

## **The Clorox Company Corporate Governance Guidelines** **[Effective May 20, 2019]**

### **General**

The Board of Directors (the “Board”) of The Clorox Company (the “Company”) represents the interests of the Company and its stockholders in perpetuating a successful business, including optimizing long-term financial returns. The Board is responsible for determining that the Company is managed in such a way as to foster this result. This is an active, not a passive responsibility. The Board has the responsibility to see that in good times, as well as difficult times, management is capably executing its responsibilities. The Board’s responsibility is to oversee management’s operation of the Company’s business, to monitor the effectiveness of management policies and decisions, including providing input on the execution of its strategies, and to provide for management succession.

The Board has adopted these Corporate Governance Guidelines (the “Guidelines”) as a framework for the governance of the Company. The Nominating, Governance and Corporate Responsibility Committee reviews these Guidelines annually and recommends changes to the Board as appropriate.

### **Board Oversight**

To optimize long-term financial returns, the Board must:

- Oversee that the Company operates in a legal, ethical and socially responsible manner and that the Company maintains a Code of Conduct that complies with New York Stock Exchange and Securities and Exchange Commission requirements;
- Select, evaluate and offer advice and counsel to the Chief Executive Officer and work with the Chief Executive Officer to develop effective measurement systems to evaluate and determine the Company’s degree of success in creating long-term economic value for its stockholders;
- Evaluate the composition of the Board and recommend Board candidates who have the capability and capacity (as set forth under Board Membership Criteria) to guide and provide effective oversight of the Company;
- Review, approve and monitor fundamental financial and business strategies and major corporate actions;
- Plan for succession of the Chief Executive Officer as well as other members of the Company’s Executive Committee;
- Oversee the Company’s capital structure and financial policies and practices;
- Oversee the Company’s process for assessing and managing major risks facing the Company;
- Oversee the Company’s legal and regulatory compliance;
- Shape effective corporate governance;
- Oversee the Company’s corporate culture, provide advice and counsel to management regarding any significant cultural challenges facing the Company and evaluate management’s efforts to align corporate culture with the Company’s stated values and long-term strategy;

- Provide counsel and oversight on the selection, evaluation and development, and approve the compensation, of executive officers; and
- Oversee the Company's stockholder engagement efforts.

## Directors

1. **Board Membership Criteria.** Membership on the Board should be confined to those individuals who can, on the basis of their knowledge, experience and background, make valuable contributions to the overall conduct of the business. The Nominating, Governance and Corporate Responsibility Committee is responsible for developing and recommending Board membership criteria to the Board for approval and for periodically reviewing these criteria. In assessing potential new directors, the Committee will consider individuals from various disciplines and diverse backgrounds. Board candidates, including incumbent directors, are considered based upon various criteria, including their broad-based leadership and relevant business skills and experiences, prominence and reputation in their professions, global business and social perspective, ability to effectively represent the long-term interests of the stockholders and personal integrity and judgment – all in the context of an assessment of the Company's strategy and the overall composition of the Board. The Nominating, Governance and Corporate Responsibility Committee believes that the following experience and skills, among others, are important in creating a diverse and well-rounded Board: (a) significant current or prior leadership experience (such as service in a significant leadership role, including as a chief executive officer, or other executive officer or senior leadership position); (b) leadership experience on public company, private company, non-profit or other boards; (c) knowledge of the Company's business, the consumer packaged goods industry or other complementary industry; (d) experience in emerging technology, innovation (including digital and social media, e-commerce and the sharing economy), brand building, marketing or other relevant areas; (e) relevant retail or customer experience; (f) operational experience; (g) experience in product development, supply chain management, or other relevant areas; (h) significant mergers and acquisitions, partnerships or strategy experience; (i) international experience; (j) financial and accounting expertise; (k) cybersecurity, data privacy and information technology knowledge; (l) regulatory, research and development or scientific experience (including experience in the health and wellness and other relevant regulated sectors); (m) social responsibility, environmental, climate, sustainability and/or public issues expertise; and (n) human resources, culture and/or other human capital experience. In addition, the Board recognizes the value in diversity and endeavors to assemble a Board with diverse skills, professional experience, perspectives, age, race, ethnicity, gender, gender identity, sexual orientation or identity, national origin and cultural background. The Board is committed to actively seeking out diverse candidates, including qualified women and individuals from minority groups, to include in the pool from which nominees for the Board are selected. At least annually, there is an evaluation of the Board's composition by the Nominating, Governance and Corporate Responsibility Committee to enable the Board and the Nominating, Governance and Corporate Responsibility Committee to assess the skills and characteristics that are currently represented on the Board and in incumbent Board members, as well as the skills and characteristics that the Board may find valuable in the future in light of the Company's anticipated business needs. The ability of incumbent directors to contribute to the Board is also considered in connection with the re-nomination process. The Nominating, Governance and Corporate Responsibility Committee reviews the qualifications of Board candidates in light of the criteria approved by the Board and recommends the Company's director candidates to the Board for election by the Company's stockholders at the Annual

Meeting of Stockholders. The Committee also recommends to the Board candidates to be elected by the Board as necessary to fill vacancies and newly created directorships.

2. **Size and Composition.** The Nominating, Governance and Corporate Responsibility Committee shall make recommendations to the Board regarding the size and composition of the Board. The size of the Board should be limited to a number that enables it to operate effectively in managing the activities of the Board and its Committees. Ideally, the Board should have nine to 13 directors, unless in an unusual situation the Board believes that the interests of the Company call for a temporary deviation from this range.
3. **Independence.** The Board shall consist of a substantial majority of independent directors. An independent director is a director who meets the New York Stock Exchange definition of independence, as determined by the Board. The Board has adopted the standards set forth in Appendix A to assist it in assessing the independence of directors. The Board shall make an affirmative determination regarding the independence of each director annually, based upon the recommendation of the Nominating, Governance and Corporate Responsibility Committee.
4. **Board Leadership.** The Board believes that it is in the best interests of the Company and its stockholders for the Board to have the flexibility to make the determination as to whether to separate or combine the roles of Chair and Chief Executive Officer based upon the Company's circumstances and whether the Chair role should be held by an independent director ("Independent Chair").

When there is an Independent Chair, the Independent Chair shall be elected annually by and from the independent Board members and perform clearly delineated and comprehensive duties. An Independent Chair must have served as a director of the Company for a minimum of three years in order to qualify as the Independent Chair, unless otherwise agreed by the Board. The Independent Chair must have maintained independent status for the last three fiscal years. The duties of the Independent Chair include serving as a liaison between the Chief Executive Officer and the Board. In addition, the Independent Chair: (a) assists the Board and Company officers in promoting compliance with and implementation of these Guidelines; (b) presides at all meetings of the Board; (c) presides at all sessions of independent directors and has the authority to call additional meetings of independent directors; (d) approves information sent to the Board and advises the Chief Executive Officer and other members of management on such information; (e) works with the Chief Executive Officer and other members of management to establish meeting agendas, and approves meeting schedules for the Board to ensure that there is sufficient time for discussion of all agenda items; (f) is available for consultation and direct communication with major stockholders if requested; and (g) evaluates, along with the members of the Management Development and Compensation Committee and the other independent directors, the performance of the Chief Executive Officer.

When the positions of Chair and Chief Executive Officer are combined or if the Chair is not otherwise independent, an independent Lead Director shall be elected annually by and from the independent Board members with clearly delineated and comprehensive duties. A Lead Director must have served as a director of the Company for a minimum of three years in order to qualify as the Lead Director, unless otherwise agreed by the Board. The Lead Director must have maintained independent status for the last three fiscal years. The duties of the Lead Director include coordinating the activities of the independent directors and serving as a liaison between the Chair and the independent directors. In addition, the Lead Director: (a)

assists the Board and Company officers in promoting compliance with and implementation of these Guidelines; (b) presides at the executive sessions of the independent directors and has the authority to call additional executive sessions or meetings of the independent directors; (c) presides at Board meetings in the Chair's absence; (d) approves information sent to the Board; (e) approves meeting agendas and approves meeting schedules for the Board to ensure that there is sufficient time for discussion of all agenda items; (f) is available for consultation and direct communication with major stockholders if requested; and (g) evaluates, along with the members of the Management Development and Compensation Committee and the other independent directors, the performance of the Chief Executive Officer.

5. **Retirement Age; Change in Principal Occupation.** A non-management director may not be nominated to a new term if he or she would be age 72 or older at the time of the election; provided, however, from time to time, the Board may re-nominate a non-management director for up to one additional term if the Board determines that due to his or her unique capabilities and/or special circumstances, such re-nomination is in the best interests of the Company. A Company management director must resign or retire concurrently with resignation or upon retirement from active Company management. A non-management director must also offer his or her resignation to the Chair and the Chair of the Nominating, Governance and Corporate Responsibility Committee in the event of any significant change in his or her personal circumstances that affects his or her ability to contribute to the Company, including a change in his or her primary job responsibilities, so that the Board, through the Nominating, Governance and Corporate Responsibility Committee, can consider the action, if any, to be taken with respect to such person's offer of resignation.
6. **Outside Board and Audit Committee Service.** A director should engage in discussion with the Chair of the Nominating, Governance and Corporate Responsibility Committee prior to accepting an invitation to serve on a public or private company board or on the audit committee of another public company's board of directors. Directors generally should not serve on more than four other public company boards, and members of the Company's Audit Committee generally should not serve on more than two other public company audit committees. If a non-management director of the Company is an active chief executive officer of another public company, such director shall not serve on the board of more than two public companies other than the company of which they are the chief executive officer. The Company's Chief Executive Officer may not serve on more than two outside public boards.
7. **Annual Election.** Each director stands for election by the Company's stockholders annually to serve a one-year term.
8. **Majority Voting and Director Resignation Policy.** The Company has adopted majority voting in uncontested elections of directors and plurality voting in contested elections. In uncontested elections, directors are elected by a majority of the votes cast, which means that the number of shares voted "for" a director must exceed the number of shares voted "against" that director. Any director who is not elected by a majority of the votes cast is expected to tender his or her resignation to the Nominating, Governance and Corporate Responsibility Committee. The Nominating, Governance and Corporate Responsibility Committee will recommend to the Board whether to accept or reject such resignation offer, or whether other action should be taken. In determining whether to recommend that the Board accept any resignation offer, the Nominating, Governance and Corporate Responsibility Committee may consider all factors that the Committee's members believe are relevant.

The Board will act on the Nominating, Governance and Corporate Responsibility Committee's recommendation within 90 days following certification of the election results. In deciding whether to accept any resignation offer, the Board will consider the factors considered by the Nominating, Governance and Corporate Responsibility Committee and any additional information and factors that the Board believes to be relevant. If the Board accepts a director's resignation offer pursuant to this process, the Nominating, Governance and Corporate Responsibility Committee will recommend to the Board, and the Board will thereafter determine, whether to fill the vacancy or reduce the size of the Board. Any director who tenders his or her offer of resignation pursuant to this provision will not participate in the proceedings of either the Nominating, Governance and Corporate Responsibility Committee or the Board with respect to his or her own resignation offer.

9. **Code of Conduct and Conflicts of Interest.** The Board expects all directors to act ethically at all times and to adhere to the Company's Code of Conduct. If an actual or potential conflict of interest (or a situation that is reasonably likely to appear to pose a potential conflict of interest) arises for a director, the director shall promptly inform the Chair of the Nominating, Governance and Corporate Responsibility Committee. If a significant conflict exists and cannot be resolved through recusal or other means, the director should offer to resign. All directors will recuse themselves from any discussion or decision affecting their business, that of their affiliates or any personal interests.
10. **Stock Ownership and Retention Requirements.** The Board believes that the linkage of directors' interests to those of stockholders is strengthened when directors are also stockholders. The Board therefore requires that each non-employee director, within five years of being first elected to the Board, own Company stock or deferred stock units with a market value of at least five times their annual retainer. In addition, a portion of director annual fees are paid into a deferred stock compensation plan to purchase deferred shares that cannot be disposed of until the director leaves the Board.
11. **Director Orientation and Continuing Education.** New directors will receive an orientation about the Company and director responsibilities, including information that is designed to familiarize new directors with the Company's business, operations, strategy, finances, risk management, governance and corporate responsibility practices. The Board also encourages Board members to undertake continuing education with respect to the responsibilities of public company directors. The Nominating, Governance and Corporate Responsibility Committee is responsible for oversight of the orientation and continuing education program.
12. **Director Compensation.** Only non-management directors shall receive compensation for serving on the Board. Non-management directors receive an annual retainer. Committee Chairs and the Independent Chair or Lead Director receive an additional retainer. Directors also receive a deferred stock unit grant annually, which stock units may not be sold until after a director leaves the Board. The form and amount of director compensation and the principles upon which such compensation is determined shall be reviewed at least annually by the Management Development and Compensation Committee. The Management Development and Compensation Committee shall make recommendations to the Board with respect to any changes. The Board believes that its total compensation should be set at approximately the median compensation for directors of comparable organizations.
13. **Meetings.** The Board shall hold a minimum of five regularly scheduled meetings per year, but the Board or any of its Committees may hold additional meetings and may act by written consent. Directors are expected to attend Board and Committee meetings and are expected to

participate actively in the work of the Board and Committees to which they are appointed and to prepare for Board and Committee meetings. All directors are expected to attend the Annual Meeting of Stockholders. Attendance by telephone or video conference may be used to facilitate a director's attendance at Board and Committee meetings, as well as the Annual Meeting of Stockholders.

14. **Agendas and Information.** Information relevant to the issues to be considered at Board and Committee meetings generally is distributed in writing or electronically to directors before meetings, unless timing or the sensitivity of information dictates that information be presented only at a meeting. Directors are asked to provide input on agenda topics as part of the annual evaluation process, and are encouraged to suggest the inclusion of agenda items at any time during the year. Directors are also free to raise subjects at a Board meeting that are not on the agenda for that meeting.
15. **Confidentiality.** The proceedings and deliberations of the Board and its Committees are to remain confidential. Each director shall maintain the confidentiality of information received in connection with his or her service as a director.
16. **Executive Sessions.** The independent directors generally hold executive sessions at each regularly scheduled meeting. The Independent Chair or Lead Director chairs the executive sessions.
17. **Board and Director Evaluations.** The Board shall conduct an annual self-evaluation of its performance. The Audit, Nominating, Governance and Corporate Responsibility and Management Development and Compensation Committees shall conduct annual self-evaluations to assess their performance. Each director is also asked to provide, on an annual basis, individual assessments, feedback on the performance of individual peer directors, and feedback on Board agendas and effectiveness. These individual assessments shall be summarized for discussion with the Nominating, Governance and Corporate Responsibility Committee and the full Board. In addition, as discussed above, the ability of incumbent directors to contribute to the Board is considered in connection with the re-nomination process. The Nominating, Governance and Corporate Responsibility Committee is responsible for oversight of the self-evaluation process.
18. **Access to Employees.** Directors have free and open access to management and other employees and are encouraged to communicate with management and other employees as any director determines necessary or appropriate.
19. **Access to Outside Advisors.** The Board and all its committees have the authority to retain such outside counsel, experts and other advisors as it determines necessary or appropriate to conduct its duties.
20. **Director Communications.** The Independent Chair or Lead Director of the Board and the Chief Executive Officer are responsible for establishing a process for the Board to receive communications from the Company's stockholders, customers, employees, communities, suppliers, creditors and corporate partners. As appropriate, directors may meet with such parties, generally along with management. Stockholders, employees and other interested parties may direct communications to individual directors, to a Committee of the Board or to the Board as a whole, by addressing the communication to the named individual, the Committee or to the Board as a whole c/o The Clorox Company, attention Corporate Secretary, 1221 Broadway, Oakland, CA 94612-1888. The Corporate Secretary will review

communications directed to the Board and will forward all communications determined to bear substantively on the business, management or governance of the Company to the addressee(s) as soon as practicable.

21. **Political Contributions.** The Nominating, Governance and Corporate Responsibility Committee oversees the Company's political contributions and its policies and procedures regarding political contributions.

## **Committees of the Board**

1. **Role; Committee Assignments and Rotation.** The Board has established Committees of the Board and has delegated important responsibilities to them. Committees of the Board may also appoint subcommittees from time to time. All independent directors should take an active role in Committee activities with each serving on at least one and, in most cases, two or more Committees. The Nominating, Governance and Corporate Responsibility Committee shall make recommendations to the Board regarding Committee appointments and Chairs based on the interest and expertise of each director. Committee members and Chairs shall be appointed by the full Board.

Participation on the various Committees may be rotated from time to time. All directors are invited to attend all or part of any Committee meeting.

2. **Standing Committees.** At present, the Board has the following Committees:
  - Audit Committee.
  - Management Development and Compensation Committee.
  - Nominating, Governance and Corporate Responsibility Committee.

The Audit Committee, the Management Development and Compensation Committee and the Nominating, Governance and Corporate Responsibility Committee shall consist entirely of directors who meet the New York Stock Exchange definition of independence and the Company's independence standards set forth in Appendix A. In addition, directors who serve on the Audit Committee and the Management Development and Compensation Committee must meet additional, heightened independence and qualification criteria applicable to directors serving on these committees under the New York Stock Exchange listing standards.

3. **Responsibilities.** The responsibility and authority of the Committees of the Board are set forth in their respective charters. In general, the areas of responsibility for each committee are as follows:

- a. Audit Committee – Oversees the integrity of the financial statements, the Company's accounting and financial controls, including the independent and internal auditors, risk management policies and compliance relating to accounting and financial reporting matters.
- b. Management Development and Compensation Committee – Oversees management development and succession planning processes and approves compensation for executive officers and various benefit plans for the Company as a whole.
- c. Nominating, Governance and Corporate Responsibility Committee – Oversees the Company's corporate governance practices, director nominations, Board, Committee, director

and peer evaluations, corporate responsibility, sustainability and political contribution matters, stockholder engagement, and compliance and ethics program.

4. **Committee Charters.** Each of the Audit, Management Development and Compensation and Nominating, Governance and Corporate Responsibility Committees shall assess the adequacy of its charter annually and recommend changes to the Board as appropriate. All Committees shall report regularly to the full Board with respect to their activities.
5. **Committee Agendas.** The chair of each Committee, in consultation with the Chair, will determine the schedules and agendas for the Committee's meetings.

### **Evaluation of the Chief Executive Officer and Succession Planning**

1. **Chief Executive Officer Evaluation.** The Management Development and Compensation Committee is responsible, with input from all independent directors, including the Independent Chair or Lead Director, for conducting an annual evaluation of the Chief Executive Officer's performance. That evaluation considers the Chief Executive Officer's achievement with respect to a number of financial and non-financial performance goals that are established at the beginning of each fiscal year.
2. **Ordinary-Course Succession Planning.** The Board is responsible for planning for succession of the Chief Executive Officer as well as other members of the Company's Executive Committee. On at least an annual basis, the Board will review the succession plans for these executives, including backgrounds, capabilities and development opportunities for potential successors.
3. **Emergency Succession Planning.** The Independent Chair or Lead Director and the Chief Executive Officer will make available to the Board on a continuing basis their recommendation as to a successor for the Chief Executive Officer in the event of an unexpected disability or inability to perform the duties of this position.

### **Strategic Planning**

The Board reviews the Company's long-term strategic plan at least annually and monitors implementation of the strategic plan throughout the year. In addition, the Board holds an annual retreat that focuses on the Company's strategy and the major areas of the Company's business.



## Appendix A

### Independence

The Board shall review annually, or when called for under the circumstances, any relationships that directors or nominees have with the Company and make an affirmative determination regarding the independence of each director. Only those directors whom the Board affirmatively determines have no material relationship with the Company (either directly or as a partner, stockholder or officer of an organization that has a relationship with the Company) are considered independent.

The Board has established the following criteria to be used in determining whether a director has a material relationship with the Company:

1. A director will not be deemed to be independent if the director is, or has been within the preceding three years, an employee of the Company, or an immediate family member is, or has been within the preceding three years, an executive officer of the Company, provided, however, that a director's employment as an interim Chair, interim chief executive officer or other interim executive officer for 12 months or less shall not disqualify him or her from being considered independent following that employment.
2. A director will not be deemed to be independent if, during any 12-month period within the preceding three years, the director or an immediate family member received more than \$120,000 in direct compensation from the Company, other than director and committee fees, pension or other forms of deferred compensation for prior service (provided that such compensation is not contingent in any way on continued service), compensation for former service as an interim Chair or interim chief executive officer or other interim executive officer, compensation received by an immediate family member for service as an employee (other than an executive officer) of the Company, or dividends on Company stock beneficially owned by the director.
3. A director will not be deemed to be independent if (i) the director, or an immediate family member is a current partner of the firm that is the Company's independent registered public accounting firm; (ii) the director is a current employee of such firm; (iii) an immediate family member of the director is a current employee of such firm who personally works on the Company's audit or (iv) the director or an immediate family member was within the preceding three years (but is no longer) a partner or employee of such firm and personally worked on the Company's audit within that time.
4. A director will not be deemed to be independent if, within the preceding three years: (i) the director or an immediate family member is or was employed as an executive officer of another company where any of the Company's present executive officers at the same time serves or served on that company's compensation committee or (ii) the director is a current employee, or an immediate family member is a current executive officer, of another company that has made payments to or received payments from the Company for property or services that, in any of the preceding three fiscal years, exceeded the greater of \$1 million or two percent of such other company's consolidated gross revenues.
5. A director may be considered independent notwithstanding that the director owns, or is a partner, stockholder, officer, director or employee of, an entity that owns not more than 30% of the outstanding stock of the Company unless the director or the entity owning the

Company's stock has a relationship with the Company that, under paragraphs 1 through 4 above or otherwise, precludes a finding of independence.

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