

# THE CLOROX COMPANY

## MANAGEMENT DEVELOPMENT AND COMPENSATION COMMITTEE CHARTER

As of May 16, 2016

### Purpose and Authority

The Management Development and Compensation Committee (the “Committee”) is established by the Board of Directors (the “Board”) for the purposes of:

1. Assisting the Board in discharging its responsibilities relating to compensation of the Company’s Chief Executive Officer (“CEO”) and other Executive Officers;
2. Reviewing and approving the Company’s compensation policies, plans and goals and objectives for executive officers and directors;
3. Overseeing the Company’s management development and succession planning processes; and
4. Performing such other duties and responsibilities as may be assigned to the Committee by the Board or as designated in plan documents.

“Executive Officers” as used in this charter means members of the Company’s Executive Committee and any other officers within the meaning of Rule 16a-1(f) issued by the SEC.

The Committee shall report regularly to the Board regarding the execution of its duties and responsibilities.

The Committee shall have the authority, in its sole discretion, to retain, oversee and terminate, and to approve the fees and other retention terms of, such consultants, outside counsel and other experts and advisors as it deems necessary to carry out its duties. The Company shall provide appropriate funding, as determined by the Committee, for payment of reasonable compensation to such consultants, outside counsel and other experts and advisors. The Committee shall also annually assess the independence of any consultants, outside counsel, experts and advisors prior to either (i) their retention or (ii) receipt of advice if not retained by the Committee.

This Charter shall be reviewed annually and updated as necessary. The Committee shall also conduct an annual evaluation of its performance relative to the purpose, duties and responsibilities described herein. The Committee may delegate any of its duties and responsibilities to subcommittees, as the Committee may deem appropriate. The decisions made pursuant to any such delegated authority shall be reported to the full Committee at its next scheduled meeting.

### Composition and Meetings

The Committee shall consist of at least three directors, each of whom is determined by the Board to be independent as that term is defined by the New York Stock Exchange and the Company’s independence standards set forth in the Company’s Corporate Governance Guidelines. At least two members of the Committee must qualify as “non-employee directors” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). At least

two members of the Committee must qualify as “outside directors” for purposes of Section 162(m) of the Internal Revenue Code (the “Code”). In the event that approval by the Committee of any incentive compensation or equity plan, or grants made thereunder, would not satisfy the relevant requirements for either tax deductibility under Section 162(m) of the Code or an otherwise available exclusion from potential short-swing trading profits liability under Section 16(b) of the Exchange Act pursuant to Rule 16b-3, and the Committee determines that such compliance is desirable, then a properly constituted subcommittee shall approve and authorize such plans and grants.

The Board, by majority vote, may remove a member of the Committee without cause or appoint a director to serve on the Committee at any duly noticed meeting of the Board.

The Committee shall meet at least four times per year either in person or by teleconference. One-third of the Committee members shall constitute a quorum.

### **Duties and Responsibilities**

The Committee shall:

1. With respect to executive compensation:
  - Review and approve the performance goals and objectives for the CEO and other Executive Officers, including the performance goals and objectives for purposes of payments and awards under the short-term incentive compensation plans and the long-term incentive compensation plans.
  - Annually determine the extent to which such performance goals and objectives have been met.
  - Evaluate the CEO’s performance using a multi-step process including setting the goals and objectives at the beginning of the fiscal year, a mid-year review and a year-end evaluation review.
  - Determine and approve the CEO’s salary and other compensation based on the performance evaluation conducted by the Committee and the other independent directors, as well as input from the Company’s compensation consultant and recommendations from the independent directors.
  - Review periodically with the CEO the performance of each of the other Executive Officers in light of their goals and objectives and approve the salary and other compensation of each such Executive Officer based on that evaluation.
  - Determine the amount and other material terms of individual awards to be made to Executive Officers under the Company’s short-term incentive compensation plans and long-term incentive compensation plans.
  - Review and approve, as appropriate, recommendations regarding retirement income and other deferred benefit plans applicable to Executive Officers.
  - Review and approve, as appropriate, recommendations of the CEO regarding new Executive Committee positions before the job is filled and, unless appointed by the Board, appoint any officer required to be appointed by the Board under the Company’s bylaws.

- Review and approve any employment agreements, change-in-control arrangements, severance arrangements or special or supplemental employee benefits, and any amendments to any of the foregoing, applicable to Executive Officers.
  - Evaluate the outcome of the advisory vote of the stockholders regarding “say on pay” and make recommendations or take appropriate actions in response to such advisory vote.
2. With respect to incentive compensation and equity plans:
- Make recommendations to the Board with respect to the structure of overall incentive and equity-based plans and adopt, amend or terminate plans consistent with the approved structure.
  - Review and approve performance goals and objectives, threshold and maximum awards and maximum aggregate funding for participants in the short-term incentive compensation plans who are not Executive Officers.
  - Administer and interpret the equity compensation plan and other long-term compensation plans and programs.
  - Review, approve and oversee all equity award granting practices under the long-term incentive compensation plans.
  - Initiate studies of new executive compensation plans and of existing plans, as appropriate.
  - Review and approve the Executive Stock Ownership Guidelines and Non-Management Director Stock Ownership Guidelines and monitor compliance with such Stock Ownership Guidelines.
  - Consider the risks arising from the Company’s compensation plans, policies and practices in the course of performing its duties and responsibilities, and periodically evaluate, or oversee the evaluation of, the risks arising from the Company’s compensation practices and policies.
3. With respect to benefit, health and welfare, and retirement plans:
- Review and adopt or terminate benefit, health and welfare, and retirement plans and make any amendments thereto (exercising this authority as a plan sponsor, not an administrator, on behalf of the Company for ERISA plans), except to the extent that the Employee Benefits Committee has been delegated authority. The administration of the Company’s tax-qualified retirement plans such as pension and 401(k) plans, along with health and welfare plans, is the responsibility of the Employee Benefits Committee, with the exception of certain non-ERISA executive health and welfare plans.
4. With respect to director compensation:
- Annually review the compensation of non-management directors and the principles upon which such compensation is determined and make any recommendations to the Board regarding such compensation.

5. With respect to succession:

- In conjunction with the Board, oversee the management development and succession planning process (including succession planning for emergencies) for the CEO and the CEO's executive direct reports.
- Periodically review the Company's diversity programs and key metrics.

6. With respect to executive compensation and related disclosures:

- Review and discuss with management the Company's Compensation Discussion and Analysis and compensation-related disclosures required to be included in the Company's annual report and proxy statement in accordance with applicable rules and regulations.
- Review the Company's compensation policies and programs to ensure that such policies and programs do not encourage excessive risk taking by Company employees and executive officers.
- Recommend to the Board based on the review and discussions whether the Compensation Discussion and Analysis should be included in the annual report and proxy statement.
- Prepare the compensation committee report required to be included in the Company's annual report and proxy statement in accordance with applicable rules and regulations.
- Determine annually if any conflicts of interest exist on the part of any executive compensation consultants retained by the Committee, and if so, ensure disclosure of such conflicts, including the nature of the conflict and how it was addressed, in the Company's proxy statement.

### **Other Responsibilities**

The Committee shall perform other activities consistent with this charter, the Company's by-laws and governing law, as the Committee or the Board deems necessary or appropriate.