. His experience as a Chief Financial Officer has provided him with expertise in finance and accounting matters. Additionally, as a former Chief Executive Officer of a Fortune 500 company, Mr. Harad brings extensive knowledge in executive compensation matters to his position as Chair of the Management Development and Compensation Committee. Age: 67.

Name, Principal Occupation and Other Information	Director Since
DONALD R. KNAUSS Chairman and Chief Executive Officer of the Company.	2006

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

Other Public Company Boards:

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

Non-Profit/Other Boards:

Mr. Knauss also serves on the dean’s advisory board of the College of Arts & Sciences at Indiana University and on the board of trustees of the University of San Diego, Morehouse College and the United States Marine Corps University Foundation.

Director Qualifications:

Mr. Knauss’ leadership experience as the Chief Executive Officer of the Company and his in-depth knowledge of the Company’s strategic priorities and operations enable him to provide valuable contributions and facilitate effective communication between management and the Board. His role as Chief Executive Officer also enables him to provide important contributions to strengthening the Company’s leadership, operations, strategy, growth and long-range plans. Mr. Knauss’ prior executive leadership roles include extensive international experience, providing him with valuable insights into global business strategy. In addition, Mr. Knauss’ leadership experience at other consumer packaged goods companies, including his director role at the Kellogg Company, provides him with a keen understanding of the Company’s industry and customer and consumer dynamics. Age: 60.

Name, Principal Occupation and Other Information	Director Since
ROBERT W. MATSCHULLAT Retired Vice Chairman and Chief Financial Officer of The Seagram Company Ltd.	1999

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

Other Public Company Boards:

Mr. Matschullat is a director of The Walt Disney Company, Inc. (December 2002 to present) and Visa, Inc. (October 2007 to present). He previously served as a director of McKesson Corporation (October 2002 to July 2007).

Director Qualifications:

Mr. Matschullat brings to the Company a wealth of public company leadership experience at the board and executive levels. Mr. Matschullat's executive leadership experience includes service as the Chief Financial Officer of a major global company and as the division head of a major financial institution, providing him with expertise in business and financial matters as well as broad international experience. In addition, Mr. Matschullat has an extensive understanding of the Company's business, having served more than ten years on the Board, including in the leadership roles of non-executive chairman and presiding director of the board of directors. Mr. Matschullat also served as the Company's interim Chief Executive Officer. These experiences have provided him with a long-term perspective as well as valuable management, governance and leadership experience. Age: 63.

GARY G. MICHAEL Lead Director of the Company and Retired Chairman of the Board and Chief Executive Officer of Albertson's, Inc.	2001

Mr. Michael was the Chairman of the Board and Chief Executive Officer of Albertson's, Inc. (a leading grocery retailer) from February 1991 until his retirement in April 2001. He served as interim President of the University of Idaho from June 2003 until August 2004. Mr. Michael previously served as the Chairman of the Federal Reserve Bank of San Francisco from 1998 to 2000.

Other Public Company Boards:

Mr. Michael is also a director of Questar Corporation (February 1994 to present) and Idacorp (July 2001 to present). Mr. Michael was also a director of OfficeMax Inc. (formerly Boise Cascade Corporation (April 1997 to April 2008)) and Harrah's Entertainment, Inc. (November 2001 to January 2008).

Non-Profit/Other Boards:

Mr. Michael served as a member of the Advisory Board of Graham Packaging Company, Inc. from October 2002 until February 2010, when the company went public and he became a director.

Director Qualifications:

Mr. Michael's broad industry and executive leadership experience enable him to provide valuable contributions with respect to the Company's management, operations, strategy, growth and long-range plans. Mr. Michael's experience includes serving as the Chairman of the Federal Reserve Bank of San Francisco, providing him with substantial financial expertise. In addition, Mr. Michael's ten years of service as Chairman and Chief Executive Officer of Albertson's Inc. provides him with an invaluable perspective on the Company's customers and the retail environment. He also has a deep understanding of the Company's industry and its consumers, including Hispanic consumers. Mr. Michael's executive leadership experience and his extensive board service enable him to provide strong and independent leadership on the Board in his role as lead director. Mr. Michael also makes important contributions to the Company in the areas of leadership development and management and board succession planning, and his strong financial background qualifies him as an audit committee financial expert. Age: 70.

Name, Principal Occupation and Other Information	Director Since
EDWARD A. MUELLER Retired Chairman and Chief Executive Officer of Qwest Communications International Inc.	2007

Mr. Mueller served as Chairman of the Board and Chief Executive Officer of Qwest Communications International Inc. (Qwest) (a provider of voice, data and video services) from August 2007 until his retirement in April 2011. He served as Chief Executive Officer of Williams-Sonoma, Inc. (a provider of specialty products for cooking) from January 2003 until July 2006. Mr. Mueller served on the board of directors of Williams-Sonoma, Inc. from 1999 until May 2007. Prior to joining Williams-Sonoma, Inc., Mr. Mueller served as President and Chief Executive Officer of Ameritech Corporation, a subsidiary of SBC Communications, Inc. (a provider of communication services and products). He joined SBC in 1968, and held numerous executive positions, including President and Chief Executive Officer of Southwestern Bell Telephone Company, President and Chief Executive Officer of Pacific Bell and President of SBC International Inc.

Other Public Company Boards:

Mr. Mueller is a director of McKesson Corporation (April 2008 to present). Mr. Mueller previously served as a director of Qwest (August 2007 to April 2011), Verisign Inc. (July 2007 to July 2008) and Williams-Sonoma Inc. (October 1999 to May 2007).

Non-Profit/Other Boards:

Mr. Mueller served as a director of GSC Acquisition Company (July 2007 to July 2008).

Director Qualifications:

Mr. Mueller brings to the Board chief executive leadership and business management experience, as well as strong business acumen and financial and strategic planning expertise. Mr. Mueller's executive and board leadership experience spans several industries, providing him with a broad perspective and enabling him to provide significant contributions in the areas of management, operations, strategy, growth and long-range plans. Mr. Mueller's strong financial background qualifies him as an audit committee financial expert, enabling him to make valuable contributions to the Company as Chair of the Audit Committee. Age: 64.

Name, Principal Occupation and Other Information	Director Since
PAMELA THOMAS-GRAHAM Chief Talent, Branding and Communications Officer, Credit Suisse Group.	2005

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

Other Public Company Boards:

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

Non-Profit/Other Boards:

Ms. Thomas-Graham serves on the board of the New York City Opera (1996 – present), the Board of Governors of the Parsons School of Design (2006 – present) and the Education Committee of the Museum of Modern Art in New York City (2006 – present). Additionally, she served on the Visiting Committee of Harvard Business School (2005 – 2011).

Director Qualifications:

Ms. Thomas-Graham brings to the Company significant executive expertise. Her current and prior executive leadership roles enable her to provide valuable contributions with respect to management, operations, growth and long-range plans. In addition, Ms. Thomas-Graham brings to the Company significant experience in the area of branding. Her prior experience as a management consultant also enables her to provide valuable contributions to the Company's business strategies and mergers and acquisitions activities. Additionally, her leadership experience at a private equity firm provides her with financial and accounting expertise, enabling her to contribute to the oversight of the Company. Age: 48.

CAROLYN M. TICKNOR Retired President of Hewlett Packard Company, Imaging & Printing Systems Group.	2005

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

Other Public Company Boards:

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

Non-Profit/Other Boards:

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

Director Qualifications:

Ms. Ticknor's prior executive leadership roles enable her to provide valuable contributions with respect to management, operations, strategy, growth and long-range plans. Her prior leadership of a global IT company enables her to provide valuable contributions with respect to the Company's international operations, strategies and growth plans. She also brings to the Company significant expertise in the areas of innovation and supply chain management. Ms. Ticknor's nine years of service as a director of Lucile Packard Children's Hospital at Stanford University Medical Center enhances her understanding of health and wellness issues as well as the Company's focus on community involvement. Age: 64.

DIRECTOR INDEPENDENCE AND ORGANIZATION OF THE BOARD OF DIRECTORS

The Board has established five standing committees: the Executive Committee, the Finance Committee, the Audit Committee, the Nominating and Governance Committee, and the Management Development and Compensation Committee. The Finance, Audit, Nominating and Governance, and Management Development and Compensation Committees consist only of non-management directors whom the Board has determined are independent under the New York Stock Exchange ("NYSE") listing standards and the Board's independence standards set forth in the Company's Governance Guidelines, which are discussed below. The charters for these committees are available in the Corporate Governance section of the Company's website atwww.TheCloroxCompany.com/company/charters.html, or in print by contacting The Clorox Company, c/o Secretary, 1221 Broadway, Oakland, CA 94612-1888.

Standing Committees

Executive Committee. The Executive Committee is composed of directors Boggan, Friedman, Harad, Knauss (chair), Michael and Mueller, and is delegated all of the powers of the Board except certain powers reserved by law to the full Board. In addition to being available to meet between regular Board meetings on occasions when Board action is required but the convening of the full Board is impracticable, the Executive Committee is authorized to handle special assignments as requested from time to time by the Board. The Executive Committee held no meetings during fiscal year 2011.

Finance Committee. The Finance Committee is composed of directors Boggan, Carmona, Friedman (chair), Harad and Matschullat, and oversees and makes recommendations to the Board with respect to the Company's major financial policies and actions, including policies and actions related to the Company's capital structure, equity and debt financings, capital expenditures, cash management and share repurchase activities. The Finance Committee held two meetings during fiscal year 2011.

Audit Committee. The Audit Committee is composed of directors Michael, Mueller (chair), Murley, Thomas-Graham and Ticknor, and is the principal link between the Board and the Company's independent registered public accounting firm. The Audit Committee has the functions and duties set forth in its charter, including, but not limited to, assisting the Board in overseeing (i) the integrity of the Company's financial statements, (ii) the independent registered public accounting firm's qualifications, independence and performance, (iii) the performance of the Company's internal audit function, (iv) the Company's system of disclosure controls and procedures and system of internal control over financial reporting, and (v) the Company's compliance with legal and regulatory requirements relating to accounting and financial reporting matters. The Audit Committee's duties also include certain risk management activities and preparing the report required by the SEC proxy rules to be included in the Company's annual proxy statement. The Audit Committee held ten meetings during fiscal year 2011. The Board has made a determination that each of the members of the Audit Committee satisfies the independence and experience requirements of both the NYSE and SEC. The Board has determined that Messrs. Michael and Mueller are audit committee financial experts, as defined by SEC rules, and are financially literate, as defined by NYSE rules.

Nominating and Governance Committee. The Nominating and Governance Committee is composed of directors Boggan (chair), Michael, Murley and Ticknor. The Nominating and Governance Committee has the functions set forth in its charter, including identifying and recruiting individuals qualified to become Board members, recommending to the Board individuals to be selected as director nominees for the next Annual Meeting of Stockholders, reviewing and recommending to the Board changes in the Company's Governance Guidelines, including changes relating to the Board, and overseeing the Company's compliance program and activities, including the Company's compliance with legal and regulatory requirements relating to matters other than accounting and financial reporting matters. The Nominating and Governance Committee held four meetings during fiscal year 2011.

Management Development and Compensation Committee. The Management Development and Compensation Committee is composed of directors Carmona, Friedman, Harad (chair), Michael and Matschullat. The Management Development and Compensation Committee has the functions and duties set forth in its charter, including reviewing and approving the policies under which compensation is paid or awarded to the Company's executive officers, determining executive compensation, granting stock options, restricted stock, performance units and other cash or stock awards under the Company's executive incentive compensation and stock incentive plans, and reviewing pension and other retirement plans. In addition, the Management Development and Compensation Committee oversees, with involvement of the full Board, the Company's management development and succession planning processes. The Management Development and Compensation Committee held six meetings during fiscal year 2011.

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

Evaluation of Qualifications and Experience

In the evaluation of nominees for the Board, the Nominating and Governance Committee has identified the following skills and experiences, among others, that are important in creating a diverse and well-rounded Board:

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

Leadership Experience on Public Company, Non-Profit or Other Boards: prepares directors to take an active leadership role in the oversight and governance of the Company.

Knowledge of the Company's Business, the Consumer Packaged Goods Industry or Other Complementary Industry: enables enhancement of and contributions to the Company's strategy and position in the Company's industry.

Experience in Product Development, Marketing, Supply Chain Management or Other Relevant Areas: facilitates support and contributions to the Company's strategy, development of products, effective marketing to consumers and the Company's business operations.

Relevant Retail Experience: provides insights and contributions to enhancing relations and results with the Company's customer and consumer base.

International Experience: provides insights and ability to contribute to the Company's increasing global business strategy.

Financial and Accounting Expertise: enables analysis and oversight of the Company's financial position, financial statements and results of operations.

Regulatory Experience (including experience in the health and wellness sector): enables meaningful contributions on matters relating to the regulatory environment, including in the area of health and wellness.

Diversity

Consistent with the Company's Governance Guidelines, the Board recognizes the value in diversity and endeavors to assemble a Board with diverse skills, professional experience, perspectives, points of view, race, ethnicity, gender and cultural background. The Nominating and Governance Committee assesses the effectiveness of efforts to assemble a diverse Board by examining the overall composition of the Board and evaluating how a particular director candidate can contribute to the overall success of the Board.

The Nominating and Governance Committee considers recommendations from many sources, including stockholders, regarding possible candidates for director. Such recommendations, together with biographical and business experience information (similar to that required to be disclosed under applicable SEC rules and regulations) regarding the candidate, should be submitted to The Clorox Company, c/o Secretary, 1221 Broadway, Oakland, CA 94612-1888. The Nominating and Governance Committee evaluates candidates suggested by stockholders in the same manner as other candidates.

Board Committee and Meeting Attendance

The Board held nine meetings during fiscal year 2011. All directors attended at least 75% of the meetings of the Board and committees of which they were members during fiscal year 2011.

Annual Meeting Attendance of Directors

The policy of the Company is that all board members are expected to attend the Annual Meeting of Stockholders. Each member of the Board attended the Company's 2010 Annual Meeting of Stockholders held on November 17, 2010.

The Clorox Company Governance Guidelines and Director Independence

The Board has adopted Governance Guidelines which can be found in the Corporate Governance section on the Company's website www.TheCloroxCompany.com/company/governance_guidelines.html, and are available in print to any stockholder who requests them from The Clorox Company, c/o Secretary, 1221 Broadway, Oakland, CA 94612-1888.

The Governance Guidelines present a framework for the governance of the Company. They describe responsibilities, qualifications and operational matters applicable to the Board and the board committees and set forth Chief Executive Officer ("CEO") evaluation and succession requirements. The Governance Guidelines are reviewed annually by the Nominating and Governance Committee, which recommends changes to the Board as appropriate.

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

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

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

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

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

4. A director will not be deemed to be independent if, within the preceding three years: (i) the director or an immediate family member is or was employed as an executive officer of another company where any of the Company's present executive officers at the same time serves or served on that company's compensation committee; or (ii) the director is a current employee, or an immediate family member is a current executive officer, of another company that has made payments to or received payments from the Company for property or services that, in any of the preceding three fiscal years, exceeded 2% or $1 million, whichever is greater, of such other company's consolidated gross revenues.

5. A director may be considered independent notwithstanding that the director owns, or is a partner, stockholder, officer, director or employee of an entity that owns, not more than 30% of the outstanding stock of the Company, unless the director or the entity owning the Company's stock has a relationship with the Company that, under paragraphs 1 through 4 above or otherwise, precludes a finding of independence.

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

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

Director Independence Determination

The Board has determined that each of the Company's directors is independent under the NYSE listing standards and the independence standards set forth in the Governance Guidelines, except Mr. Knauss as a result of his service as the Company's CEO.

Related Party Transaction Policies and Procedures

The Company has a long-standing policy of prohibiting its directors, officers and employees from entering into transactions that are an actual or potential conflict of interest. The Company's Code of Conduct has a detailed provision prohibiting conflicts of interests and is available at the Company's website athttp://www.cloroxcsr.com/conduct/. Additionally, the Company has a written policy regarding review and approval of related party transactions by the Nominating and Governance Committee ("Related Party Policy").

The Company's Related Party Policy defines an "Interested Transaction" as any transaction, arrangement or relationship or series of similar transactions, arrangements or relationships (including any indebtedness or guarantee of indebtedness) in which (1) the aggregate amount involved will or may be expected to exceed $100,000 in any calendar year, (2) the Company is a participant, and (3) any Related Party has or will have a direct or indirect interest (other than solely as a result of being a director or a less than 10% beneficial owner of another entity).

A "Related Party" is any (a) person who is or was (since the beginning of the last fiscal year for which the Company has filed a Form 10-K and proxy statement, even if such person does not presently serve in that role) an executive officer, director or nominee for election as a director, (b) greater than 5% beneficial owner of the Company's Common Stock, or (c) immediate family member of any of the foregoing. Immediate family member includes a person's spouse, parents, stepparents, children, stepchildren, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, and brothers- and sisters-in-law and anyone residing in such person's home (other than a tenant or employee).

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

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

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

No director participates in any discussion or approval of an Interested Transaction for which he or she is a Related Party, except that the director will provide all material information concerning the Interested Transaction to the Nominating and Governance Committee. There were no transactions considered to be an Interested Transaction during the Company's 2011 fiscal year.

Code of Conduct

The Company has adopted a Code of Conduct, which can be found in the Governance section under Company Information on the Company's website, http://www.cloroxcsr.com/conduct/, or obtained in print by contacting The Clorox Company, c/o Secretary, 1221 Broadway, Oakland, CA 94612-1888. The Code of Conduct applies to all of the Company's employees, including executives, contractors and directors. We also have established a separate Supplier Code of Conduct outlining our standards and expectation of our business partners, which can be found at http://www.cloroxcsr.com/business-partners.

Board of Directors Leadership Structure

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

Because the Board also believes that independent leadership is important, the Board has established the position of lead director. An independent director, Mr. Gary Michael, has been designated as the lead director of the Company. The lead director is elected annually by and from the independent directors with clearly delineated and comprehensive duties and responsibilities and must have served as a director for a minimum of one year in order to qualify as the lead director. The duties of the lead director, which are also included in the Governance Guidelines, include: leading the activities of the independent directors; evaluating, along with the members of the Management Development and Compensation Committee and the other independent directors, the performance of the CEO; and providing feedback to the CEO and management in order to effectuate the decisions and recommendations of the independent directors. In addition, the lead director: (i) assists the Board and the Company's officers in promoting compliance with and implementation of the Governance Guidelines; (ii) presides at the executive sessions of the independent directors and has the authority to call additional executive sessions or meetings of the independent directors; (iii) presides at meetings of the Board in the Chairman's absence; (iv) approves information sent to the Board by management; (v) approves meeting agendas and approves meeting schedules for the Board to assure that there is sufficient time for discussion of all agenda items; and (vi) consults and directly communicates with major stockholders, if requested.

In addition, all of the Company's directors other than Mr. Knauss are "independent" as defined by the NYSE rules. The Board believes that a single leader serving as Chairman and CEO, together with the Company's predominantly independent Board and independent lead director, promotes effective governance. Accordingly, the Board has determined that, under the present circumstances, the current leadership structure is in the best interests of the Company and its stockholders.

The Board of Directors' Role in Risk Management Oversight

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

As part of its responsibilities, the Management Development and Compensation Committee periodically reviews the Company's compensation policies and programs to ensure that the compensation program is able to both incentivize employees, including executive officers, while mitigating excessive risk taking. The overall executive compensation program contains various provisions that mitigate against excessive risk taking, including:

- An appropriate balance between annual cash compensation and equity compensation that is earned over a period of three to ten years;
- Caps on executive and non-executive incentive plans, which protect against the possibility that executives take short-term actions to maximize bonuses that are not supportive of long-term objectives;
- Metrics under the executive annual incentive plan ("AIP") that are equally weighted between Net Customer Sales and Economic Profit, which discourages revenue generation at the expense of profitability and vice versa;

- Claw-back provisions applicable to current and former executives as set forth in the applicable plans that enable the recapture of previously paid compensation under certain circumstances, which serve as a deterrent to inappropriate risk-taking activities; and
- Stock ownership guidelines that require executive officers to accumulate meaningful levels of equity ownership in the Company, which align executives' and long-term stockholder interests.

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

Executive Sessions

As required by the NYSE listing standards, the independent directors generally meet in executive session at each regularly scheduled board meeting without the presence of management directors or employees of the Company to discuss various matters related to the oversight of the Company, the management of the Board's affairs and the CEO's performance.

BENEFICIAL OWNERSHIP OF VOTING SECURITIES

The following table shows, as of July 29, 2011, the holdings of Common Stock by (i) any entity or person known to the Company to be the beneficial owner of more than 5% of the outstanding shares of Common Stock, (ii) each director and nominee for director and each of the five individuals named in the Summary Compensation Table (the "named executive officers"), and (iii) all current directors and executive officers of the Company as a group:

Name of Beneficial Owner (1)	Amount and Nature of Beneficial Ownership (2)	Percent of Class (3)
BlackRock Fund Advisors (4) 400 Howard Street San Francisco, CA 94105	6,665,783	5.07
T. Rowe Price Associates, Inc. (5) 100 E. Pratt Street Baltimore, MD 21202	6,900,000	5.25
State Street Global Associates (6) 70 Sherbrooke Street West, Suite 1200 Montreal, Quebec, Canada H3A 1G1	7,022,166	5.34
Ichan Related Entities (7) 767 Fifth Avenue, 47th Floor New York, NY 10153	12,500,000	9.51
Daniel Boggan, Jr.	7,241	*
Richard H. Carmona	0	*
Tully M. Friedman	36,305	*
George J. Harad	9,000	*
Daniel J. Heinrich	54,323	*
Donald R. Knauss	934,598	*
Robert W. Matschullat	9,324	*
Gary G. Michael	6,651	*
Edward A. Mueller	0	*
Jan L. Murley	7,564	*
Lawrence S. Peiros	342,108	*
Laura Stein	184,270	*
Frank A. Tataseo	267,348	*

Pamela Thomas-Graham	9,440	*
Carolyn M. Ticknor	8,000	*
All current directors and executive officers as a group (23 persons) (7)	2,755,416	2.2

* Does not exceed 1% of the outstanding shares.

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

(2) Unless otherwise indicated, each beneficial owner listed has sole voting and dispositive power concerning the shares indicated. These totals include the following numbers of shares of Common Stock that such persons have the right to acquire through stock options exercisable within 60 days of July 29, 2011, or with respect to which such persons have shared voting or dispositive power: Mr. Boggan – 6,000 options; Mr. Friedman – 8,000 options and 28,200 shares held by Tully M. Friedman Revocable Trust; Mr. Harad – 8,000 options and shared voting and dispositive power with respect to 1,000 shares held jointly with spouse; Mr. Heinrich – 50,912 options and shared voting and dispositive power with respect to 3,411 shares held in family trust; Mr. Knauss – 857,794 options and shared voting and dispositive power with respect to 76,804 shares held in family trust; Mr. Matschullat – 8,000 options; Ms. Murley – 3,000 options; Mr. Peiros –308,922 options and shared voting and dispositive power with respect to 33,186 shares held in family trust; Ms. Stein –174,652 options; Mr. Tataseo – 257,495 options and shared voting and dispositive power with respect to 9,853 shares held in family trust; Ms. Thomas-Graham – 8,000 options; Ms. Ticknor – 8,000 options; and all current directors and executive officers as a group – 2,493,831 options. The numbers in the table above do not include the following numbers of shares of Common Stock that the executive officers have the right to acquire upon the termination of their service as employees pursuant to deferred stock units granted in December 1995 in exchange for the cancellation of certain restricted stock, and deferred stock unit dividends thereon: Mr. Peiros – 14,562; Mr. Tataseo –15,643; and all current executive officers as a group – 30,205. The numbers in the table above do not include the following numbers of shares of Common Stock that the non-management directors have the right to acquire upon the termination of their service as directors pursuant to deferred stock units granted under the Independent Directors' Stock-Based Compensation Plan: Mr. Boggan – 24,566; Dr. Carmona –7,017; Mr. Friedman – 34,478; Mr. Harad – 17,577; Mr. Matschullat – 59,343; Mr. Michael – 11,758; Mr. Mueller – 13,095; Ms. Murley – 14,501; Ms. Thomas-Graham – 10,465; and Ms. Ticknor – 16,130. The numbers in the table above do not include the following numbers of shares of Common Stock that the executive officers have the right to acquire upon the termination of their service as employees pursuant to vested performance units that were deferred at the executive officers' election: Mr. Heinrich – 45,758; Mr. Peiros – 34,070; Ms. Stein– 27,231; Mr. Tataseo – 7,500; and all current executive officers as a group – 174,998.

(3) On July 29, 2011, there were 131,473,450 shares of Common Stock outstanding.

(4) Based on information contained in a report on Form 13F filed with the SEC, BlackRock Fund Advisors reported, as of June 30, 2011, sole voting and dispositive power with respect to these shares.

(5) Based on information contained in a report on Form 13F filed with the SEC, T. Rowe Price Associates, Inc. reported, as of June 30, 2011, sole voting and dispositive power with respect to these shares.

(6) Based on information contained in a report on Form 13 F filed with the SEC, State Street Global Associates reported, as of June 30, 2011, sole voting and dispositive power with respect to these shares.

(7) Based on information contained in a report on Form 13D filed with the SEC, Ichan Related Entities reported, as of August 30, 2011, shared voting and dispositive power with respect to these shares.

(7) Pursuant to Rule 3b-7 of the Securities Exchange Act of 1934, executive officers include the Company's current CEO and all current executive vice presidents and senior vice presidents.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets out the number of shares of Common Stock to be issued upon exercise of outstanding options, warrants and rights, the weighted-average exercise price of outstanding options, warrants and rights, and the number of securities available for future issuance under equity compensation plans as of June 30, 2011.

Plan category	[a] Number of securities to be issued upon exercise of outstanding options, warrants and rights (in thousands)	[b] Weighted-average exercise price of outstanding options, warrants and rights	[c] Number of securities remaining for future issuance under non-qualified stock-based compensation programs (excluding securities reflected in column [a]) (in thousands)
Equity compensation plans approved by security holders	11,642	$59	4,958
Equity compensation plans not approved by security holders	—	—	—
Total	11,642	$59	4,958

Column [a] includes the following (in thousands):

- 9,954 stock options outstanding
- 1,479 performance units and deferred shares
- 209 deferred stock units for non-employee directors

COMPENSATION DISCUSSION AND ANALYSIS

Executive Summary

This Compensation Discussion and Analysis ("CD&A") describes our executive compensation philosophy and programs, the compensation decisions made under those programs, and the factors we considered in making those decisions. This CD&A focuses on the compensation of our "named executive officers" for fiscal year 2011, who were our:

- Chairman and Chief Executive Officer ("CEO")
- Executive Vice President and Chief Operating Officer
- Executive Vice President – Strategy & Growth, Partnerships, Away from Home
- Executive Vice President – Chief Financial Officer ("CFO")
- Senior Vice President – General Counsel
- Executive Vice President – International & Natural Personal Care (departed April 16, 2011)

Compensation Philosophy. The key principle of our compensation philosophy is pay for performance. Our compensation programs are designed to support our business strategies by aligning executive pay with the achievement of short- and long-term financial and strategic objectives that build stockholder value. The link between compensation and business goals is an important factor that has historically driven, and will continue to drive, the Company's performance and growth. By keeping the majority of executive pay "at risk," meaning that the largest portion of executive compensation is variable and tied to Company and individual performance, we believe we can best ensure alignment with stockholder value and Company growth.

How Pay Was Tied to the Company's Performance in Fiscal Year 2011. Global economic conditions during fiscal year 2011 provided a challenging operating environment for many businesses, including Clorox. The global consumer continued to be affected by the ongoing effects of the recession, and the Company experienced increased commodity costs and other inflationary pressures. However, despite the challenges of fiscal year 2011, we remained focused on key goals, and celebrated numerous successes, including the following:

- We increased our overall market share, despite challenged categories and economic pressures;
- We strengthened our innovation pipeline and successfully launched several new products;
- We divested our global auto care businesses to better position the Company for future growth;
- We expanded our international presence;
- We exceeded our cost-savings goals; and
- We successfully attracted and retained key talent and reduced our costs related to employee turnover.

In addition, the challenges of fiscal year 2011 provided us with an opportunity to establish that our pay for performance philosophy works as intended, with pay being impacted in the following ways:

Fiscal Year 2011 Annual Incentive Payout. Consistent with our pay for performance philosophy, the fiscal year 2011 Company payout under our annual incentive awards was below target. The Company portion of the annual incentive awards is determined based on the achievement of net customer sales (“NCS”) and economic profit (“EP”) targets, which are weighted equally. For fiscal year 2011, we achieved 84% of our NCS target and 56% of our EP target, resulting in the Company portion of the annual incentive awards being 70%. Also, consistent with our pay for performance philosophy, the payout under our annual incentive awards was further modified for each named executive officer based on individual performance, and, as a result, the final awards ranged from 49% to 77% of target.

Fiscal Year 2011 Long-Term Incentive Payout. The payout of our three-year performance share award that vested in August 2011 was above target. The payout was based on EP growth during the three-year performance period that included fiscal years 2009 through 2011 and had a potential range from 0% to 150% of target. During fiscal years 2009 and 2010, we achieved EP growth that substantially exceeded our targets. These results offset the below-target result achieved during fiscal year 2011. Had we achieved or exceeded EP targets for fiscal year 2011 as well, the payout would have been 150%. Given actual fiscal year 2011 results, the long-term incentive payout was 140%.

Recent Key Compensation Program Changes. To ensure continued alignment of compensation with Company performance and the creation of stockholder value, during fiscal years 2010 and 2011 we reviewed our overall executive compensation program and made the following key changes:

- Reduced change in control cash severance payments for all executives other than the CEO from three (3) times to two (2) times the sum of the executive’s base salary and prior 3-year average annual bonus;
- Eliminated tax gross-ups for “golden parachute” tax liabilities in the event of a change in control for all executives, other than the CEO;
- Reduced cash severance payment for the CEO from three (3) times to two (2) times the sum of the CEO’s base salary and 75% of the prior 3-year average annual bonus;
- Eliminated executive employment agreements for all executives other than the CEO and reduced cash severance payments from two (2) times the sum of executive’s base salary and 75% of the prior 3-year average annual bonus to two (2) times base salary; and
- Froze the existing Supplemental Executive Retirement Plan, which is a defined benefit plan, in favor of a new supplemental defined contribution plan with reduced benefits.

These changes are consistent with our overall compensation philosophy and practice of driving performance and stockholder growth while retaining the ability to attract and retain key talent. It is this same philosophy that led us in prior years to also eliminate single-trigger change in control benefits, implement a comprehensive stock ownership policy that not only includes requirements for our executive officers to accumulate a significant direct ownership of stock, but also requires our executive officers to hold a portion of equity compensation awards for a specified period after attaining target ownership levels, and implement claw-back provisions in our stock award agreements. In addition, during fiscal year 2011, we conducted a review to compare our historical incentive payouts with Company performance and found that our compensation practices and programs have been and continue to be aligned with our pay for performance philosophy.

Our Executive Compensation Program Philosophy

Our executive compensation program is designed to accomplish the following:

- Pay for Performance. Executive compensation is designed to reward performance that drives the achievement of the Company's short- and long-term goals.
- Attract, Retain and Motivate Talented Executives. Our compensation program is designed to compete for talent by attracting, retaining and motivating high-performing executives.
- Create Alignment between Management and Stockholder Interests. By using long-term, equity-based incentives and maintaining stock ownership guidelines, we are better able to align the interests of our executive officers with our stockholders by facilitating a culture of ownership and also rewarding executive officers for sustained and superior performance as measured by operating results and stockholder return.
- Financial Efficiency. Our executive compensation program is designed to help ensure that costs are appropriately supported by performance and that payouts qualify as performance-based compensation, which is tax deductible to the Company, under Internal Revenue Code ("IRC") Section 162(m) ("Section 162(m)"), as appropriate.
- Risk-Management Considerations. Our compensation programs are designed to motivate our executives to pursue objectives that create long-term stockholder value and discourage behavior that could lead to excessive risk. We do this by balancing our fixed and at-risk pay (both annual and long-term incentives) and choosing financial metrics that we believe drive long-term stockholder value.

How We Make Compensation Decisions

The Management Development and Compensation Committee of our Board (the "Committee") is made up entirely of independent directors. The Committee reviews the design and implementation of our executive compensation program and provides regular reports of its discussions and actions to the Board.

Although the Board has determined that, consistent with our Governance Guidelines and the NYSE listing standards, all members of the Committee are "independent," the Committee has determined that Mr. Robert W. Matschullat may not qualify as an "outside director" for purposes of Section 162(m) due to his service as interim CEO from May 2006 until October 2006. As a result, a subcommittee has been established comprised of directors Dr. Richard H. Carmona and Messrs. Tully M. Friedman, George J. Harad and Gary G. Michael (the "Subcommittee") to take the actions required under Section 162(m) in order for performance-based compensation to be fully deductible by the Company for income tax purposes. The Subcommittee is responsible for the performance, from time to time, of duties that require action by a compensation committee comprised solely of two or more "non-employee directors" and/or two or more "outside directors." These duties include granting awards to executive officers under the Company's annual incentive and long-term incentive plans and establishing any performance goals related to such awards or other performance-based compensation for executive officers of the Company. All other decisions related to executive compensation matters are made by the full Committee.

The Committee makes decisions on compensation for the named executive officers based on various factors, including its review of the Company's performance, individual performance, peer group data (as further described below) and input and recommendations from the independent compensation consultant (as further described below). Factors evaluated to assess individual performance include the individual's skill set relative to industry peers, experience and time in the position, performance of the business or operations for which the individual is responsible, criticality of the role, difficulty of replacement, expected future contributions, readiness for promotion to a higher level, role relative to that of other executive officers and, in the case of externally recruited named executive officers, compensation earned with a prior employer.

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

In evaluating and determining the compensation package for the CEO, the Board undertakes a multifaceted review process, including one-on-one interviews between each Board member and the Senior Vice President – Human Resources & Corporate Affairs, to candidly discuss the CEO's performance. In evaluating the CEO's performance, the Board utilizes a variety of key substantive factors that the Board has identified as being most significant to effective CEO performance, with a focus on strategy, people, operations and values. The collective results of the CEO's performance against the key factors are subsequently discussed by the Board, which then provides recommendations to the Committee. The Committee, after evaluating the Board's recommendations and with input from the independent compensation consultant, makes a final decision on the CEO's compensation. The CEO does not have a role in his own compensation determination other than to participate in a discussion with the Board regarding his performance.

Roles and Responsibilities

The following parties are responsible for the development of our executive compensation program for our named executive officers:

Management Development and Compensation Committee. The Committee (i) oversees our executive compensation program, (ii) determines and approves the compensation of our named executive officers, as well as officers at or above the level of senior vice president and officers covered by Section 16 under the Securities Exchange Act of 1934, as amended, and (iii) consults with the independent members of the Board to establish and evaluate performance objectives for the CEO each year.

Independent Committee Consultant – Frederic W. Cook & Co. ("FWC"). FWC is engaged by and reports to the Committee and consults directly with its Chair to advise on executive compensation matters. FWC generally attends and advises during Committee meetings, including executive sessions, and, at the Committee's request, provides advice and guidance on executive compensation topics including compensation levels versus peers, market trends, incentive plan designs, and an assessment of the risk and reward structure of executive compensation plans, policies and practices. FWC does not provide any other services to the Company.

Chief Executive Officer. The CEO makes compensation recommendations to the Committee for all executive officers and provides input from time to time on the design of compensation plan components and other compensation-related issues as they may arise.

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

Our Peer Group

The Committee uses a peer group of 14 consumer products companies (the "compensation peer group") to provide competitive market rates for the Company's executive officers, including the named executive officers. The compensation peer group was selected by the Committee based on the factors described below with input from its independent compensation consultant, FWC. The compensation peer group is used to compare both the levels of compensation and the executive compensation practices within the consumer products industry.

For fiscal year 2011, the compensation peer group was comprised of the following companies:

Alberto-Culver Company	H.J. Heinz Company
Avon Products, Inc.	The Hershey Company
Campbell Soup Company	Kellogg Company
Church & Dwight Co., Inc.	Newell Rubbermaid Inc.
Colgate-Palmolive Company	Pactiv Corporation
Del Monte Foods Company	Revlon, Inc.
General Mills, Inc.	S.C. Johnson & Son, Inc.

To determine the compensation peer group each year, the Committee considers companies that hold leadership positions in branded consumer products, are of reasonably similar size based on market cap and revenue, compete with the Company for executive talent and have executive positions similar in breadth, complexity and scope of responsibility. The Committee reviews and makes as needed adjustments to the compensation peer group annually to ensure that the chosen companies continue to meet the relevant criteria. The only change to our compensation peer group for fiscal year 2011 was to remove The Black & Decker Corporation due to its acquisition.

For fiscal year 2011, management engaged Aon Hewitt as its compensation consultant to obtain compensation data for the compensation peer group. FWC reviewed this information and performed an independent compensation analysis of the compensation peer group data, which was used to advise the Committee on potential compensation actions, including the CEO’s compensation. Although each individual component of executive compensation is reviewed, particular emphasis is placed on targeting total compensation within 15% of the median of our compensation peer group.

To determine compensation for the named executive officers, the Committee reviewed the Aon Hewitt and FWC compensation analyses as well as other factors as described above. Based on these factors, target total compensation for individual named executive officers may vary above or below the median of the compensation peer group. Actual incentive plan payouts and, in turn, total realized compensation, may vary above or below the targeted total compensation level based on the Company’s performance relative to its corporate financial and strategic goals as well as the Company’s stock performance.

Tally Sheets

We annually review compensation tally sheets for each of our named executive officers. These tally sheets outline current target total compensation (including the elements described below), the potential wealth creation of long-term incentive awards under various assumed stock prices and the potential value of payouts under various termination scenarios. The Committee uses these tally sheets to help ensure that our executive compensation design is aligned with our overall compensation philosophy of pay for performance and that total compensation levels are appropriate.

What We Pay: Elements of Our Compensation Program

Our compensation program includes base salary, annual incentives paid in the form of cash bonuses and long-term incentives consisting of stock option grants and grants of stock-based performance shares. Periodically, time-based restricted stock units and/or stock options are used for special circumstances, such as retention, recognition or recruitment. Additional elements of the compensation program include retirement plans, post-termination compensation and perquisites as appropriate to support our executive compensation philosophy. Specifics regarding what we pay, the elements of our executive compensation program, the reasons we use them and certain characteristics thereof are outlined in the table and described in further narrative detail in the paragraphs below:

Element	Purpose	Characteristics
Base Salary	Compensate named executive officers for their role and level of responsibility, as well as individual performance.	Fixed component.
Annual Incentives (1)	Promote the achievement of the Company's annual corporate financial and strategic goals, as well as individual objectives.	Performance-based cash bonus opportunity.
Long-Term Incentives (1)	Promote the achievement of the Company's long-term corporate financial goals and stock price appreciation.	Amounts earned under stock option and performance share grant awards will vary as the ultimate value is based on actual financial and stock price performance.
Retirement Plans	Provide replacement income upon retirement (serves as a long-term retention incentive).	Fixed component; however, Company retirement contributions will vary based on pay, years of service and Company performance.
Post-Termination Compensation	Provide contingent payments to attract and retain named executive officers. Promote orderly succession for key roles.	Only payable if a named executive officer's employment is terminated under specific circumstances as described in the applicable employment agreement or severance plan.
Perquisites	Provide other benefits competitive with the compensation peer group and encourage executives to attend to their health and financial affairs.	Financial planning, Company automobile or car allowance, paid parking, annual executive physical and health club reimbursement.

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

Base Salary. In determining base salary levels for the CEO and other named executive officers, the Committee takes into consideration the factors outlined above in Our Peer Group and generally seeks to establish base salaries for the CEO and other named executive officers at the median of our compensation peer group. The Committee considered factors such as the executive's role, level of experience and sustained performance as well as the compensation peer group market data in determining each named executive officer's base salary for fiscal year 2011. Changes in base salary are approved by the Committee in September and are effective in October of each year. In fiscal year 2011, the base salary increases for our named executive officers, excluding the CEO, ranged from 2.0% to 8.0% with an average increase of 3.5%, including Beth Springer, who departed the organization in April. The base salary for our CEO was increased by 7% in order to bring his compensation in line with the median CEO compensation of the Company's compensation peer group. For fiscal year 2011, all base salaries for the named executive officers were generally aligned with the median as defined above, and the actual amounts earned by our named executive officers in fiscal year 2011 are listed in the Salary column of the Summary Compensation Table.

Annual Incentives. On an annual basis, the Committee sets performance goals under the Company's Executive Incentive Compensation ("EIC") Plan that are designed to promote the achievement of the Board-approved annual corporate financial and strategic performance goals. The EIC Plan provides annual incentive awards to the named executive officers based on the level of achievement of these annual performance goals and individual objectives.

To meet the requirements of Section 162(m), maximum annual incentive award levels are based on Company earnings before income taxes ("Company earnings"). The EIC Plan has a maximum award limit of 1.0% of Company earnings for the CEO and 0.6% of Company earnings for each of the other named executive officers. The Committee has discretion to reduce, but not to increase, incentive payments under the EIC Plan. The Committee has historically paid annual incentive awards that are substantially lower than the maximum EIC Plan award levels. The Committee reduces the maximum possible award to the amount actually paid based on three factors: (1) a target award for each named executive officer, (2) performance measured against predetermined corporate financial goals and (3) the level of achievement of strategic goals, modified by the named executive officer's individual performance which is based primarily on the performance of the operations or functions under the individual's responsibility. The final individual EIC Plan payout is determined by the following formula:

Final individual EIC Plan payout = (Target Annual Incentive) x (Financial Performance) x (Strategic/Individual Performance)

Target Annual Incentive. Each year, the Committee sets an annual incentive target level for each named executive officer as a percentage of his or her base salary. The annual incentive target level is generally set at the median of bonus targets of the most comparable positions in our compensation peer group. The table below outlines the targets for the fiscal year 2011 annual incentive awards.

Named Executive Officer	Target Annual Incentive
Donald R. Knauss	130%
Lawrence S. Peiros (1)	90%
Frank A. Tataseo	75%
Daniel J. Heinrich	75%
Laura Stein	70%
Beth Springer (departed April 16, 2011)	75%

(1) Target for L. Peiros reflects increase from 85% effective March 1, 2011 due to increased scope of role.

Financial Goals. At the beginning of each fiscal year, the Committee also sets financial goals for the EIC Plan based on the operating plan approved by the Board. At the end of the year, the Committee reviews the results of the Company's performance against the financial goals set at the beginning of the year. When appropriate, the Committee takes into account other factors, such as stockholder return or underlying business performance during the year.

For fiscal year 2011, the Committee established financial goals focused on increasing NCS and EP in order to drive sustainable growth in short- and long-term stockholder returns. These metrics are weighted equally as the Committee believes this mix effectively balances focus on both top-line and bottom-line performance. In selecting the metrics and setting the performance goals in the EIC Plan, the Committee carefully considered whether the goals appropriately align with the goals in the long-term incentive program such that the overall compensation design does not unintentionally encourage participants to take excessive risk or actions that are inconsistent with the Company's short- and long-term strategic and financial objectives.

For fiscal year 2011, the financial goals for the EIC Plan, the potential percentage of target award payouts for achieving those goals and the actual results as determined by the Committee were as follows:

	Annual Incentive Financial Goals (in millions)			
Goal	0% (minimum)	100% (target)	200% (maximum)	Actual
NCS (weighted 50%)	$ 5,407	$ 5,575	$ 5,742	$5,547
EP (weighted 50%) (1)	$ 408	$ 448	$ 488	$ 431

(1) EP is defined by the Company as earnings from continuing operations before income taxes, non-cash restructuring and asset impairment costs and interest expense, tax affected, and less a capital charge. The capital charge represents average capital employed by the Company, multiplied by the estimated weighted-average cost of capital. Estimated weighted-average cost of capital is the blended average of the cost of the Company's debt and estimated cost of equity capital. For the fiscal years presented, the estimated weighted-average cost of capital used was 9 percent. Average capital employed represents a two-point average of adjusted capital employed for the current fiscal year and total capital employed for the prior fiscal year, based on year-end balances. Adjusted capital employed represents total capital employed adjusted to add back the current fiscal year's non-cash restructuring and asset impairment costs. Total capital employed represents total assets less non-interest-bearing liabilities. Additional information is provided in the Company's Annual Report on Form 10-K (Exhibit 99.3) for fiscal year 2011.

The fiscal year 2011 financial targets were established to drive both NCS and EP growth, in line with long-term financial goals, such that if the financial targets were achieved, NCS growth and EP growth would be approximately 0.7% and 3.5%, respectively. The NCS growth target of approximately 0.7% reflected the continued uncertainty regarding the impact of worldwide economic conditions on the Company. The EP growth target of 3.5% was selected to appropriately incentivize management in line with longer term objectives and the Company's strategy. In determining the Company financial payout for fiscal year 2011, the Committee reviewed the Company's actual NCS and EP results relative to these NCS and EP growth targets. Based on this review, for fiscal year 2011 the Committee approved a Company financial payout of 70% of target.

Strategic Goals/Individual Performance. At the beginning of each fiscal year, the Committee also sets strategic goals for the EIC Plan based on the strategic initiatives approved by the Board. At the end of the year, the Committee assessed the Company's performance in furthering its strategic goals. These strategic goals enable the Company's overall strategy, which is to:

- Be a high-performance organization of enthusiastic owners;
- Win with superior capabilities in Desire, Decide and Delight;
- Accelerate growth both in and beyond the core; and
- Relentlessly drive out waste.

To measure performance against the Company strategy, the Committee evaluates metrics set at the beginning of the year that are aligned to the Company strategy. For fiscal year 2011, there were fifteen metrics and associated targets that supported the strategy in the following key areas:

- Employee engagement and diversity;
- Consumer product preference and increase in dollar share, both domestically and internationally;
- Net customer sales growth and strategic product pipeline;
- Progress on reshaping the portfolio;
- Reduction of the Company's environmental footprint; and
- Cost savings and margin improvements.

After review of the Company's strategic performance in fiscal year 2011 relative to these metrics, and based on the Company's strong performance in share growth, consumer product preference and cost-savings initiatives in a volatile economic environment, the Committee determined that all but three of the fifteen metrics were successfully achieved. Highlights of the results of these metrics are as follows:

- Grew dollar share in the United States but saw a slight decline in our dollar share in international markets, due to challenging worldwide economic conditions;
- Exceeded our goal to obtain 47% of the Company's annual sales from products consumers prefer over our competitors' products; and
- Met or exceeded all of our cost savings initiative targets, including exceeding our overall cost savings target of $110 million.

Based on these results, the Committee determined that the level of achievement for the strategic goals was 95%. The Committee's assessment of the strategic goals is subjective and is used as a reference point for then determining the adjustment based on individual performance.

Consistent with our pay for performance philosophy, payouts, initially determined by financial results alone, may be adjusted either up or down based upon individual performance, taking into account the strategic goals' assessment. Based on this review, the Committee individually adjusted the ultimate payout for the named executive officers to also reflect fiscal year 2011 individual contributions. The payouts vary primarily due to the Committee's assessment of the performance of divisions, operations or functions under the responsibility of the named executive officer and not due to any material differences in compensation policies with respect to individual named executive officers. The high end of the range, 77%, was awarded to the CFO due to his strong performance for the year both internally, in leading several strategic imperatives, including the successful sale of the Auto businesses and improvements in the financial operation of the Company, and externally, leading key discussions with the investment community during challenging times. The Executive Vice President Strategy & Growth, Partnerships, Away From Home had strong business results in both sales and profit during the fiscal year in a challenging economic environment and therefore was awarded 70% of target. The Senior Vice President – General Counsel provided outstanding leadership on a variety of initiatives that supported the Company strategy and was also awarded 70% of target. The Executive Vice President and Chief Operating Officer received a payout of 66.5% mainly due to the results of the business units under his responsibility falling short of the goals for the fiscal year. Mr. Knauss' annual incentive payout is described in the "Compensation for Mr. Knauss – Chairman and CEO" section of this proxy statement.

The actual amount of annual incentive compensation earned by our named executive officers in fiscal year 2011 is disclosed in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table.

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

The Committee, with the assistance of its independent compensation consultant, annually reviews the costs of and potential stockholder dilution attributable to our long-term incentive program versus that of our compensation peer group to ensure that the overall program is financially efficient and in line with that of our peers. In determining the total value of the long-term incentive opportunity for each named executive officer, the Committee reviews the compensation peer group data presented by both management and its independent compensation consultant on a position-by-position basis and considers recommendations by the CEO for the other named executive officers.

The Committee's goal is to establish long-term incentive award targets that are competitive with the median of ourcompensation peer group. Actual long-term incentive award target levels for individual named executive officers may vary above or below the median based on a variety of factors, such as the named executive officer's experience, criticality of his or herrole, individual sustained performance and expected future contributions. Like the annual incentive awards, actual payouts under long-term incentive awards will vary from target based on whether the Company underperforms or outperforms its predetermined target goals. Individual performance is not considered in the actual payout of long-term incentives because the payout is based solely on the Company's achievement of financial targets. The value of actual payouts will also vary based on changes in the market price of our Common Stock. For fiscal year 2011, long-term incentive awards granted to the named executive officers were generally at the median of our compensation peer group.

Consistent with prior years, the Committee determined that the named executive officers would receive 50% of the value of their total fiscal year 2011 annual long-term incentive awards in stock options and 50% in performance shares. The Committee believes this mix of equity awards supports several important objectives, including compensating named executive officers for achievement of long-term goals tied to the business strategy through the use of performance shares, rewarding named executive officers for sustained increases in the Common Stock price, enhancing retention by mitigating the impact of our Common Stock price fluctuations and ensuring the overall cost of the program is aligned with compensation realized by named executive officers and performance delivered to stockholders. In addition, annual grants of long-term incentives are intended to be competitive with those of our compensation peer group. The Committee does not consider the amount of outstanding stock options, performance shares and restricted stock currently held by a named executive officer when making annual awards of stock options and performance shares because such amounts represent compensation attributable to prior years.

The following provides details on the types of long-term incentives awarded to our named executive officers:

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

The performance share payout is subject to the Company's achievement of the threshold cumulative operating profit target at the end of the performance period. If the cumulative operating profit is not attained, the entire award opportunity is forfeited. If the threshold operating profit target is met, the actual payout is a percentage of the target award opportunity based on a cumulative economic profit ("cumulative EP") target. Payouts range from zero, in the event the minimum required financial goals are not met, to a maximum of 150% of the target number of shares, with a payout of 50% of the target number of shares when the minimum cumulative EP target and the threshold cumulative operating profit target are attained.

For grants made in fiscal years 2008 through 2011, the Committee established an objective measure of cumulative operating profit at the beginning of the performance period to determine the performance level that would allow for the maximum possible award payout of 150% of the target number of shares granted. The Committee also determined specific goals for the performance period based on cumulative EP.

For the fiscal year 2011 grant, the Committee set the financial targets for the performance period from July 2010 through June 2013. The cumulative operating profit threshold target was set at $3,345 million. The cumulative EP target, which is a specified percentage of growth, was set so that the target payout of 100% would require EP growth of approximately 7% per year during the performance period. The Committee believes this metric directly supports the Company's corporate strategy and long-term financial goals and correlates to stock price performance.

In August 2010, the Committee certified the results of the fiscal year 2008 grant. The financial targets for this grant were based on cumulative operating profit of $2,653 million and a cumulative EP goal over the three-year performance period of $1,157 million. The cumulative operating profit result of $2,991 million exceeded the threshold target and the Committee approved a payout level of 109% based on cumulative EP results of $1,171 million. Information regarding the vesting of these performance shares is shown in the Option Exercises and Stock Vested table.

In August 2011, the Committee certified the results of the fiscal year 2009 grant. The financial targets for this grant were based on cumulative operating profit of $2,346 million and a cumulative EP goal over the three-year performance period of $1,168 million. The cumulative operating profit result of $2,808 million exceeded the threshold target and the Committee approved a payout level of 140% based on cumulative EP results of $1,209 million. Because this grant vested prior to the date of the proxy statement filing, specific information regarding the vesting of these performance shares can be found in the Outstanding Equity Awards table and will also be included in next year's proxy statement.

Stock Options. We believe stock options align the interests of the named executive officers with those of stockholders because the stock options only have value if the price of the Company's stock increases after the stock options are granted. Stock options vest in 25% increments over a four-year period (beginning one year from the date of grant) and expire ten years from the date of grant. In fiscal year 2011, the Committee awarded stock options to our named executive officers as part of our annual long-term incentive plan. The exercise price for these stock options was equal to the closing price of our stock on the date of grant. Information on all stock option grants is shown in the Grants of Plan-Based Awards table.

Retirement Plans. The named executive officers participate in the same tax-qualified defined-benefit pension and defined-contribution benefit programs available to all other United States-based salaried and non-union hourly employees. The Company's retirement plans are designed to provide replacement income upon retirement and to be competitive with programs offered by our peers. We balance the effectiveness of these plans as a compensation and retention tool with the cost of providing them. The Company has traditionally provided these retirement benefits under The Clorox Company Pension Plan (the "Pension Plan") and The Clorox Company 401(k) Plan (the "401(k) Plan"), which, historically included a profit sharing provision known as "Value Sharing."

In addition, because the IRC limits the amount of benefits that can be contributed to and paid from a tax-qualified retirement plan, the Company also provides our executive officers, including our named executive officers, with additional retirement benefits intended to restore amounts that would otherwise be payable under the Company's tax-qualified retirement plans if the IRC did not have limits on includable compensation and maximum benefits. We call these restoration plans because they restore executive benefits to the same percentage level provided to our salaried employees who are not limited by IRC restrictions. These restoration retirement benefits, which have historically included the cash balance restoration and the Value Sharing restoration benefits, were maintained under our Nonqualified Deferred Compensation Plan (the "NQDC") and were unfunded, unsecured obligations of the Company through fiscal year 2011.

The Company also offers the Supplemental Executive Retirement Plan (the "SERP") to our executive officers, including our named executive officers. The SERP was frozen as of July 29, 2011 as discussed in further detail below. In the case of Mr. Knauss only, a replacement SERP was put in place to compensate for Mr. Knauss' loss of retirement benefits at his prior employer ("replacement SERP").

A brief description of each of our retirement programs as well as the changes we have adopted in 2011 with respect to these plans are set forth below. Each of our named executive officers participates in the retirement programs set forth below except our CEO who does not participate in the Executive Retirement Plan.

The Clorox Company Pension Plan. Our Pension Plan has historically provided eligible employees a competitive level of retirement benefits based on each employee's base salary and annual incentives. Effective July 1, 2011, we froze the Pension Plan and, instead, will make future Company contributions to our 401(k) Plan (see The Clorox Company 401(k) Plan section for details regarding replacement contributions). This change was made to provide employees with the greatest opportunity for long-term return on investment and income replacement in retirement. This change will not affect the benefits already accrued under the Pension Plan, which remains fully funded. Further details on the provisions of the Pension Plan are described in the Overview of Pension Benefits section and the footnotes to the Pension Benefits Table below.

The Clorox Company 401(k) Plan. Effective July 1, 2011, we began making an annual Company fixed contribution of 6% of eligible pay and a matching contribution of up to 4% of eligible pay to our 401(k) Plan, and we eliminated the 401(k) Plan's profit sharing provision. Due to the transition from our prior retirement plans to the new 401(k) Plan, we will be giving all eligible employees a 401(k) contribution of 10% of their eligible earnings for the pay periods from July 2011 through December 2011, regardless of whether employees contribute to the 401(k) Plan during this time. Beginning January 1, 2012, employees will need to contribute at least 4% of pay in order to receive the full 4% company match.

Nonqualified Deferred Compensation Plan. We offer our NQDC to help executive officers, including our named executive officers, save for retirement and to be competitive with general market practice. Under the NQDC, our named executive officers may voluntarily defer the receipt of salary and annual incentive awards in amounts up to 50% of base salary and 100% of annual incentive awards. In fiscal year 2011, deferred amounts could be invested in accounts that mirrored the gains or losses of the S&P 500 index and/or the 30-year Treasury Bond yield, or the rate specified by the IRS for use where the 30-year bond rate would otherwise apply. Historically, the NQDC permitted the Company to contribute amounts that exceeded the IRC compensation limits in the tax-qualified plans through the cash balance restoration and Value Sharing restoration provisions. However, effective July 1, 2011, such restoration provisions under the NQDC were aligned to the new 401(k) Plan Company contribution provision. Further details about the historic restoration provisions are provided in the Overview of Pension Benefits and Overview of the Nonqualified Deferred Compensation Plans sections below.

Supplemental Executive Retirement Plan. The SERP was closed to new participants effective April 2007 and was frozen with regards to pay and offsets, while still allowing age and service credits to continue to accrue, effective July 29, 2011. Benefits under the SERP have historically been determined based on age and years of service and were offset by the annuity value of Company contributions to the tax-qualified retirement plans and by Social Security. The benefit formula under this plan is described under the Overview of Pension Benefits section. We believe the SERP has historically been a strong retention tool because participants were not eligible for a full benefit if they left the Company prior to reaching age 65 with at least 15 years of service. Participants attaining age 55 with at least ten years of service are eligible to receive a benefit that is actuarially reduced from that available upon retirement at age 65. Mr. Knauss, our CEO, also participates in a replacement SERP described below as part of his employment agreement with the Company to compensate for the loss of retirement benefits at his prior employer.

Effective July 2011, the SERP, which was a defined benefit plan, was replaced by the new Executive Retirement Plan ("ERP"), which is a defined contribution plan and is described below. Switching from the SERP to the ERP creates a defined contribution structure that is more closely aligned with general market practice and provides executives with benefits that are more in line with what is provided among the Company's compensation peer group.

Executive Retirement Plan. The ERP became effective on July 1, 2011 and our executive officers (including the named executive officers other than Mr. Knauss) are participants in the plan. Under the ERP, we make an annual contribution of 5% of an eligible participant's base salary plus annual incentive into the plan. Our named executive officers who are eligible participants under the SERP will also receive annual "step-down" transition contributions into the ERP over a five-year period (9% in the first year to 5% in the fifth year). Mr. Knauss is not a participant in the ERP.

Replacement Supplemental Executive Retirement Plan. Pursuant to his employment agreement, Mr. Knauss participates in a replacement SERP that provides retirement benefits that are equal to the greater of the amount calculated under the Company SERP, described above, or the benefits to which he would have been entitled if he had stayed at his previous employer, The Coca-Cola Company. Mr. Knauss is fully vested in the replacement SERP, and he is the sole participant in the plan.

Further details about the provisions of the SERP, the ERP, and Mr. Knauss' replacement SERP are described in the Overview of Pension Benefits and the Overview of the Nonqualified Deferred Compensation Plans section below.

Post-Termination Compensation. Prior to 2009, the Company had entered into evergreen employment agreements with its named executive officers. As part of the Company's ongoing review of executive compensation market trends and practices, in July 2009 the Company issued notices of non-renewal to all of its named executive officers with evergreen employment agreements other than the CEO. As a result of the notices of non-renewal, these employment agreements were set to expire as of July 31, 2011 (the "Expiration Date"). At the end of fiscal year 2010, the named executive officers elected to revoke their employment agreements prior to the Expiration Date in favor of obtaining coverage under a new Severance Plan for Clorox Executive Committee Members (the "Severance Plan"). Under the Severance Plan, the Company provides the named executive officers with post-termination payments in the event such named executive officers' employment is terminated by the Company other than for cause. These payments help mitigate economic hardship associated with unexpected termination. The Company sought to ensure that the aggregate, reduced benefits under the Severance Plan reflect current market trends and practices as well as provide the Committee more flexibility to make changes to severance benefits in the future based on business needs and executive compensation trends and practices. The Committee also entered into a new employment agreement with the CEO in May 2010, which also provides for reduced severance benefits.

During fiscal year 2011, the Committee approved an Executive Change in Control Severance Plan (the "CIC Plan") to provide for the payment of severance benefits to certain eligible executives of the Company, including all of the Company's named executive officers other than the CEO, in the event their employment with the Company terminates involuntarily in connection with a change in control of the Company. The CIC Plan replaces individual change in control agreements previously entered into with certain of the Company's senior executives, including all of the Company's named executive officers other than the CEO. Under the CIC Plan, the named executive officer is eligible for change in control severance benefits in the event that he or she is terminated without cause or for good reason in connection with a change in control. The CIC Plan provides reduced benefits that are more aligned with general market practice and also provides the Committee more flexibility to make changes to the benefits in the future based on business needs or executive compensation trends.

See the Potential Payments upon Termination or Change in Control section for additional information on the Severance Plan, the CEO's employment agreement and the CIC Plan.

Perquisites. We provide our named executive officers with other benefits we believe are competitive with our compensation peer group and consistent with the Company's overall executive compensation program. These benefits are reflected in the All Other Compensation column in the Summary Compensation Table. We believe these benefits allow our named executive officers to work more efficiently and, in the case of the financial planning program, help them optimize the value received from our compensation and benefits programs. These perquisites consist of a Company automobile or car allowance, paid parking at the Company's headquarters, an annual executive physical exam, reimbursement for health club membership and financial planning services. The value of perquisites provided to our named executive officers is shown in a separate table in a footnote to the All Other Compensation column of the Summary Compensation Table.

Our Executive Compensation Policies

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

The Committee may also make occasional grants of stock options and other equity-based awards at other times to recognize, retain or recruit executive officers. These grants are approved by the Committee on or before the grant date, which is determined based on the timing of the triggering event. The exercise/grant price is the closing price of the Common Stock on the effective date of the grant. The Committee must approve all equity grants to executive officers of the Company, including named executive officers.

All long-term incentive grants are made pursuant to the terms set forth in The Clorox Company 2005 Stock Incentive Plan, which was re-approved by our stockholders at the 2010 Annual Meeting.

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

Chief Executive Officer	4x annual base salary
Clorox Executive Committee (other than the CEO)	3x annual base salary
Other Senior Executives	2x annual base salary

As of the date of this filing, all of the named executive officers meet the required ownership levels.

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

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

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

Clawback Provisions. Our executive compensation incentive programs include clawback provisions that allow the Company to recoup proceeds received by named executive officers under certain conditions. Under our EIC Plan, in the event of a restatement of financial results to correct a material error, the Committee is authorized to reduce or recoup an executive officer's award, as applicable, to the extent that the Committee determines such executive officer's fraud or intentional misconduct was a significant contributing factor to the need for a restatement.

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

Compensation for Mr. Knauss – Chairman and CEO

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

In September 2010, the Committee, with input from its independent compensation consultant, reviewed all elements of Mr. Knauss' compensation including base salary, annual incentive and long-term incentive award opportunities relative to that of the compensation peer group. In addition, the Board reviewed Mr. Knauss' performance for fiscal year 2010 as described in How We Make Compensation Decisions.

Based on the review of Mr. Knauss' individual performance, overall Company performance and his compensation versus the compensation peer group, the Committee increased Mr. Knauss' base salary by $75,000 to $1,150,000 effective October 1, 2010. The Committee also approved Mr. Knauss' annual incentive target at 130% of base salary for fiscal year 2011, which is an increase of 10 percentage points from the prior year. Both the salary increase and the annual incentive target increase were made in order to align Mr. Knauss' target total compensation with the market. The Committee granted Mr. Knauss a long-term incentive award of 311,390 stock options and 39,490 performance shares with a total economic value at grant date of approximately $5,250,300. Each individual element of Mr. Knauss' compensation was positioned at the median of CEO compensation within the compensation peer group.

For fiscal year 2011, the Committee reviewed Mr. Knauss' performance and determined that Mr. Knauss would receive an annual incentive payout of 49% of target, which reflects the impact of both the current year financial performance and an assessment of the Company's overall performance against both strategic and individual goals. In making this determination, the Committee and the Board recognized Mr. Knauss' outstanding leadership and significant contributions to the successful growth and performance of the Company in the face of a challenging economic environment.

Information about Mr. Knauss' base salary, annual incentive and long-term incentive is described in more detail in the notes to the Summary Compensation Table.

THE MANAGEMENT DEVELOPMENT AND COMPENSATION COMMITTEE REPORT

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

THE MANAGEMENT DEVELOPMENT AND COMPENSATION COMMITTEE

George J. Harad, Chair
Richard H. Carmona
Tully M. Friedman
Robert W. Matschullat
Gary. G. Michael

SUMMARY COMPENSATION TABLE

The following table sets forth the compensation earned, paid or awarded to our named executive officers for the fiscal years ended June 30, 2011, 2010 and 2009.

Name and Principal Position	Year	Salary ($) (1)	Bonus ($)	Stock Awards ($) (2)(3)	Option Awards ($) (2)	Non-Equity Incentive Plan Compensation ($) (4)	Change in Pension Value Nonqualified Deferred Compensation Earnings ($) (5)	All Other Compensation ($) (6)	Total ($)
Donald R. Knauss	2011	$1,135,385	—	$2,625,295	$2,625,018	$ 732,550	$1,812,176	$246,354	$9,176,778
Chairman and Chief	2010	1,075,000	—	2,500,108	2,500,005	1,967,250	1,623,151	201,851	9,867,365
Executive Officer	2009	1,056,250	—	2,408,997	2,545,798	1,284,480	731,445	217,256	8,244,586
Lawrence S. Peiros	2011	672,508	—	799,754	800,007	389,150	208,366	125,746	2,995,531
Executive Vice President	2010	638,750	—	778,028	780,429	802,640	1,220,139	104,741	4,324,727
and Chief Operating Officer	2009	615,000	—	761,005	803,954	494,020	798,629	129,578	3,602,186
Daniel J. Heinrich	2011	567,137	—	499,930	499,983	332,490	331,828	109,605	2,340,973
Executive Vice President –	2010	529,825	—	462,008	463,414	560,960	705,491	90,915	2,812,613
Chief Financial Officer	2009	515,000	—	507,124	535,969	372,260	398,151	116,191	2,444,695
Frank A. Tataseo	2011	504,404	—	450,070	449,993	265,130	138,384	100,001	1,907,982
Executive Vice President –	2010	492,500	—	437,390	439,028	475,570	1,005,312	87,813	2,937,613
Strategy & Growth, Partnerships, Away From Home	2009	481,250	—	507,124	535,969	332,100	669,247	111,722	2,637,412
Laura Stein	2011	519,836	—	380,266	380,024	255,050	214,647	100,315	1,850,138
Senior Vice President – General Counsel									
Beth Springer									
(departed April 16, 2011)	2011	406,212	—	499,930	499,983	193,330	63,847	98,046	1,761,348
Executive Vice President –	2010	496,250	—	462,008	463,414	526,130	523,948	89,255	2,561,005
	2009	480,250	—	507,124	535,969	301,910	323,498	111,869	2,260,620
International & Natural Personal Care									

(1) Reflects actual salary earned for fiscal years 2009, 2010 and 2011.

(2) The amounts reflected in these columns are the values determined under FASB ASC Topic 718 for the awards granted in the fiscal years ended June 30, 2009, 2010 and 2011, in accordance with the applicable accounting standard. The assumptions made in valuing stock awards and option awards reported in these columns are discussed in Note 1, Summary of Significant Accounting Policies under subsection "Share-Based Compensation", and in Note 16, Share-Based Compensation Plans, to the Company's consolidated financial statements for the three years in the period ended June 30, 2011, included in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2011. The award granted to Ms. Springer for 2011 was forfeited due to her departure. Additional information regarding the stock awards and option awards granted to our named executive officers during fiscal year 2011 is set forth in the Grants of Plan-Based Awards table.

(3) The grant date fair value of the performance share awards reflected in this column is the target payout based on the probable outcome of the performance-based conditions, determined as of the grant date. The maximum potential payout of the stock awards would be 150% of the target shares awarded on the grant date. The maximum value of the performance share award determined as of the date of grant would be as follows for each respective named executive officer: Mr. Knauss – $3,937,943; Mr. Peiros – $1,199,632; Mr. Heinrich – $749,894; Mr. Tataseo – $675,104; and Ms. Stein – $570,398. The award granted to Ms. Springer for 2011 was forfeited due to her departure. See the Grants of Plan-Based Awards Table for more information about the performance shares granted under the 2005 Stock Incentive Plan.

(4) Reflects annual incentive awards earned for fiscal years 2009, 2010 and 2011 and paid out in September 2009, 2010 and 2011, respectively, under the EIC Plan. Information about the EIC Plan is set forth in the Compensation Discussion and Analysis under Annual Incentives. Per the terms of the EIC Plan, Ms. Springer was considered retirement-eligible and thus received a pro-rata award for fiscal year 2011.

(5) The amounts reflect the aggregate increase in the present value of accumulated benefits during fiscal years 2009, 2010 and 2011 under the SERP, including Mr. Knauss' replacement SERP, The Clorox Company Pension Plan and the cash balance restoration benefit of the NQDC (refer to the Pension Benefits Table for further information). For Ms. Springer the amount reflects a decrease in SERP benefit due to departure. For Mr. Knauss, the aggregate increase for 2010 replaces the number that was included in the 2010 Proxy Statement. Each plan amount in fiscal year 2011 is set forth in the following table:

	Donald R. Knauss	Lawrence S. Peiros	Daniel J. Heinrich	Frank A. Tataseo	Laura Stein	Beth Springer
SERP (includes, for Mr. Knauss, the replacement SERP)	$ 1,663,805	$ 79,408	$ 253,805	$ 54,731	$ 157,998	$ 0
The Clorox Company Pension Plan	8,525	15,636	10,381	13,155	11,730	12,689
Cash Balance Restoration Benefit	139,846	113,322	67,642	70,498	44,919	51,158
Total	$ 1,812,176	$ 208,366	$ 331,828	$ 138,384	$ 214,647	$ 63,847

(6) The amounts shown in the column represent (i) actual Company contributions under the Company's 401(k) Plan, including the Value Sharing provision, (ii) non-qualified contributions under the NQDC, other than the cash balance restoration benefit which is reflected in the change in pension value column (refer to the Nonqualified Deferred Compensation section for further information), (iii) mortgage subsidy benefits paid to Mr. Knauss under the Company's relocation policy, which is available to all eligible employees, which includes a subsidy of $12,104 and $1,603 in tax-gross ups on such subsidy (this benefit expired at the end of calendar year 2010), and (iv) perquisites available to named executive officers of the Company. Amounts are set forth in the following table:

	Donald R. Knauss	Lawrence S. Peiros	Daniel J. Heinrich	Frank A. Tataseo	Laura Stein	Beth Springer
The Clorox Company 401(k) Plan	$ 21,923	$ 18,150	$ 18,150	$ 18,150	$ 18,150	$ 18,150
NQDC	175,664	76,623	57,437	50,994	52,375	48,714
Relocation Benefits	13,707	—	—	—	—	—
Company Provided Perquisites	35,060	30,973	34,018	30,857	29,790	31,182
Total	$ 246,354	$ 125,746	$ 109,605	$ 100,001	$ 100,315	$ 98,046

The following tables set forth the perquisites we make available to our named executive officers and the cost to the Company for providing these perquisites during fiscal year 2011. Other Perquisites consists of paid parking at the Company's headquarters, health club reimbursement and an annual executive physical.

	Donald R. Knauss	Lawrence S. Peiros	Daniel J. Heinrich	Frank A. Tataseo	Laura Stein	Beth Springer
Executive Automobile Program	$ 13,200	$ 13,200	$ 13,200	$ 13,200	$ 13,200	$ 10,193
Basic Financial Planning	16,351	11,784	16,738	12,085	10,551	15,795
Other Perquisites	5,509	5,989	4,080	5,572	6,039	5,194
Total	$ 35,060	$ 30,973	$ 34,018	$ 30,857	$ 29,790	$ 31,182

GRANTS OF PLAN-BASED AWARDS

This table shows grants of plan-based awards to the named executive officers during fiscal year 2011.

Name	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Share Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/Sh)	Grant Date Fair Value of Stock and Option Awards ($)
		Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)				
Donald R. Knauss											
Annual Incentive (1)		$ —	$1,495,000	$8,210,000							
Performance Shares (2)	9/14/2010				19,745	39,490	59,235				$2,625,295
Stock Options (3)	9/14/2010								311,390	$66.48	2,625,018
Lawrence S. Peiros											
Annual Incentive (1)		—	585,133	4,926,000							
Performance Shares (2)	9/14/2010				6,015	12,030	18,045				799,754
Stock Options (3)	9/14/2010								94,900	66.48	800,007
Daniel J. Heinrich											
Annual Incentive (1)		—	431,811	4,926,000							
Performance Shares (2)	9/14/2010				3,760	7,520	11,280				499,930
Stock Options (3)	9/14/2010								59,310	66.48	499,983
Frank A. Tataseo											
Annual Incentive (1)		—	378,750	4,926,000							
Performance Shares (2)	9/14/2010				3,385	6,770	10,155				450,070
Stock Options (3)	9/14/2010								53,380	66.48	449,993
Laura Stein											
Annual Incentive (1)		—	364,350	4,926,000							
Performance Shares (2)	9/14/2010				2,860	5,720	8,580				380,266
Stock Options (3)	9/14/2010								45,080	66.48	380,024
Beth Springer (4) (departed April 16, 2011)											
Annual Incentive (1)		—	304,659	4,926,000							
Performance Shares (2)	9/14/2010				3,760	7,520	11,280				499,930
Stock Options (3)	9/14/2010								59,310	66.48	499,983

(1) Represents estimated possible payouts for annual incentive awards for fiscal year 2011 under the EIC Plan for each of our named executive officers. The EIC Plan is an annual cash incentive opportunity and therefore awards are earned in the year of grant. The target amounts represent the potential payout if both Company and individual performance are at target levels. The maximum amount represents the stockholder-approved maximum payout in the EIC Plan of 1.0% of Company earnings for the CEO and .6% of Company earnings for all other named executive officers. The EIC Plan is designed to meet the requirements of IRC Section 162(m), and the maximum column reflects maximum awards possible under the EIC Plan. The Committee historically has paid annual incentive awards that are substantially lower than the maximum EIC Plan payouts. See the Summary Compensation Table for the actual payout amounts in fiscal year 2011 under the EIC Plan. See Compensation Discussion and Analysis – Annual Incentives for additional information about the EIC Plan.

(2) Represents possible future payouts of Common Stock underlying performance shares awarded in fiscal year 2011 to each of our named executive officers as part of their participation in the 2005 Stock Incentive Plan. These awards will vest upon the achievement of performance measures based on cumulative operating profit and cumulative economic profit growth over a three-year period, with the threshold, target and maximum awards equal to 50%, 100% and 150%, respectively, of the number of performance shares granted. If the minimum financial goals are not met at the end of the three-year period, no awards will be paid out under the 2005 Stock Incentive Plan. See Compensation Discussion and Analysis – Long-Term Incentives for additional information.

(3) Represents stock options awarded to each of our named executive officers under the 2005 Stock Incentive Plan. All stock options vest in equal installments on the first, second, third and fourth anniversaries of the grant date.

(4) The awards granted to Ms. Springer for fiscal year 2011 were forfeited due to her departure.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

The following equity awards granted to our named executive officers were outstanding as of the end of fiscal year 2011.

	Option Awards					Stock Awards			
Name	Number of Securities Underlying Unexercised Options - Exercisable (#)	Number of Securities Underlying Unexercised Options - Unexercisable (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($) (1)
Donald R. Knauss									
Stock Options (2)	275,000			$63.21	10/2/2016				
	138,750	46,250 (3)		61.16	9/18/2017				
	113,855	113,855 (4)		63.95	9/16/2018				
	74,582	223,748 (5)		57.25	9/15/2019				
		311,390 (6)		66.48	9/14/2020				
Performance Shares (2)								52,738 (7)	3,556,651
								43,670 (8)	2,945,105
								39,490 (9)	2,663,206
Lawrence S. Peiros									
Stock Options (2)	20,000			41.98	9/18/2012				
	46,000			45.25	9/17/2013				
	45,000			53.88	9/15/2014				
	32,200			57.00	9/21/2015				
	34,100			61.51	9/19/2016				
	20,000			63.89	1/5/2017				
	40,050	13,350 (3)		61.16	9/18/2017				
	35,955	35,955 (4)		63.95	9/16/2018				
	23,282	69,848 (5)		57.25	9/15/2019				
		94,900 (6)		66.48	9/14/2020				
Performance Shares (2)								16,660 (7)	1,123,550
								13,590 (8)	916,510
								12,030 (9)	811,303

	Option Awards					Stock Awards			
Name	Number of Securities Underlying Unexercised Options - Exercisable (#)	Number of Securities Underlying Unexercised Options - Unexercisable (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($) (1)
Daniel J. Heinrich									
Stock Options (2)	30,900			61.51	9/19/2016				
	30,825	10,275 (3)		61.16	9/18/2017				
	23,970	23,970 (4)		63.95	9/16/2018				
	13,825	41,475 (5)		57.25	9/15/2019				
		59,310 (6)		66.48	9/14/2020				
Performance Shares (2)								11,102 (7)	748,719
								8,070 (8)	544,241
								7,520 (9)	507,149
Frank A. Tataseo									
Stock Options (2)	22,000			41.98	9/18/2012				
	23,000			45.25	9/17/2013				
	35,200			53.88	9/15/2014				
	29,000			57.00	9/21/2015				
	31,700			61.51	9/19/2016				
	30,825	10,275 (3)		61.16	9/18/2017				
	23,970	23,970 (4)		63.95	9/16/2018				
	13,097	39,293 (5)		57.25	9/15/2019				
		53,380 (6)		66.48	9/14/2020				
Performance Shares (2)								11,102 (7)	748,719
								7,640 (8)	515,242
								6,770 (9)	456,569

Name	Option Awards					Stock Awards			
	Number of Securities Underlying Unexercised Options - Exercisable (#)	Number of Securities Underlying Unexercised Options - Unexercisable (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($) (1)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($) (2)
Laura Stein									
Stock Options (2)	30,000			58.55	1/18/2015				
	24,200			57.00	9/21/2015				
	25,400			61.51	9/19/2016				
	24,675	8,225 (3)		61.16	9/18/2017				
	19,175	19,175 (4)		63.95	9/16/2018				
	11,060	33,180 (5)		57.25	9/15/2019				
		45,080 (6)		66.48	9/14/2020				
Performance Shares (2)								8,876 (7)	598,597
								6,450 (8)	434,988
								5,720 (9)	385,757
Beth Springer (10) (departed April 16, 2011)									
Stock Options (2)	14,000			45.25	9/17/2013				
	17,600			53.88	9/15/2014				
	12,000			58.55	1/18/2015				
	29,000			57.00	9/21/2015				
	31,700			61.51	9/19/2016				
	41,100			61.16	9/18/2017				
	47,940			63.95	9/16/2018				
	55,300			57.25	9/15/2019				
Performance Shares (2)								10,485 (7)	707,081
								4,931 (8)	332,547

(1) Represents unvested "target" number of performance shares under the 2005 Stock Incentive Plan multiplied by the closing price of our Common Stock on June 30, 2011, except as noted below in footnote (7). The ultimate value will depend on whether performance criteria are met and the value of our Common Stock on the actual vesting date.

(2) Grants were made under the 2005 Stock Incentive Plan.

(3) Represents unvested portion of stock options that vest in four equal installments beginning one year from the grant date of September 18, 2007.

(4) Represents unvested portion of stock options that vest in four equal installments beginning one year from the grant date of September 16, 2008.

(5) Represents unvested portion of stock options that vest in four equal installments beginning one year from the grant date of September 15, 2009.

(6) Represents unvested portion of stock options that vest in four equal installments beginning one year from the grant date of September 14, 2010.

(7) Represents the actual number of performance shares that were paid out under our 2005 Stock Incentive Plan. The grants from the plan have a three-year performance period (fiscal years 2009 – 2011). Performance is based on achievement of cumulative operating profit growth and cumulative economic profit growth. After completion of the 2011 fiscal year the Committee determined whether the performance measures had been achieved and based on the results, on August 11, 2011, the Committee approved the payout of this award at 140% of target. The award was settled on August 16, 2011.

(8) Represents the "target" number of performance shares that could be earned under our 2005 Stock Incentive Plan. The grants from the plan have a three-year performance period (fiscal years 2010 – 2012). Performance is based on achievement of cumulative operating profit growth and cumulative economic profit growth. The Committee will determine whether the performance measures have been achieved after the completion of fiscal year 2012.

(9) Represents the "target" number of performance shares that could be earned under our 2005 Stock Incentive Plan. The grants from the plan have a three-year performance period (fiscal years 2011 – 2013). Performance is based on achievement of cumulative operating profit growth and cumulative economic profit growth. The Committee will determine whether the performance measures have been achieved after the completion of fiscal year 2013.

(10) The awards granted to Ms. Springer for fiscal year 2011 were forfeited due to her departure.

OPTION EXERCISES AND STOCK VESTED

This table shows stock options exercised and stock vested for the named executive officers during fiscal year 2011.

Name	Option Awards Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($) (1)	Stock Awards Number of Shares Acquired on Vesting	Value Realized on Vesting (2)
Donald R. Knauss	—	$ —	23,428 (3)	$ 1,569,676
			41,147 (5)	2,681,139
Lawrence S. Peiros	20,000 (4)	562,357	11,881 (5)	774,166 (5)
Daniel J. Heinrich	109,200 (4)	1,923,113	9,156 (5)	617,481 (5)
Frank A. Tataseo	85,002 (4)	2,624,900	9,156 (5)	596,605 (5)
Laura Stein	—	—	7,303 (5)	492,514 (5)
Beth Springer (departed April 16, 2011)	13,000 (4)	371,466	9,156 (5)	596,605 (5)

(1) The dollar value realized reflects the difference between the closing price of the Common Stock on the date of exercise and the stock option exercise price.

(2) The dollar value realized reflects the market value of the vested shares based on the closing price of the Common Stock on the vesting date, unless otherwise noted.

(3) Represents vesting of 20,875 restricted stock units and 2,553 additional restricted stock units as a result of reinvested dividends. These restricted stock units were granted to Mr. Knauss in conjunction with his hire.

(4) Represents exercise of nonqualified stock options granted in previous years under the Company's 2005 Stock Incentive Plan.

(5) Stock awards listed represent the vesting of performance shares at 109% of target, granted through participation in the 2005 Stock Incentive Plan. The grant from the plan had a three-year performance period (fiscal years 2008 – 2010). Performance is based on achievement of cumulative operating profit and economic profit growth. On August 13, 2010, the Committee approved the payout of this award at 109% of target, and the award was settled on August 18, 2010. The actual realized value of the vested shares was based upon the value of the Common Stock on the date the shares were settled unless settlement of the shares was deferred, in which case it was based on the closing price of the Common Stock of $67.44 on June 30, 2011. Mr. Heinrich and Ms. Stein have deferred the settlement of all of their shares until termination from service with the Company. The actual realized value will depend upon the value of the Common Stock on the date the shares are settled based on the individual's deferral election.

Overview of Pension Benefits

Historically, pension benefits have been paid to the named executive officers under the following plans: (i) The Clorox Company Pension Plan, (ii) the cash balance restoration provision in the NQDC, (iii) the SERP and (iv) in the case of Mr. Knauss, the replacement SERP, which was put in place to compensate for Mr. Knauss' loss of retirement benefits at his prior employer and is described in further detail below. The following table is an overview of the historic terms and provisions of the pension plans, other than the replacement SERP, which is described in narrative form following the table. Effective July 2011, the Pension Plan, the cash balance restoration provision under the NQDC and the SERP have been frozen, as described in the Retirement Plan section of the CD&A and in the narrative paragraphs below.

OVERVIEW OF PENSION BENEFITS

	Pension Plan	Cash Balance Restoration Provision in Nonqualified Deferred Compensation Plan	SERP
Reason for Plan	Along with our non-qualified plans, provide eligible employees a competitive level of retirement benefits based on pay.	Provide eligible employees with a competitive level of retirement benefits based on pay, by restoring benefits limited by the IRC.	Provide eligible employees with retirement replacement income that is competitive with peers and supports long-term retention of key talent.
Eligibility	Salaried and hourly employees of the Company, including the named executive officers. The Pension Plan was frozen effective July 1, 2011.	Named executive officers and select group of senior employees.	Named executive officers and select group of senior executives. Plan was closed to new participants in April 2007 and frozen on July 29, 2011 with regard to pay and offsets, while still allowing age and service credits.
Retirement Eligibility	Fully vested after three years of service.	Fully vested after three years of service.	Maximum benefit is payable at age 65 with 15 years of service. Participants are eligible for a reduced early retirement benefit at age 55 with 10 years of service. SERP-eligible employees terminating before reaching age 55 with 10 years of service receive no benefits from the SERP.

OVERVIEW OF PENSION BENEFITS

	Pension Plan	Cash Balance Restoration Provision in Nonqualified Deferred Compensation Plan	SERP
Pension Formula	Annual credits of three percent of eligible compensation (base salary and annual incentive) and quarterly credits based on an interest factor.	Annual credits of three percent of eligible compensation (base salary and annual incentive) that exceeds the IRC compensation limits.	In combination with other Company retirement plans (cash balance plan, Company contributions to the 401(k) Plan, including the Value Sharing provision, cash balance restoration of NQDC and Value Sharing restoration of NQDC) and Social Security, participants can receive maximum total benefits of approximately 55% of average compensation (defined as the average of the highest consecutive three years of base salary plus the average of the highest three years of EIC Plan awards). The maximum benefit is proportionately reduced for service between 10 and 15 years at a rate of three percent per year.
Payment Form	A participant whose benefits vested at retirement or other termination of employment may elect a cash distribution or an alternate annuity form. The normal retirement benefit is an annuity payable upon attainment of age 65. A reduced retirement benefit annuity is payable at age 55 with at least ten years of vested service.	A participant whose benefits vested at retirement or other termination of employment may elect a lump sum distribution or annual installments up to ten years that will be paid out based on previously determined criteria.	Paid as a monthly annuity for the life of the participant. Plan also provides a disability and survivor's benefit. Lump sum option is not available.

The Replacement Supplemental Executive Retirement Plan. Pursuant to his employment agreement, Mr. Knauss participates in a replacement SERP that provides retirement benefits that are equal to the greater of the amount calculated under the Company SERP, described above, or the benefits to which he would have been entitled if he had stayed at his previous employer, The Coca-Cola Company. Mr. Knauss is fully vested in the replacement SERP, and he is the sole participant in the plan.

Eligible compensation for the replacement SERP is the average of five years of base salary prior to retirement plus the average of five years of EIC Plan awards received by Mr. Knauss prior to his retirement. To the extent needed to obtain five years of consecutive annual compensation, actual annual salary and bonuses paid by The Coca-Cola Company prior to Mr. Knauss' retirement will be used.

All items in the above overview are included in the Change in Pension Value column of the Summary Compensation Table and the Pension Benefits Table.

Changes to the Retirement Plans in 2011. Effective July 1, 2011, the Company froze the Pension Plan and eliminated our profit sharing plan known as Value Sharing and, instead, future Company contributions will be made in the form of (i) a fixed 6% annual employer contribution and (ii) an employer match of up to 4% of eligible pay, each into the Company's 401(k) Plan. This change was made to provide employees with the greatest opportunity for long-term return on investment and income replacement in retirement. Due to the transition from our prior retirement plans to the new 401(k) Plan, all eligible employees will receive a 401(k) contribution equal to 10% of their eligible earnings for the pay periods from July 2011 through December 2011, regardless of whether employees contribute to the 401(k) Plan during this time. Beginning January 1, 2012, employees will need to contribute at least 4% of pay in order to receive the full 10% Company contribution (6% fixed employer contribution and 4% employer match). The Pension Plan remains fully funded.

Our SERP was closed to new participants effective April 2007, and effective July 29, 2011 was frozen with respect to pay and offsets, while still allowing age and service credits to continue to accrue. The SERP, which was a defined benefit plan, was replaced by a new Executive Retirement Plan, which is a defined contribution plan (please see the Overview of the Nonqualified Deferred Compensation Plans section below for further details on the new ERP).

PENSION BENEFITS TABLE

The following table sets forth each named executive officer's pension benefits under the Company's pension plans for fiscal year 2011.

Name	Plan Name	Number of Years of Credited Service (#) (1)	Present Value of Accumulated Benefit ($) (2)	Payments During Last Fiscal Year ($)
Donald R. Knauss	The Clorox Company Pension Plan	5	$ 31,024	$ —
	Replacement SERP/SERP	5	4,790,829	—
	Cash Balance Restoration	5	279,965	—
Lawrence S. Peiros	The Clorox Company Pension Plan	31	206,854	—
	SERP	31	3,245,476	—
	Cash Balance Restoration	31	348,007	—
Daniel J. Heinrich	The Clorox Company Pension Plan	10	76,808	—
	SERP	10	1,806,665	—
	Cash Balance Restoration	10	192,763	—
Frank A. Tataseo	The Clorox Company Pension Plan	17	145,217	—
	SERP	17	3,034,062	—
	Cash Balance Restoration	17	248,076	—
Laura Stein	The Clorox Company Pension Plan	14	110,086	—
	SERP	14	1,613,806	—
	Cash Balance Restoration	14	127,712	—
Beth Springer (departed April 16, 2011)	The Clorox Company Pension Plan	21	134,511	—
	SERP	21	1,180,480	—
	Cash Balance Restoration	21	152,891	—

(1) Numbers of years of credited service is rounded to the nearest whole number.

(2) Present value of the accumulated benefit was calculated using the following assumptions: Mortality Table: RP2000; Discount Rate: 5.30%; age and pay at June 30, 2011.

Overview of the Nonqualified Deferred Compensation Plans

Executive Retirement Plan. The ERP became effective on July 1, 2011 and replaces the SERP which was frozen July 29, 2011. Our executive officers (including each of our named executive officers other than Mr. Knauss) are eligible for participation in the ERP. The ERP provides that the Company will make an annual contribution of 5% of an eligible participant's base salary plus annual incentive into the plan. For named executive officers who were age 55 or older as of July 1, 2011, Company contributions will be fully vested in the ERP. For named executive officers who had not attained age 55 as of July 1, 2011, Company contributions will vest over a three-year period and will fully vest upon the participant's attainment of age 62 with 10 years of service (at which time they are considered retirement eligible under the ERP). An eligible participant can elect for distribution in a lump sum or up to 15 annual installments upon a qualifying payment event.

Our named executive officers who are eligible participants under the SERP (including each of the named executive officers other than Mr. Knauss) will also receive annual "step-down" transition contributions over a five-year period (9% in the first year to 5% in the fifth year). Mr. Knauss is not a participant in the ERP.

Nonqualified Deferred Compensation Plan. In addition to historically providing the cash balance restoration benefits described in the Overview of Pension Benefits section above, the NQDC has historically provided benefits that supplement the Value Sharing provision of the 401(k) Plan and also permits the deferral of compensation. The Value Sharing provision was a Company profit-sharing plan under which, depending on financial performance measurements, the Company contributed 3% – 12% of the participant's eligible compensation, including annual base salary and annual incentive, to the participant's 401(k) Plan and if applicable, to his or her NQDC account. Company contributions in amounts up to 7% of named executive officer's eligible compensation within the IRC compensation limits are tax-qualified and were credited to the participant's 401(k) account. The portion of eligible compensation up to 7% that exceeded the IRC compensation limits was credited to the NQDC Value Sharing restoration provision of the NQDC. In addition, any amount exceeding 7% of eligible compensation can be payable in cash or deferred under the Value Sharing restoration provision of the NQDC, depending upon the participant's election. Company contributions under the Value Sharing provision were determined using the Company's achievement of financial performance based on net customer sales and economic profit, the same metrics used to determine the financial payout for the annual incentive awards.

Effective July 1, 2011, both the cash balance restoration provision and the Value Sharing restoration provision under the NQDC were eliminated and replaced with the 401(k) restoration provision. All future Company retirement contributions will be made in the form of (i) a fixed 6% employer annual contribution and (ii) an employer match up to 4% of pay into the 401(k) Plan, subject to the IRC compensation limits. Contributions on eligible compensation that exceeds the IRC compensation limits will be contributed into a participant's NQDC account under the 401(k) restoration provision.

Under the NQDC, participants, including each of our named executive officers, may voluntarily defer the receipt of base salary and annual incentive awards up to 50% of base salary and 100% of annual incentive awards. Participants under the NQDC may elect to receive benefits from the NQDC either in a lump sum or up to 10 annual payments upon a qualifying payment event. In fiscal year 2011 and through December 2011, participants have the option of selecting two investment crediting rates under the NQDC – the 30-year Treasury Bond yield and/or an S&P 500 index. Beginning July 2011, participants have the option of selecting from a broader array of investment crediting rates that generally mirror the investment fund options available in the 401(k) Plan. The NQDC uses the same benefit formulas, the same types of compensation to determine benefits and the same vesting requirements as our tax-qualified retirement plans. The responsibility to pay benefits under the NQDC was an unfunded and unsecured obligation of the Company through fiscal year 2011.

The following table provides information regarding the accounts of the named executive officers under the NQDC in fiscal year 2011.

Name	Executive Contributions in Last FY ($) (1)	Registrant Contributions in Last FY ($) (2)	Aggregate Earnings in Last FY ($) (3)	Aggregate Balance at Last FYE ($) (4) (5)
Donald R. Knauss	$ 69,000	$ 175,664	$ 623,174	$ 2,729,449
Lawrence S. Peiros	157,885	59,713	1,096,404	4,859,068
Daniel J. Heinrich	13,450	43,987	94,758	407,628
Frank A. Tataseo	—	38,706	545,955	2,385,137
Laura Stein	209,060	39,838	124,765	870,912
Beth Springer (departed April 16, 2011)	530,378	36,837	696,949	3,220,198

(1) For Messrs. Knauss and Peiros, the amount represents base salary and for Mr. Peiros the annual incentive award deferred during fiscal year 2011. Deferred base salary is also reported in the Summary Compensation Table – Salary. For Ms. Stein and Ms. Springer, the amount represents annual incentive award deferred during fiscal year 2011. Deferred annual incentive awards are also reported in the Summary Compensation Table – Non-Equity Incentive Plan Compensation. For Mr. Heinrich, the amount represents the amount exceeding 7% of eligible earnings under the Value Sharing restoration provision of the NQDC Plan. Information regarding the deferral of base salary, annual incentive awards and the Value Sharing restoration provision of the NQDC Plan is described above.

(2) Represents that portion of the Company contribution of up to 7% of eligible compensation that is in excess of IRC Compensation limits pursuant to the Value Sharing restoration provision of the NQDC plan. These contributions are also reported in the Summary Compensation Table – All Other Compensation and are included under the caption NQDC in footnote (6) to the Summary Compensation Table – All Other Compensation.

(3) Earnings are based on the investment option of a 30-year Treasury Bond yield or the rate specified by the IRS for use where the 30-year bond rate would otherwise apply, the S&P 500 Index or a combination of both, as elected by the participant. For fiscal year 2011, 30-year Treasury Bond return was 4.22% and the S&P 500 index return was 30.83%.

(4) Reflects aggregate balances under the Value Sharing restoration provision of the NQDC plan and any deferred base salary and annual incentive awards as of the end of fiscal year 2011.

(5) The executive and registrant contribution total amounts in the table below are also reported as compensation in the Summary Compensation Table in the years indicated:

Fiscal Year	Donald R. Knauss	Lawrence S. Peiros	Daniel J. Heinrich	Frank A. Tataseo	Laura Stein	Beth Springer
2011	$ 244,664	$ 217,597	$ 57,437	$ 38,706	$ 248,898	$ 567,215
2010	637,002	699,372	41,617	38,151		336,590
2009	791,388	928,824	64,691	59,730		477,265

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

Payments upon Termination

The named executive officers other than Mr. Knauss were previously covered by evergreen employment agreements that renewed daily to maintain a two-year term absent a notice of non-renewal issued by the Company. In July 2009, the Company issued a notice of non-renewal under those employment agreements. At the end of fiscal year 2010, the named executive officers previously covered by those employment agreements elected to revoke their employment agreements (which would have otherwise terminated in July 2011) in favor of coverage under the new Severance Plan for Clorox Executive Committee Members (the "Severance Plan") adopted by the Committee. As described below, the new Severance Plan provides for severance benefits that reflect emerging executive compensation market trends and practices, and allows for more flexibility to make changes to the severance benefits in the future based on business needs and future market trends and practices.

Severance Plan for Named Executive Officers Other than Mr. Knauss. Under the terms of the Severance Plan, our named executive officers are eligible to receive benefits in the event their employment is terminated by the Company without cause (other than in connection with a change in control). No benefits are payable under the terms of the Severance Plan if the Company terminates the named executive officer for cause or the named executive officer voluntarily resigns.

Regardless of the manner in which a named executive officer's employment terminates, each named executive officer would retain the amounts that he or she has earned over the course of his or her employment prior to the termination event, such as the named executive officer's balances under the NQDC, vested and accrued retirement benefits and previously vested stock options, except as outlined below under Termination for Cause. For further information about previously earned amounts, see the tables entitled Summary Compensation Table, Outstanding Equity Awards at Fiscal Year-End, Option Exercises and Stock Vested, Pension Benefits Table and Nonqualified Deferred Compensation.

Under the Severance Plan, each named executive officer agrees to return and not retain proprietary information received during his or her term of employment and thereafter, all information regarding the Company that he or she receives during the term of his or her employment and also agrees that he or she will not solicit for employment any employee of the Company for two years after his or her termination.

Termination benefits under the Severance Plan for our named executive officers other than Mr. Knauss are as follows:

Involuntary Termination Without Cause. If the Company terminates a named executive officer's employment without cause, the Severance Plan entitles the named executive officer to receive a severance payment after the termination in the form of a lump sum payment. The severance amount under the Severance Plan was reduced to two times the named executive officer's current base salary from the previous severance provision in the revoked employment agreements which provided for severance equal to two times base salary plus two times 75% of his or her average annual EIC awards for the preceding three years. Under the Severance Plan, the named executive officer is also entitled to an amount equal to 75% of his or her actual annual EIC award for the current fiscal year, pro-rated to the date of termination, which is equivalent to the provision from the previous employment agreements.

The Severance Plan provides that the named executive officer is entitled to continued participation in the Company's medical and dental insurance programs for up to two years following termination on the same terms as active employees. In addition, at the end of this coverage, the named executive officer may be eligible to participate in the Company's medical and/or dental plans offered to former employees who retire at age 55 or older, provided that they have at least ten years of service, on the same terms as such other former employees. If eligible, this coverage will continue until the named executive officer is age 65. Thereafter, the named executive officer may participate in the Company's general retiree health plan as it may exist in the future, if otherwise eligible. If the named executive officer will be age 55 or older and have at least ten years of service at the end of, and including, the two-year period following termination, the named executive officer will be deemed age 55 and/or with ten years of service under any pre-65 retiree health plan as well as the SERP.

The above severance-related benefits are provided only if the named executive officer executes a general release prepared by the Company.

Termination Due to Retirement. Under the Company's policy, which is applicable to all employees, upon retirement the named executive officer is entitled to his or her salary through the last day of employment and a pro-rata portion of the EIC Plan award for the fiscal year in which his or her retirement occurs. Based on the provisions of the respective plans, he or she will also be eligible to receive SERP, ERP and other benefits under the Company's various retirement plans. In addition to the amounts that the named executive officer has earned or accrued over the course of his or her employment under the Company's qualified and nonqualified plans, named executive officers who are at least age 55 with ten years of service or who have 20 years of service regardless of age, are eligible to receive retirement-related benefits under the long-term incentive program, as determined in accordance with the terms of the respective award agreements and plan documents.

Termination Due to Death or Disability. Under the Company's policy, which is applicable to all employees, if the named executive officer's employment is terminated due to his or her death, the named executive officer's beneficiary or estate is entitled to (i) the named executive officer's salary through the end of the month in which his or her death occurred, (ii) a pro-rata portion of the named executive officer's target EIC Plan award for the fiscal year of his or her death and (iii) benefits pursuant to the Company's life insurance plan. Stock options will vest in full and remain exercisable for an additional year following the named executive officer's death and all performance shares will be paid out at the end of the relevant performance period based on the actual level of performance achieved during that period.

If the named executive officer begins to receive benefits under the Company's long-term disability plan, the Company may terminate the named executive officer's employment at any time, in which case the named executive officer will receive his or her salary through the date of his or her termination and will also be entitled to a pro-rata portion of the target EIC Plan award for the fiscal year of the his or her termination. Stock options will vest in full and remain exercisable for an additional year following the named executive officer's disability and all performance shares will be paid out at the end of the relevant performance period based on the actual level of performance achieved during that period.

Termination for Cause. The Company may terminate a named executive officer's employment for cause at any time without notice. Upon the named executive officer's termination for cause, the named executive officer is entitled to his or her salary through the date of his or her termination, but would not be entitled to any EIC Plan award for the fiscal year in which his or her termination for cause occurs. Termination for cause under the Severance Plan means: (i) the willful and continued neglect of significant duties or willful and continued violation of a material Company policy after having been warned in writing; (ii) a material act of dishonesty, fraud, misrepresentation or other act of moral turpitude; (iii) gross negligence in the course of employment; (iv) the failure to obey a lawful direction of the Board or a corporate officer to whom he or she reports, directly or indirectly; and (v) an action that is inconsistent with the Company's best interests and values. All outstanding stock option grants awarded since September 2005 will be forfeited upon a termination for cause. In addition, any retirement-related benefits a named executive officer would normally receive in respect of performance shares awarded since 2005 will also be forfeited upon a termination for cause.

Voluntary Termination. A named executive officer may resign from his or her employment at any time. Upon the named executive officer's voluntary resignation, the named executive officer is entitled to his or her salary through the date of termination, but is not entitled to any EIC Plan award for the fiscal year of termination.

The Company also maintains a Change in Control Severance Plan for the benefit of each of the named executive officers (other than Mr. Knauss). Please see the Potential Payments upon Change in Control section for further details on the Change in Control Severance Plan.

Mr. Knauss' Employment Agreement.In May 2010, Mr. Knauss agreed to enter into a new employment agreement with the Company that reflects current emerging market trends and practices, and is generally aligned with the terms of the Severance Plan. The new agreement replaces the employment agreement with Mr. Knauss that became effective on October 2, 2006, when Mr. Knauss began his employment as Chairman and CEO of the Company. Mr. Knauss' previous employment agreement had a three-year term subject to an automatic one-year extension.

The primary changes to Mr. Knauss' employment agreement were to:

- Reduced the severance benefit multiple (from three times to two times) and the period of benefit continuation (from three years to two years);
- Eliminate the annual renewal provision in the prior agreement, and permit either the Company or Mr. Knauss to terminate his employment agreement with 180 days advance notice, or as otherwise provided in the agreement; and
- Provide that the selection by the Board of a non-executive to serve as its chairman would not allow Mr. Knauss to resign for "good reason" and receive severance benefits.

Mr. Knauss' agreement sets forth that his annual salary will be subject to periodic review in accordance with the Company's regular administrative practices for named executive officers, as described in the CD&A. Mr. Knauss' employment agreement also states that Mr. Knauss is eligible to participate in the replacement SERP, which is described in the Overview of Pension Benefits section above, and other compensation, incentive and benefit plans made available to the Company's named executive officers.

Upon completion of seven years of service, Mr. Knauss will be deemed to be retirement-eligible under all Company welfare benefit, equity and other incentive plans and programs applicable to the Company's executive officers; provided, however, that such benefits will be offset by any retiree benefits received from his previous employer. Mr. Knauss is eligible to participate in the Company SERP and will be eligible for an early retirement benefit upon completion of seven years of service. Mr. Knauss is also eligible for an additional retirement benefit through a replacement SERP, which is intended to duplicate the rights and benefits to which he would have been entitled under the supplemental executive retirement plan of his previous employer. However, the supplemental retirement benefit that Mr. Knauss will be eligible to receive upon retirement will be limited to the greater of the amount attributable to the Company SERP or the replacement SERP. For information regarding the Company SERP and the replacement SERP, see Overview of Pension Benefits.

The terms of Mr. Knauss' employment agreement relating to termination by the Company without cause, due to retirement, due to death or disability, and for cause are similar to the terms of the Severance Plan for our other named executive officers, which are described above. Mr. Knauss' termination benefits differ from the other named executive officers in the following ways:

Upon termination by the Company without cause, or by Mr. Knauss for good reason (each as defined in his employment agreement and described in further detail below), and provided that Mr. Knauss executes a general release, Mr. Knauss will receive severance-related benefits as follows:

- A lump sum amount equal to two times his current base salary plus two times 75% of the average of his annual EIC Plan awards for the preceding three years (multiple reduced to two times from three times under prior employment agreement);
- A pro-rata portion of the EIC Plan award for the fiscal year in which termination occurs based on actual Company results, paid at the end of the fiscal year (equivalent to prior employment agreement);
- Continuation of medical and dental benefits for the two-year period after termination (reduced from a three-year period). In addition, if Mr. Knauss has completed seven years of service at the time of his termination, he will be entitled to participate in the medical and dental benefits offered to former employees who retire at age 55 with at least ten years of service; and
- If Mr. Knauss gives the Company at least three months' notice prior to terminating his employment and is vested in his Company SERP benefit at the time of his termination, his termination will be deemed to be due to retirement for purposes of the Company's long-term incentive awards plan. If Mr. Knauss is not vested in the SERP, or does not elect to commence benefits under the SERP, then outstanding stock awards will vest in accordance with the terms of the respective award agreements.

"Good reason" is defined in Mr. Knauss' employment agreement as the: (i) assignment of duties inconsistent with Mr. Knauss' position or material diminution of his position, excluding appointment of a non-executive Chairman of the Board; (ii) the Company's failure to provide compensation and benefits as provided in Mr. Knauss' employment agreement; (iii) relocation of Mr. Knauss' office that increases his commute by more than 50 miles; (iv) termination of his employment by the Company other than as expressly permitted by Mr. Knauss' employment agreement; or (v) Company's failure to obtain a successor company's agreement to assume Mr. Knauss' employment agreement. In addition, a failure by the Board to appoint Mr. Knauss to the Board will also constitute good reason. A failure by the stockholders to elect Mr. Knauss to the Board will not constitute good reason.

"Cause" is defined in Mr. Knauss' employment agreement as: (i) the willful and continued neglect of significant duties or willful and continued violation of a material Company policy after having been warned in writing; (ii) a material act of dishonesty, fraud, misrepresentation or other act of moral turpitude; (iii) gross negligence in the course of employment; or (iv) the failure to obey a lawful direction of the Board.

In addition to the original employment agreement, the Company also entered into a change in control agreement with Mr. Knauss on August 25, 2006, which is described below in Potential Payments upon Change in Control.

Potential Payments upon Change in Control

Change in Control Severance Plan for Named Executive Officers other than Mr. Knauss. On December 17, 2010, the Committee approved an Executive Change in Control Severance Plan (the "CIC Plan") to provide for the payment of severance benefits to certain eligible executives of the Company, including all of the Company's named executive officers other than the CEO, in the event their employment with the Company terminates involuntarily in connection with a change in control of the Company. The CIC Plan replaces individual change in control agreements previously entered into with certain of the Company's senior executives, including all of the Company's named executive officers other than the CEO. The CIC Plan became effective after the expiration of the prior change in control agreements on January 17, 2011.

Under the CIC Plan, executives are eligible for change in control severance benefits, subject to the execution of a waiver and release, in the event that he or she is terminated without cause or for good reason (each as defined under the CIC Plan and further described below) during (i) the two-year period following a change in control or (ii) a period up to one year prior to the change in control in limited circumstances where the executive's termination is directly related to or in anticipation of a change in control. The severance benefits under the CIC Plan include (a) a lump sum severance payment equal to two times the sum of his or her base salary and average annual bonus the executive received under the EIC Plan for the three years prior to termination, (b) a lump sum amount that would equal the difference between the actuarial equivalent of the benefit the named executive officer would have been entitled to receive if his or her employment had continued until the second anniversary of the date of termination and the actuarial equivalent of the aggregate benefits paid or payable as of the date of termination under the qualified and nonqualified retirement plans, (c) continuation of healthcare benefits for a maximum of two years following a severance-qualifying termination, (d) continued financial planning services for the year of termination, (e) vesting of all outstanding equity awards granted prior to the change in control, and (f) a pro-rata portion of the average annual bonus the executive received under the Company's EIC Plan for the three years preceding termination. In addition, the CIC Plan provides for a "golden parachute" excise tax cut back such that the excise tax under Sections 280G and 4999 of the Code will not apply (unless the executive would receive a greater amount of severance benefits on an after-tax basis without a cutback, in which case the cutback will not apply).

The change in control severance benefits provided under the CIC Plan differ from the prior change in control agreements in several respects, including the reduction of cash severance payable to a covered executive (from three times salary plus average annual bonus to two times salary plus average annual bonus). In addition, the CIC Plan also eliminates a tax gross-up provision contained in the prior change in control agreements that was intended to reimburse an executive for the "golden parachute" excise tax. The CIC Plan places greater restrictions on the ability of an executive to resign in connection with a change in control and still receive severance benefits. In particular, if an executive is reassigned to a different position with a substantially similar level and scope of authority, duties, responsibilities and reporting relationship, then the executive would not be able to resign and receive severance benefits. The period during which the Company provides subsidized medical and dental coverage to covered executives after termination has also been reduced under the CIC Plan from three to a maximum of two years.

The CIC Plan permits the Committee to make changes to the CIC Plan adverse to covered executives with 12 months advance notice. If a change in control of the Company occurs during that 12-month period, then such changes would not become effective. The prior change in control agreements required advance notice for non-renewal of a minimum period of two years and two months before such action was to take effect, unless the executive had agreed to a shorter period.

Participants under the CIC Plan are subject to certain restrictive covenants including confidentiality and non-disparagement provisions and a non-solicitation provision during the term of his or her employment and for two years thereafter.

"Cause" is generally defined as (i) willful and continued failure to substantially perform duties upon written demand, or (ii) willfully engaging in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company. A termination for cause requires a vote of 75% of the Board at a meeting after notice to the executive has been given and the executive has had an opportunity to be heard.

"Good Reason" is generally defined as (i) an assignment of duties inconsistent with the executive officer's position (including offices and reporting requirements), authority, duties or responsibilities (other than reassignments with a substantially similar level and scope of authority, duties, responsibilities and reporting relationship), (ii) any failure to substantially comply with any of the material provisions of compensation plans, programs, agreements or arrangements as in effect immediately prior to the change in control, which material provisions will consist of base salary, cash incentive compensation target bonus opportunity, equity compensation opportunity in the aggregate, savings and retirement benefits in the aggregate and welfare benefits (including medical, dental, life, disability and severance benefits) in the aggregate, (iii) relocation of principal place of employment that increases his or her commuting distance by more than 50 miles, (iv) termination of employment by the Company other than as expressly permitted by the CIC Plan or (v) failure of a successor company to assume the CIC Plan.

Change in Control Agreement with Mr. Knauss. Mr. Knauss' change in control agreement has a three-year term that is subject to automatic one-year extensions unless either the Company or Mr. Knauss gives notice to the other party at least 180 days before such extension becomes effective, reflecting emerging best practice for change in control agreements.

In the event that Mr. Knauss is terminated without cause or resigns for good reason (each as defined in his change in control agreement and further described below) within the three-year period following a change in control, he will be entitled to the following change in control severance benefits, subject to the execution of a general release and waiver:

- Cash compensation equal to three times base salary and three times the average annual EIC Plan awards for the preceding three years, plus 100% of the average annual EIC Plan awards for the preceding three years, pro-rated to the date of termination. This amount will be paid in a lump sum after termination.
- Payment of an amount that would equal the difference between the actuarial equivalent of the benefit Mr. Knauss would have been eligible to receive if his employment had continued until the third anniversary of the date of termination and the actuarial equivalent of his actual aggregate benefits paid or payable, if any, as of the date of termination under the qualified and nonqualified retirement plans. This amount will also be paid in a lump sum after termination.
- Continued participation in health, welfare and insurance benefits until the third anniversary of the date of termination. In addition, for purposes of determining Mr. Knauss' eligibility for retiree benefits under other Company plans and programs, he will be deemed to have continued employment during such period and to have retired on the last day of such period.
- Financial planning services for the calendar year of termination.
- The opportunity to purchase his company-provided automobile at the buyout amount specified by the lessor, if applicable.
- In addition, any outstanding stock awards granted to Mr. Knauss under the Company's long-term incentive awards program prior to the change in control will automatically vest upon a qualifying termination following a change in control in accordance with the terms of the award agreements.

"Good reason" is defined in Mr. Knauss' change in control agreement as (i) a material diminution of position or an assignment of inconsistent duties, (ii) a decrease in or failure to provide compensation and benefits, (iii) a material change in work location, (iv) a termination of Mr. Knauss' employment by the Company other than as expressly permitted by his agreement, (v) any material failure by the Company to have a successor corporation assume the agreement or (vi) a failure of the Board to nominate Mr. Knauss to the Board at any time. Failure by the stockholders to elect Mr. Knauss to the Board will not constitute good reason.

"Cause" is defined in Mr. Knauss' change in control agreements as the (i) willful and continued failure to perform duties after receiving a written warning or (ii) willful engagement in illegal conduct or gross misconduct that is materially and demonstrably injurious to the Company.

In the event that any payments made in connection with a change in control would be subject to the "golden parachute" excise tax, Mr. Knauss' change in control agreement provides for a gross-up payment to make him whole for that tax. The gross-up is an additional payment that would cover (1) the amount of federal excise taxes and (2) the additional income taxes resulting from payment of the gross-up. The Company can reduce the severance payments by up to five percent to avoid the excise tax. If a larger reduction would be required in order to avoid the excise tax, no reduction is made and the Company pays the full excise tax gross-up. This gross-up and the change in control severance-related benefit amounts are reflected in Estimated Potential Payments upon Termination or Change in Control.

In addition to the above benefits, under Mr. Knauss' change in control agreement, if Mr. Knauss dies during the two-year protection period following a change in control or if Mr. Knauss' employment is terminated due to disability during the two-year protection period following a change in control, all stock options granted to him under his employment agreement become fully vested and, in the case of the stock options, will remain exercisable for one year following the date of death or termination due to disability or, if earlier, until the expiration of the term of the option. Furthermore, upon a change in control, should the continuing entity not assume or replace the stock options awarded to Mr. Knauss under his employment agreement, such awards will become immediately vested upon the change in control.

Mr. Knauss is subject to the same restrictive covenants as set forth in the CIC Plan, described in detail above.

Estimated Potential Payments upon Termination or Change in Control

The following table reflects the estimated amount of compensation payable to each of the Company's named executive officers (excluding Beth Springer who is no longer an employee at the end of fiscal year 2011) upon termination of the named executive officer's employment under different scenarios. The amounts exclude earned amounts such as vested or accrued benefits, other than benefits vested under the Company's SERP or replacement SERP. If a named executive officer is eligible for his or her SERP benefit as of the assumed termination date, the respective SERP benefit amount reported under the Retirement column is also included in the scenarios for Involuntary Termination Without Cause and Termination After Change in Control on the Retirement Benefits line.

The amounts shown below are calculated using an assumed termination date effective as of the last business day of fiscal year 2011 (June 30, 2011) and the closing trading price of our Common Stock, upon which certain of the calculations are based, of $67.44 on such date. Although the calculations are intended to provide reasonable estimates of the potential compensation payable, they are based on assumptions outlined in the footnotes below and may not represent the actual amount the named executive officer would receive if an eligible termination event were to occur.

The table does not include compensation or benefits provided under plans or arrangements that are generally available to all salaried employees with the exception of disability and life insurance. Amounts reflected for change in control assume that each named executive officer is involuntarily terminated by the Company without cause or voluntarily terminates for good reason within two years after a change in control. For further details about the post-termination amounts shown in the table below, see the respective discussions above.

TERMINATION TABLES

Name and Benefits	Involuntary Termination Without Cause (or Good Reason for CEO Only)	Termination After Change In Control	Retirement	Disability	Death
Donald R. Knauss					
Cash Severance	$ 6,111,045 (1)	$ 9,626,120 (2)	$ —	$ — (3)	$ — (3)
Stock Options	—	3,266,730 (4)	—	3,266,730 (5)	3,266,730 (5)
Restricted Stock	—	—	—	—	—
Performance Shares	—	5,521,042 (6)	—	8,375,513 (7)	8,375,513 (7)
Retirement Benefits	5,118,273 (8)	9,426,082 (9)	5,118,273 (8)	5,483,509 (10)	2,726,509 (11)
Health and Welfare Benefits	— (12)	10,996 (13)	—	—	—
Disability/Life Insurance (14)	—	—	—	1,616,418	1,150,000
Financial Planning (15)	16,500	16,500	—	—	—
Excise Tax Gross-Up (16)	—	9,657,166	—	—	—
Total Estimated Value	$ 11,245,818	$ 37,524,637	$ 5,118,273	$ 18,742,170	$ 15,518,752
Lawrence S. Peiros					
Cash Severance	$ 2,030,000 (17)	$ 3,262,440 (18)	$ — (19)	$ — (3)	$ — (3)
Stock Options	1,317,632 (20)	2,131,173 (4)	1,317,632 (20)	1,012,176 (5)	1,012,176 (5)
Restricted Stock	—	—	—	—	—
Performance Shares	1,447,064 (21)	1,724,115 (6)	1,447,064 (21)	2,600,481 (7)	2,600,481 (7)
Retirement Benefits	5,710,201 (22)	6,424,679 (23)	5,710,201 (24)	3,354,732 (10)	2,842,657 (11)
Health and Welfare Benefits	30,384 (12)	36,411 (25)	—	—	—
Disability/Life Insurance (14)	—	—	—	789,732	700,000
Financial Planning (15)	16,500	16,500	—	—	—
Excise Tax Gross-Up (16)	—	—	—	—	—
Total Estimated Value	$ 10,551,782	$ 13,595,318	$ 8,474,898	$ 7,757,121	$ 7,155,314

Name and Benefits	Involuntary Termination Without Cause (or Good Reason for CEO Only)	Termination After Change In Control	Retirement	Disability	Death
Daniel J. Heinrich					
Cash Severance	$ 1,583,307 (17)	$ 2,516,016 (18)	$ — (19)	$ — (3)	$ — (3)
Stock Options	831,553 (20)	1,339,995 (4)	831,553 (20)	627,750 (5)	627,750 (5)
Restricted Stock	—	—	—	—	—
Performance Shares	917,532 (21)	1,090,718 (6)	917,532		