

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended December 31, 2014.

OR

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

For the transition period from _____ to _____

Commission File Number: **1-07151**

THE CLOROX COMPANY

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

31-0595760

(I.R.S. Employer Identification No.)

**1221 Broadway
Oakland, California**

(Address of principal executive offices)

94612-1888

(Zip code)

(510) 271-7000

(Registrant's telephone number, including area code)

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

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

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

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

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

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

As of January 31, 2015, there were 131,177,785 shares outstanding of the registrant's common stock (\$1.00 – par value).

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

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

	Three Months Ended		Six Months Ended	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Net sales	\$ 1,345	\$ 1,308	\$ 2,697	\$ 2,651
Cost of products sold	773	753	1,547	1,512
Gross profit	572	555	1,150	1,139
Selling and administrative expenses	191	196	371	390
Advertising costs	127	122	248	242
Research and development costs	33	31	63	62
Interest expense	26	26	52	52
Other (income) expense, net	(2)	(4)	1	(2)
Earnings from continuing operations before income taxes	197	184	415	395
Income taxes on continuing operations	69	66	142	138
Earnings from continuing operations	128	118	273	257
Losses from discontinued operations, net of tax	(3)	(3)	(58)	(6)
Net earnings	\$ 125	\$ 115	\$ 215	\$ 251
Net earnings (losses) per share				
Basic				
Continuing operations	\$ 0.98	\$ 0.91	\$ 2.10	\$ 1.99
Discontinued operations	(0.02)	(0.02)	(0.44)	(0.06)
Basic net earnings per share	\$ 0.96	\$ 0.89	\$ 1.66	\$ 1.93
Diluted				
Continuing operations	\$ 0.97	\$ 0.90	\$ 2.07	\$ 1.95
Discontinued operations	(0.02)	(0.03)	(0.44)	(0.05)
Diluted net earnings per share	\$ 0.95	\$ 0.87	\$ 1.63	\$ 1.90
Weighted average shares outstanding (in thousands)				
Basic	130,555	129,836	129,933	129,955
Diluted	132,819	132,278	132,203	132,276
Dividends declared per share	\$ 0.74	\$ 0.71	\$ 1.48	\$ 1.42
Comprehensive income	\$ 88	\$ 96	\$ 179	\$ 231

See Notes to Condensed Consolidated Financial Statements

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

	12/31/2014 (Unaudited)	6/30/2014
ASSETS		
Current assets		
Cash and cash equivalents	\$ 819	\$ 329
Receivables, net	473	546
Inventories	446	386
Other current assets	167	134
Total current assets	1,905	1,395
Property, plant and equipment, net of accumulated depreciation and amortization of \$1,809 and \$1,776, respectively	933	977
Goodwill	1,080	1,101
Trademarks, net	537	547
Other intangible assets, net	55	64
Other assets	164	174
Total assets	<u>\$ 4,674</u>	<u>\$ 4,258</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Notes and loans payable	\$ 2	\$ 143
Current maturities of long-term debt	875	575
Accounts payable	375	440
Accrued liabilities	492	472
Income taxes payable	-	8
Total current liabilities	1,744	1,638
Long-term debt	1,795	1,595
Other liabilities	773	768
Deferred income taxes	81	103
Total liabilities	<u>4,393</u>	<u>4,104</u>
Commitments and contingencies		
Stockholders' equity		
Preferred stock: \$1.00 par value; 5,000,000 shares authorized; none issued or outstanding	-	-
Common stock: \$1.00 par value; 750,000,000 shares authorized; 158,741,461 shares issued at both December 31, 2014 and June 30, 2014; and 130,968,651 and 128,796,228 shares outstanding at December 31, 2014 and June 30, 2014, respectively	159	159
Additional paid-in capital	726	709
Retained earnings	1,757	1,739
Treasury shares, at cost: 27,772,810 and 29,945,233 shares at December 31, 2014 and June 30, 2014, respectively	(1,908)	(2,036)
Accumulated other comprehensive net loss	(453)	(417)
Total Stockholders' equity	<u>281</u>	<u>154</u>
Total liabilities and stockholders' equity	<u>\$ 4,674</u>	<u>\$ 4,258</u>

See Notes to Condensed Consolidated Financial Statements

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

	Six Months Ended	
	12/31/2014	12/31/2013
Operating activities:		
Net earnings	\$ 215	\$ 251
Deduct: Losses from discontinued operations, net of tax	(58)	(6)
Earnings from continuing operations	273	257
Adjustments to reconcile earnings from continuing operations to net cash provided by continuing operations:		
Depreciation and amortization	85	88
Share-based compensation	9	23
Deferred income taxes	(16)	(6)
Settlement of interest rate forward contracts	(25)	-
Other	5	5
Changes in:		
Receivables, net	60	77
Inventories	(78)	(72)
Other current assets	(4)	(8)
Accounts payable and accrued liabilities	(19)	(77)
Income taxes payable	(23)	(65)
Net cash provided by continuing operations	267	222
Net cash provided by (used for) discontinued operations	10	(12)
Net cash provided by operations	277	210
Investing activities:		
Capital expenditures	(60)	(63)
Other	3	1
Net cash used for investing activities	(57)	(62)
Financing activities:		
Notes and loans payable, net	(141)	140
Long-term debt borrowings, net of issuance costs	496	-
Treasury stock purchased	(8)	(130)
Cash dividends paid	(191)	(184)
Issuance of common stock for employee stock plans and other	125	71
Net cash provided by (used for) financing activities	281	(103)
Effect of exchange rate changes on cash and cash equivalents	(11)	(3)
Net increase in cash and cash equivalents	490	42
Cash and cash equivalents:		
Beginning of period	329	299
End of period	\$ 819	\$ 341

See Notes to Condensed Consolidated Financial Statements

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

NOTE 1. INTERIM FINANCIAL STATEMENTS

Basis of Presentation

The unaudited interim condensed consolidated financial statements for the three and six months ended December 31, 2014 and 2013, in the opinion of management, reflect all adjustments (consisting of normal recurring accruals) necessary for a fair presentation of the consolidated results of operations, financial position and cash flows of The Clorox Company and its subsidiaries (the Company) for the periods presented. The results for the interim period ended December 31, 2014, are not necessarily indicative of the results that may be expected for the fiscal year ending June 30, 2015, or for any other future period.

Effective September 22, 2014, the Company's Venezuela affiliate, Corporación Clorox de Venezuela S.A. (Clorox Venezuela), discontinued its operations. Consequently, for the three and six months ended December 31, 2014 and 2013, Clorox Venezuela is reflected as a discontinued operation in the Company's financial statements.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) have been omitted or condensed pursuant to the rules and regulations of the Securities and Exchange Commission (SEC). The information in this report should be read in conjunction with the Company's audited financial statements for the fiscal year ended June 30, 2014, which includes a complete set of footnote disclosures, including the Company's significant accounting policies, filed with the SEC in Exhibit 99.2 of the Company's Current Report on Form 8-K on December 4, 2014.

Recently Issued Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, "Revenue from Contracts with Customers (Topic 606)," which replaces most existing U.S. GAAP revenue recognition guidance and is intended to improve and converge with international standards the financial reporting requirements for revenue from contracts with customers. The core principle of ASU 2014-09 is that an entity should recognize revenue for the transfer of goods or services equal to the amount that it expects to be entitled to receive for those goods or services. ASU 2014-09 also requires additional disclosures about the nature, timing and uncertainty of revenue and cash flows arising from contracts with customers, including information about significant judgments and changes in judgments. The new guidance is effective for the Company beginning in the first quarter of fiscal year 2018, with no early adoption permitted. The Company is currently evaluating the impact the adoption of ASU 2014-09 will have on its consolidated financial statements.

In April 2014, the FASB issued ASU No. 2014-08 "Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity (Topic 205)", which will change the criteria for reporting discontinued operations. The amendments will also require new disclosures about discontinued operations and disposals of components of an entity that do not qualify for discontinued operations reporting. The amendments are effective for the Company for new disposals (or classifications as held for sale) of components of the Company, should they occur, beginning in the first quarter of fiscal year 2016. Early adoption is permitted for disposals (or classifications as held for sale) that have not been previously reported. The Company will adopt this ASU beginning in the first quarter of fiscal year 2016, as required. Adoption of the new standard will not impact the Company's reporting or disclosures for discontinued operations of Clorox Venezuela.

NOTE 2. DISCONTINUED OPERATIONS

On September 22, 2014, Clorox Venezuela announced that it was discontinuing its operations, effective immediately, and seeking to sell its assets. Since fiscal year 2012, Clorox Venezuela was required to sell more than two thirds of its products at prices frozen by the Venezuelan government. During this same period, Clorox Venezuela experienced successive years of hyperinflation resulting in significant sustained increases in its input costs, including packaging, raw materials, transportation and wages. As a result, Clorox Venezuela had been selling its products at a loss, resulting in ongoing operating losses. Clorox Venezuela repeatedly met with government authorities in an effort to help them understand the rapidly declining state of the business, including the need for immediate, significant and ongoing price increases and other critical remedial actions to address these adverse impacts. Based on the Venezuelan government’s representations, Clorox Venezuela had expected significant price increases would be forthcoming much earlier; however, the price increases subsequently approved were insufficient and would have caused Clorox Venezuela to continue operating at a significant loss into the foreseeable future. As such, Clorox Venezuela was no longer financially viable and was forced to discontinue its operations.

On September 26, 2014, the Company reported that Venezuelan Vice President Jorge Arreaza announced, with endorsement by President Nicolás Maduro, that the Venezuelan government had occupied the Santa Lucía and Guacara production facilities of Clorox Venezuela. On November 6, 2014, the Company reported that the Venezuelan government had published a resolution granting a government-sponsored Special Administrative Board full authority to restart and operate the business formerly operated by Clorox Venezuela, thereby reaffirming the government’s expropriation of Clorox Venezuela’s assets. Further, President Nicolás Maduro announced the government’s intention to facilitate the resumed production of bleach and other cleaning products at Clorox Venezuela plants. He also announced his approval of a financial credit to invest in raw materials and production at the plants. These actions by the Venezuelan government were taken without the consent or involvement of Clorox Venezuela, its parent Clorox Spain S.L. (Clorox Spain) or any of their affiliates. Clorox Venezuela, Clorox Spain and their affiliates reserved their rights under all applicable laws and treaties.

With this exit, the financial results of Clorox Venezuela are reflected as discontinued operations in the Company’s consolidated financial statements. The results of Clorox Venezuela have historically been part of the International reportable segment. The following table provides summary net sales for Clorox Venezuela and a breakdown of losses from discontinued operations for the periods indicated:

	Three Months Ended		Six Months Ended	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Net sales for Clorox Venezuela	\$ -	\$ 22	\$ 11	\$ 43
Operating losses from Clorox Venezuela	-	(3)	(6)	(6)
Exit costs and other related expenses for Clorox Venezuela	(4)	-	(77)	-
Total losses from Clorox Venezuela before income taxes	(4)	(3)	(83)	(6)
Income tax benefit attributable to Clorox Venezuela	1	1	25	2
Total losses from Clorox Venezuela, net of tax	(3)	(2)	(58)	(4)
Losses from other discontinued operations, net of tax	-	(1)	-	(2)
Losses from discontinued operations, net of tax	<u>\$ (3)</u>	<u>\$ (3)</u>	<u>\$ (58)</u>	<u>\$ (6)</u>

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NOTE 2. DISCONTINUED OPERATIONS (Continued)

Summary of Operating Losses, Asset Charges and Other Costs

The following provides a breakdown of amounts included in losses from discontinued operations for the periods indicated:

	<u>Three Months Ended</u>	<u>Six Months Ended</u>
	<u>12/31/2014</u>	<u>12/31/2014</u>
Operating losses from Clorox Venezuela	\$ -	\$ (6)
Asset charges:		
Inventories	-	(11)
Property, plant and equipment, net	-	(16)
Trademark and other intangible assets	-	(6)
Other assets	-	(4)
Other exit and business termination costs:		
Severance	-	(3)
Recognition of deferred foreign currency translation loss	-	(30)
Other	(4)	(7)
Total losses from Clorox Venezuela before income taxes	(4)	(83)
Income tax benefit attributable to Clorox Venezuela	1	25
Total losses from Clorox Venezuela, net of tax	(3)	(58)
Losses from other discontinued operations, net of tax	-	-
Losses from discontinued operations, net of tax	<u>\$ (3)</u>	<u>\$ (58)</u>

Prior to Clorox Venezuela being consolidated under the rules governing the preparation of financial statements in a highly inflationary economy, cumulative translation gains (losses) were included as a component of accumulated other comprehensive net loss. The charge of \$30 to discontinued operations in September 2014 represents the recognition of these losses as a result of Clorox Venezuela discontinuing its operations effective September 22, 2014.

Goodwill related to Clorox Venezuela was previously aggregated and assessed for impairment at the Latin America reporting unit level, which is a component of the Company's International segment. Based on the results of the annual impairment test performed in the fourth quarter of fiscal year 2014, the fair value of the Latin America reporting unit exceeded its recorded value by more than 40%. In the first quarter of fiscal year 2015, after Clorox Venezuela discontinued its operations, the Company reviewed the relative fair value of its components of the Latin America reporting unit and concluded no goodwill should be allocated to the Clorox Venezuela component and that there were no indicators of impairment within the remaining Latin American reporting unit.

Major Classes of Remaining Assets and Liabilities

The following is a summary of the remaining assets and liabilities for the local books of Clorox Venezuela as of:

	<u>12/31/2014</u>	<u>6/30/2014</u>
Cash and cash equivalents	\$ -	\$ 5
Receivables, net	-	4
Inventories	-	11
Other current assets	-	2
Property, plant and equipment, net	-	16
Trademarks and other intangible assets, net	-	6
Other assets	-	9
Accounts payable and accrued liabilities	(2)	(11)
Net (liability) asset position	<u>\$ (2)</u>	<u>\$ 42</u>

In addition to the above, as of December 31, 2014 and June 30, 2014, the Company held \$20 and \$17, respectively, of tax asset balances related to Clorox Venezuela in the Corporate segment.

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NOTE 2. DISCONTINUED OPERATIONS (Continued)

Financial Reporting: Hyperinflation and the Selection of Exchange Rates

Due to a sustained inflationary environment, the financial statements of Clorox Venezuela were consolidated under the rules governing the preparation of financial statements in a highly inflationary economy. As such, Clorox Venezuela's non-U.S. dollar (non-USD) monetary assets and liabilities were remeasured into U.S. dollars (USD) each reporting period with the resulting gains and losses reflected in discontinued operations.

For all periods presented prior to March 1, 2014, the Company recorded the results of its business operations and remeasured the non-USD denominated monetary assets and liabilities of Clorox Venezuela using the CENCOEX (previously referred to as CADIVI) rate of 6.3 bolivares fuertes (VEF) per USD. Beginning March 1, 2014, the Company utilized the SICAD I rate for financial reporting. In connection with Clorox Venezuela's announced exit from the country in September 2014, Clorox Venezuela's parent, Clorox Spain, infused cash through SICAD II to settle obligations, including those resulting from the decision to exit. As a result, the Company believes the SICAD II rate is the most appropriate rate for financial reporting purposes and as such, began utilizing this rate in September 2014. At December 31, 2014, the SICAD II rate was 50 VEF per USD.

NOTE 3. INVENTORIES

Inventories consisted of the following as of:

	12/31/2014	6/30/2014
Finished goods	\$ 369	\$ 312
Raw materials and packaging	109	108
Work in process	3	2
LIFO allowances	(35)	(36)
Total	<u>\$ 446</u>	<u>\$ 386</u>

NOTE 4. OTHER ASSETS

Investments in Low-Income Housing Partnerships

The Company owns, directly or indirectly, limited partnership interests in low-income housing partnerships, which are accounted for using the equity method of accounting. The Company's investment balance as of December 31, 2014 and June 30, 2014 was \$1 and \$4, respectively. These partnerships are considered to be variable interest entities; however, the Company does not consolidate them because it does not have the power to direct the partnerships' activities that significantly impact their economic performance. The purpose of the partnerships is to develop and operate low-income housing rental properties. The general partners, who typically hold 1% of the partnership interests, are third parties unrelated to the Company and its affiliates, and are responsible for controlling and managing the business and financial operations of the partnerships. As a limited partner, the Company is not responsible for any of the liabilities and obligations of the partnerships nor do the partnerships or their creditors have any recourse to the Company other than for the capital requirements. All available tax benefits from low-income housing tax credits provided by the partnerships were claimed as of fiscal year 2012. The risk that previously claimed low-income housing tax credits might be recaptured or otherwise retroactively invalidated is considered remote.

NOTE 5. OTHER LIABILITIES

Other liabilities consisted of the following as of:

	12/31/2014	6/30/2014
Venture agreement net terminal obligation	\$ 292	\$ 290
Employee benefit obligations	286	289
Taxes	79	76
Other	116	113
Total	<u>\$ 773</u>	<u>\$ 768</u>

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NOTE 6. DEBT

In December 2014, under a new shelf registration statement filed with the SEC that will expire in December 2017, the Company issued \$500 of senior notes with an annual fixed interest rate of 3.50%. Interest on the notes is payable semi-annually in June and December and the notes have a maturity date of December 15, 2024. The notes carry an effective interest rate of 4.10%, which includes the impact from the settlement of interest rate forward contracts in December 2014 (Note 13 – Financial Instruments and Fair Value Measurements). The majority of the proceeds from the issuance was included in the cash balance of the Company's Corporate segment at December 31, 2014, and in January 2015, these net proceeds were used to repay a portion of the Company's \$575 in senior notes with an annual fixed interest rate of 5.00%. The notes rank equally with all of the Company's existing senior indebtedness.

NOTE 7. NET EARNINGS PER SHARE (EPS)

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

	Three Months Ended		Six Months Ended	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Basic	130,555	129,836	129,933	129,955
Dilutive effect of stock options and other	2,264	2,442	2,270	2,321
Diluted	132,819	132,278	132,203	132,276

During the three and six months ended December 31, 2014, the number of stock options and restricted stock units that were considered antidilutive and excluded from the diluted net EPS calculation were 0.2 and 0.3 million shares, respectively. During the three and six months ended December 31, 2013, the Company included all stock options and restricted stock units in the calculations of diluted net EPS.

The Company has two share repurchase programs: an open-market purchase program with an authorized aggregate purchase amount of up to \$750, all of which was available for share repurchases as of December 31, 2014, and a program to offset the impact of share dilution related to share-based awards (the Evergreen Program), which has no authorization limit as to amount or timing of repurchases.

During the three and six months ended December 31, 2014, the Company repurchased zero shares and approximately 0.1 million shares, respectively, under its Evergreen Program, for an aggregate amount of \$0 and \$8, respectively. During the three and six months ended December 31, 2013, the Company repurchased zero shares and approximately 1.6 million shares, respectively, under its Evergreen Program, for an aggregate amount of \$0 and \$130, respectively.

The Company did not repurchase any shares under the open-market purchase program during the three and six months ended December 31, 2014 and 2013.

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NOTE 8. COMPREHENSIVE INCOME

Comprehensive income was as follows for the periods indicated:

	Three Months Ended		Six Months Ended	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Earnings from continuing operations	\$ 128	\$ 118	\$ 273	\$ 257
Losses from discontinued operations, net of tax	(3)	(3)	(58)	(6)
Net earnings	125	115	215	251
Other comprehensive (loss) income, net of tax:				
Foreign currency translation adjustments	(19)	(23)	(19)	(19)
Net unrealized losses on derivatives	(19)	3	(20)	2
Pension and postretirement benefit adjustments	1	1	3	(3)
Total other comprehensive loss, net of tax	(37)	(19)	(36)	(20)
Comprehensive income	\$ 88	\$ 96	\$ 179	\$ 231

Foreign currency translation adjustments are presented in the table above net of decreases in deferred tax liabilities of \$3 and \$6 for the three and six months ended December 31, 2014, respectively, and net of increases in deferred tax liabilities of \$2 and \$4 for the three and six months ended December 31, 2013, respectively.

Net unrealized losses on derivatives are presented in the table above net of decreases in deferred tax assets of \$3 and \$1 for the three and six months ended December 31, 2014, respectively, and of \$1 and \$0 for the three and six months ended December 31, 2013, respectively.

Pension and postretirement benefit adjustments are presented in the table above net of increases in deferred tax liabilities of \$0 for both the three and six months ended December 31, 2014, and net of increases in deferred tax liabilities of \$1 and decreases in deferred tax liabilities of \$2 for the three and six months ended December 31, 2013, respectively.

Changes in accumulated other comprehensive net losses by component were as follows:

	Foreign currency adjustments	Net unrealized losses on derivatives	Pension and postretirement benefit adjustments	Total
Balance as of June 30, 2014, net of tax	\$ (246)	\$ (39)	\$ (132)	\$ (417)
Other comprehensive (loss) income before reclassifications	(49)	(23)	(1)	(73)
Amounts reclassified from accumulated other comprehensive net losses:				
Recognition of deferred foreign currency translation loss	30	-	-	30
Other	-	3	4	7
Net other comprehensive (loss) income	(19)	(20)	3	(36)
Balance as of December 31, 2014, net of tax	\$ (265)	\$ (59)	\$ (129)	\$ (453)

Included in foreign currency adjustments as of June 30, 2014 were \$16 of accumulated net of tax re-measurement losses on long term intercompany loans where settlement is not planned or anticipated in the foreseeable future. For the six months ended December 31, 2014, other comprehensive losses on these loans totaled \$4 and there were no amounts reclassified from accumulated other comprehensive net losses.

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NOTE 9. INCOME TAXES

In determining its quarterly provision for income taxes, the Company uses an estimated annual effective tax rate, which is based on expected annual income, statutory tax rates and tax planning opportunities available in the various jurisdictions in which the Company operates. Certain significant or unusual items are separately recognized in the quarter in which they occur and can be a source of variability in the effective tax rates from quarter to quarter. The effective tax rate on earnings from continuing operations was 34.9% and 34.2% for the three and six months ended December 31, 2014, respectively, and 35.6% and 34.8% for the three and six months ended December 31, 2013, respectively. The lower tax rates in the current periods were primarily due to higher benefits from favorable tax settlements. The higher tax rates for the prior periods were primarily due to higher state tax accruals.

Included in the balance of unrecognized tax benefits as of December 31, 2014 and June 30, 2014, are potential benefits of \$61 and \$58, respectively, which if recognized, would affect net earnings. In the twelve months succeeding December 31, 2014, it is reasonably possible that up to \$30 of the \$61 unrecognized tax benefits may be recognized, primarily within fiscal year 2015.

The Company recognizes interest and penalties related to uncertain tax positions as a component of income tax expense. The total balance of accrued interest and penalties related to uncertain tax positions was \$11 as of both December 31, 2014 and June 30, 2014. Interest and penalties included in income tax expense resulted in net expense of \$0 for both the three and six months ended December 30, 2014, respectively, and net expense of \$0 and \$1 for the three and six months ended December 31, 2013, respectively.

The Company files income tax returns in U.S. federal and various state, local and foreign jurisdictions. The federal statute of limitations has expired for all tax years through June 30, 2010. Various income tax returns in state and foreign jurisdictions are currently in the process of examination.

NOTE 10. RETIREMENT INCOME AND HEALTH CARE BENEFIT PLANS

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

	Three Months Ended		Six Months Ended	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Service cost	\$ 1	\$ -	\$ 1	\$ 1
Interest cost	6	7	12	13
Expected return on plan assets	(5)	(7)	(10)	(13)
Amortization of unrecognized items	3	3	6	6
Total	<u>\$ 5</u>	<u>\$ 3</u>	<u>\$ 9</u>	<u>\$ 7</u>

The net periodic benefit cost for the Company's retirement health care plans was a credit of \$1 for both the three and six months ended December 31, 2014, and \$0 for both the three and six months ended December 31, 2013.

NOTE 11. OTHER CONTINGENCIES AND GUARANTEES

Contingencies

The Company is involved in certain environmental matters, including response actions at various locations. The Company had a recorded liability of \$13 and \$14 as of December 31, 2014 and June 30, 2014, respectively, for its share of aggregate future remediation costs related to these matters. One matter in Dickinson County, Michigan, for which the Company is jointly and severally liable, accounted for a substantial majority of the recorded liability as of both December 31, 2014 and June 30, 2014. The Company has agreed to be liable for 24.3% of the aggregate remediation and associated costs for this matter pursuant to a cost-sharing arrangement with a third party. With the assistance of environmental consultants, the Company maintains an undiscounted liability representing its current best estimate of its share of the capital expenditures, maintenance and other costs that may be incurred over an estimated 30-year remediation period. Currently, the Company cannot accurately predict the timing of future payments that may be made under this obligation. In addition, the Company's estimated loss exposure is sensitive to a variety of uncertain factors, including the efficacy of remediation efforts, changes in remediation requirements and the future availability of alternative clean-up technologies. Although it is reasonably possible that the Company's exposure may exceed the amount recorded, any amount of such additional exposures, or range of exposures, is not estimable at this time.

In October 2012, a Brazilian appellate court issued an adverse decision in a lawsuit pending in Brazil against the Company and one of its wholly owned subsidiaries, The Glad Products Company (Glad). The lawsuit, which was initially filed in a Brazilian lower court in 2002 by two Brazilian companies and one Uruguayan company (collectively, Petroplus), relates to joint venture agreements for the distribution of STP auto-care products in Brazil with three companies that became subsidiaries of the Company as a result of the Company's merger with First Brands Corporation in January 1999 (collectively, Clorox Subsidiaries). The pending lawsuit seeks indemnification for damages and losses for alleged breaches of the joint venture agreements and abuse of economic power by the Company and Glad. Petroplus had previously unsuccessfully raised the same claims and sought damages from the Company and the Clorox Subsidiaries in an International Chamber of Commerce (ICC) arbitration proceeding in Miami, Florida, filed in 2001. The ICC arbitration panel unanimously ruled against Petroplus in a final decision in November 2003 (Final ICC Arbitration Award). The Final ICC Arbitration Award was ratified by the Superior Court of Justice of Brazil in May 2007 (Foreign Judgment), and the United States District Court for the Southern District of Florida subsequently confirmed the Final ICC Arbitration Award and recognized and adopted the Foreign Judgment as a judgment of the United States District Court for the Southern District of Florida (U.S. Judgment). Despite this, in March 2008, a Brazilian lower court ruled against the Company and Glad in the pending lawsuit. The value of the judgment against the Company, including interest and foreign exchange fluctuations as of December 31, 2014, was approximately \$34.

Among other defenses, because the Final ICC Arbitration Award, the Foreign Judgment and the U.S. Judgment relate to the same claims as those in the pending lawsuit, the Company believes that Petroplus is precluded from re-litigating these claims. Based on the unfavorable appellate court decision, however, the Company believes that it is reasonably possible that a loss could be incurred in this matter in excess of amounts accrued, and that the estimated range of such loss in this matter is from \$0 to \$28.

The Company continues to believe that its defenses are meritorious, and has appealed the decision to the highest courts of Brazil. In December 2013, in the first stage of the appellate process, the appellate court declined to admit the Company's appeals to the highest courts. The Company then appealed directly to the highest courts. While in May 2014 the Superior Court of Justice originally agreed to consider the Company's appeal, in December 2014 the same court declined to admit the appeal based on procedural grounds. The Company is appealing that decision. It is possible that a final decision in this case could be issued as early as the third quarter of fiscal year 2015. Expenses related to this litigation have been, and any potential additional loss would be, reflected in discontinued operations, consistent with the Company's classification of expenses related to its discontinued Brazil operations.

In a separate action filed in 2004 by Petroplus, in January 2013, a lower Brazilian court nullified the Final ICC Arbitration Award. The Company believes this judgment is inconsistent with the Foreign Judgment and the U.S. Judgment and that it is without merit. The Company appealed this decision, and the lower court decision was overturned by the appellate court in April 2014. Petroplus has appealed this decision to Brazil's highest court.

NOTE 11. OTHER CONTINGENCIES AND GUARANTEES (Continued)

Glad and the Clorox Subsidiaries have also filed separate lawsuits against Petroplus alleging misuse of the STP trademark and related matters, which are currently pending before Brazilian courts, and have taken other legal actions against Petroplus, which are pending. Additionally, in November 2013, the Clorox Subsidiaries initiated a new ICC arbitration seeking damages against Petroplus.

The Company is subject to various other lawsuits, claims and loss contingencies relating to issues such as contract disputes, product liability, patents and trademarks, advertising, and employee and other matters. Based on management's analysis, it is the opinion of management that the ultimate disposition of these matters, to the extent not previously provided for, will not have a material adverse effect, individually or in the aggregate, on the Company's consolidated financial statements taken as a whole.

Guarantees

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

The Company had not recorded any liabilities on the aforementioned guarantees as of December 31, 2014.

As of December 31, 2014, the Company was a party to letters of credit of \$11, primarily related to one of its insurance carriers, of which \$0 had been drawn upon.

NOTE 12. SEGMENT RESULTS

The Company operates through strategic business units that are aggregated into four reportable segments: Cleaning, Household, Lifestyle and International. As a result of Clorox Venezuela being reported as discontinued operations, the results of Clorox Venezuela are no longer included in earnings from continuing operations of the International reportable segment (Note 2 – Discontinued Operations).

- *Cleaning* consists of laundry, home care and professional products marketed and sold in the United States. Products within this segment include laundry additives, including bleach products under the Clorox[®] brand and Clorox 2[®] stain fighter and color booster; home care products, primarily under the Clorox[®], Formula 409[®], Liquid-Plumr[®], Pine-Sol[®], S.O.S[®] and Tilex[®] brands; naturally derived products under the Green Works[®] brand; and professional cleaning and disinfecting products under the Clorox[®], Dispatch[®], Aplicare[®], HealthLink[®] and Clorox Healthcare[®] brands.
- *Household* consists of charcoal, cat litter and plastic bags, wraps and container products marketed and sold in the United States. Products within this segment include plastic bags, wraps and containers under the Glad[®] brand; cat litter products under the Fresh Step[®], Scoop Away[®] and Ever Clean[®] brands; and charcoal products under the Kingsford[®] and Match Light[®] brands.
- *Lifestyle* consists of food products, water-filtration systems and filters, and natural personal care products marketed and sold in the United States. Products within this segment include dressings and sauces, primarily under the Hidden Valley[®], KC Masterpiece[®] and Soy Vay[®] brands; water-filtration systems and filters under the Brita[®] brand; and natural personal care products under the Burt's Bees[®] brand.
- *International* consists of products sold outside the United States. Products within this segment include laundry, home care, water-filtration, charcoal and cat litter products, dressings and sauces, plastic bags, wraps and containers and natural personal care products, primarily under the Clorox[®], Javex[®], Glad[®], PinoLuz[®], Ayudin[®], Limpido[®], Clorinda[®], Poett[®], Mistolin[®], Lestoil[®], Bon Bril[®], Brita[®], Green Works[®], Pine-Sol[®], Agua Jane[®], Chux[®], Kingsford[®], Fresh Step[®], Scoop Away[®], Ever Clean[®], KC Masterpiece[®], Hidden Valley[®] and Burt's Bees[®] brands.

Certain non-allocated administrative costs, interest income, interest expense and various other non-operating income and expenses are reflected in Corporate. Corporate assets include cash and cash equivalents, property and equipment, other investments and deferred taxes.

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NOTE 12. SEGMENT RESULTS (Continued)

The table below presents reportable segment information and a reconciliation of the segment information to the Company's consolidated net sales and earnings from continuing operations before income taxes, with amounts that are not allocated to the reportable segments reflected in Corporate.

	Net sales			
	Three Months Ended		Six Months Ended	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Cleaning	\$ 447	\$ 432	\$ 917	\$ 911
Household	371	352	763	724
Lifestyle	246	237	462	455
International	281	287	555	561
Total	\$ 1,345	\$ 1,308	\$ 2,697	\$ 2,651

	Earnings (losses) from continuing operations before income taxes			
	Three Months Ended		Six Months Ended	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Cleaning	\$ 107	\$ 101	\$ 231	\$ 232
Household	51	41	103	93
Lifestyle	73	69	129	122
International	24	33	50	64
Corporate	(58)	(60)	(98)	(116)
Total	\$ 197	\$ 184	\$ 415	\$ 395

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

Net sales to the Company's largest customer, Wal-Mart Stores, Inc. and its affiliates, as a percentage of consolidated net sales, were 26% for each of the three and six months ended December 31, 2014 and 2013.

NOTE 13. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

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

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

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

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

As of December 31, 2014 and June 30, 2014, the Company's financial assets and liabilities that were measured at fair value on a recurring basis during the period included derivative financial instruments, which were all Level 2, and trust assets to fund certain of the Company's nonqualified deferred compensation plans, which were classified as Level 1.

Financial Risk Management and Derivative Instruments

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

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NOTE 13. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS (Continued)

Commodity Price Risk Management

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

As of December 31, 2014, the notional amount of commodity derivatives was \$67, of which \$35 related to jet fuel and \$32 related to soybean oil. As of June 30, 2014, the notional amount of commodity derivatives was \$36, of which \$19 related to jet fuel and \$17 related to soybean oil.

Interest Rate Risk Management

The Company may enter into over-the-counter interest rate forward contracts to fix a portion of the benchmark interest rate prior to the anticipated issuance of fixed rate debt. These interest rate forward contracts generally have durations of less than 12 months. The interest rate contracts are measured at fair value using information quoted by U.S. government bond dealers.

As of December 31, 2014 and June 30, 2014, the notional amounts of interest rate forward contracts were \$0 and \$288, respectively.

During the three months ended December 31, 2014, the Company paid \$25 to settle interest rate forward contracts related to the December 2014 issuance of \$500 in senior notes. The settlement payments were reflected as operating cash flows in the Condensed Consolidated Statements of Cash Flows for the six months ended December 31, 2014. The \$25 loss is reflected in accumulated other comprehensive net loss on the Condensed Consolidated Balance Sheet as of December 31, 2014, and will be amortized into interest expense on the Condensed Consolidated Statement of Earnings and Comprehensive Income over the 10-year term of the notes.

Foreign Currency Risk Management

The Company may also enter into certain over-the-counter foreign currency-related derivative contracts to manage a portion of the Company's foreign exchange risk associated with the purchase of inventory and certain intercompany transactions. These foreign currency contracts generally have durations of no longer than 20 months. The foreign exchange contracts are measured at fair value using information quoted by foreign exchange dealers.

The notional amounts of outstanding foreign currency forward contracts used by the Company's subsidiaries in Canada, Australia and New Zealand to hedge forecasted purchases of inventory were \$28, \$14 and \$3, respectively, as of December 31, 2014, and \$54, \$28 and \$5, respectively, as of June 30, 2014.

Counterparty Risk Management and Broker Margin Requirements

The Company utilizes a variety of financial institutions as counterparties for over-the-counter derivative instruments. The Company enters into agreements governing the use of over-the-counter derivative instruments and sets internal limits on the aggregate over-the-counter derivative instrument positions held with each counterparty. Certain terms of these agreements require the Company or the counterparty to post collateral when the fair value of the derivative instruments exceeds contractually defined counterparty liability position limits. Of the \$15 and \$17 of derivative instruments reflected in a liability position as of December 31, 2014 and June 30, 2014, respectively, \$9 and \$11, respectively, contained such terms. As of both December 31, 2014 and June 30, 2014, neither the Company nor any counterparty was required to post any collateral.

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

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NOTE 13. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS (Continued)

As of both December 31, 2014 and June 30, 2014, the Company and each of its counterparties had been assigned investment grade ratings by both Standard & Poor's and Moody's.

Certain of the Company's exchange-traded futures contracts used for commodity price risk management include requirements for the Company to post collateral in the form of a cash margin account held by the Company's broker for trades conducted on that exchange. As of December 31, 2014 and June 30, 2014, the Company maintained cash margin balances related to exchange-traded futures contracts of \$4 and \$1, respectively, which are classified as other current assets on the Condensed Consolidated Balance Sheets.

Fair Value of Derivative Instruments

Derivatives

The accounting for changes in the fair value (i.e., gains or losses) of a derivative instrument depends on whether it has been designated and qualifies as an accounting hedge and, if so, on the type of hedging relationship. For those derivative instruments designated and qualifying as hedging instruments, the Company must designate the hedging instrument as a fair value hedge or a cash flow hedge. The Company designates its commodity forward and future contracts for forecasted purchases of raw materials, interest rate forward contracts for forecasted interest payments, and foreign currency forward contracts for forecasted purchases of inventory as cash flow hedges. During the three and six months ended December 31, 2014 and 2013, the Company had no hedging instruments designated as fair value hedges.

Trust Assets

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

The Company's derivative instruments designated as hedging instruments and trust assets related to certain of the Company's nonqualified deferred compensation plans were recorded at fair value in the consolidated balance sheets as follows:

	Balance sheet classification	12/31/2014		6/30/2014	
		Level 1	Level 2	Level 1	Level 2
Assets					
Foreign exchange derivative contracts	Other current assets	\$ -	\$ 3	\$ -	\$ -
Commodity purchase derivative contracts	Other current assets	-	-	-	1
Trust assets for nonqualified deferred compensation plans	Other assets	35	-	31	-
		<u>\$ 35</u>	<u>\$ 3</u>	<u>\$ 31</u>	<u>\$ 1</u>
Liabilities					
Commodity purchase derivative contracts	Accrued liabilities	\$ -	\$ 10	\$ -	\$ 1
Interest rate derivative contracts	Accrued liabilities	-	-	-	13
Foreign exchange derivative contracts	Accrued liabilities	-	-	-	3
Commodity purchase derivative contracts	Other liabilities	-	5	-	-
		<u>\$ -</u>	<u>\$ 15</u>	<u>\$ -</u>	<u>\$ 17</u>

NOTE 13. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS (Continued)

For derivative instruments designated and qualifying as cash flow hedges, the effective portion of gains or losses is reported as a component of other comprehensive (loss) income (OCI) and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. The estimated amount of the existing net loss in accumulated other comprehensive net loss as of December 31, 2014, expected to be reclassified into earnings within the next 12 months is \$13. Gains and losses on derivative instruments representing either hedge ineffectiveness or hedge components excluded from the assessment of effectiveness are recognized in current earnings. During the three and six months ended December 31, 2014 and 2013, respectively, hedge ineffectiveness was not significant. The Company de-designates cash flow hedge relationships whenever it determines that the hedge relationships are no longer highly effective or that the forecasted transaction is no longer probable. The portion of gains or losses on the derivative instrument previously accumulated in OCI for de-designated hedges remains in accumulated other comprehensive net loss until the forecasted transaction is recognized in earnings, or is recognized in earnings immediately if the forecasted transaction is no longer probable. Changes in the value of derivative instruments not designated as accounting hedges are recorded in other (income) expense, net.

Changes in the value of the trust assets related to certain of the Company's nonqualified deferred compensation plans were \$4 for the six months ended December 31, 2014, primarily due to current quarter employees' contributions to these plans.

The effects of derivative instruments designated as hedging instruments on OCI and the condensed consolidated statements of earnings and comprehensive income were as follows:

	Gain (loss) recognized in OCI			
	Three Months Ended		Six Months Ended	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Commodity purchase derivative contracts	\$ (10)	\$ 3	\$ (16)	\$ 1
Interest rate derivative contracts	(9)	-	(12)	-
Foreign exchange derivative contracts	1	1	5	1
Total	<u>\$ (18)</u>	<u>\$ 4</u>	<u>\$ (23)</u>	<u>\$ 2</u>
	Gain (loss) reclassified from accumulated other comprehensive net loss and recognized in earnings			
	Three Months Ended		Six Months Ended	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Interest rate derivative contracts	\$ (1)	\$ (1)	\$ (3)	\$ (2)
Foreign exchange derivative contracts	1	1	-	2
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3)</u>	<u>\$ -</u>

The gains and losses reclassified from accumulated other comprehensive net loss and recognized in earnings during the three and six months ended December 31, 2014 and 2013 for foreign exchange contracts were included in cost of products sold. The losses reclassified from accumulated other comprehensive net loss and recognized in earnings during the three and six months ended December 31, 2014 and 2013 for interest rate contracts were included in interest expense.

Other Financial Instruments

The carrying values of cash and cash equivalents, accounts receivable, notes and loans payable and accounts payable approximated their estimated fair values as of December 31, 2014 and June 30, 2014, due to their generally short maturities. The estimated fair value of long-term debt, including current maturities, was \$2,755 and \$2,265 as of December 31, 2014 and June 30, 2014, respectively. The estimated fair value of long-term debt was determined using secondary market prices quoted by corporate bond dealers, and was classified as Level 2.

Revolving Credit Agreement

On October 1, 2014, the Company entered into a \$1,100 revolving credit agreement (the Credit Agreement), which expires in October 2019. This agreement replaced a prior \$1,100 revolving credit agreement in place since May 2012. There were no borrowings under the Credit Agreement as of December 31, 2014, and the Company believes that borrowings under the Credit Agreement are and will continue to be available for general corporate purposes.

**Item 2. Management's Discussion and Analysis of
Financial Condition and Results of Operations
The Clorox Company**

(Dollars in millions, except per share amounts)

Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) is designed to provide a reader of The Clorox Company's (the Company or Clorox) financial statements with a narrative from the perspective of management on the Company's financial condition, results of operations, liquidity and certain other factors that may affect future results. The following discussion of the Company's financial condition and results of operations should be read in conjunction with MD&A and the consolidated financial statements and related notes for the fiscal year ended June 30, 2014, which were filed with the Securities and Exchange Commission (SEC) on December 4, 2014, in Exhibit 99.2 of the Company's Current Report on Form 8-K, and the unaudited condensed consolidated financial statements and related notes contained in this Quarterly Report on Form 10-Q (this Report). Unless otherwise noted, MD&A compares the three and six months ended December 31, 2014 (the current period) to the three and six months ended December 31, 2013 (the prior period) using percentages and basis point changes calculated on a rounded basis.

Effective September 22, 2014, the Company's Venezuela affiliate, Corporación Clorox de Venezuela S.A. (Clorox Venezuela) discontinued its operations. Consequently, for the three and six months ended December 31, 2014 and 2013, Clorox Venezuela is reflected as a discontinued operation in the Company's financial statements.

The following sections are included herein:

- Overview
- Results of Operations
- Financial Condition, Liquidity and Capital Resources
- Contingencies
- Off-Balance Sheet Arrangements
- Recently Issued Accounting Pronouncements

OVERVIEW

Clorox is a leading multinational manufacturer and marketer of consumer and professional products with approximately 7,700 employees worldwide. Clorox sells its products primarily through mass retail outlets, e-commerce channels, distributors and medical supply providers. Clorox markets some of the most trusted and recognized consumer brand names, including its namesake bleach and cleaning products, Kingsford[®] charcoal, Pine-Sol[®] cleaners, Poett[®] home care products, Fresh Step[®] cat litter, Glad[®] bags, wraps and containers, Hidden Valley[®] and KC Masterpiece[®] dressings and sauces, Brita[®] water-filtration products and Burt's Bees[®] natural personal care products. The Company also markets brands for professional services, including Clorox Healthcare[®] and Dispatch[®] infection control products for the healthcare industry. The Company manufactures products in more than a dozen countries and markets them in more than 100 countries.

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

The Company operates through strategic business units that are aggregated into four reportable segments: Cleaning, Household, Lifestyle and International.

- *Cleaning* consists of laundry, home care and professional products marketed and sold in the United States. Products within this segment include laundry additives, including bleach products under the Clorox[®] brand and Clorox 2[®] stain fighter and color booster; home care products, primarily under the Clorox[®], Formula 409[®], Liquid-Plumr[®], Pine-Sol[®], S.O.S[®] and Tilex[®] brands; naturally derived products under the Green Works[®] brand; and professional cleaning and disinfecting products under the Clorox[®], Dispatch[®], Aplicare[®], HealthLink[®] and Clorox Healthcare[®] brands.
- *Household* consists of charcoal, cat litter and plastic bags, wraps and container products marketed and sold in the United States. Products within this segment include plastic bags, wraps and containers under the Glad[®] brand; cat litter products under the Fresh Step[®], Scoop Away[®] and Ever Clean[®] brands; and charcoal products under the Kingsford[®] and Match Light[®] brands.

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- *Lifestyle* consists of food products, water-filtration systems and filters and natural personal care products marketed and sold in the United States. Products within this segment include dressings and sauces, primarily under the Hidden Valley[®], KC Masterpiece[®] and Soy Vay[®] brands; water-filtration systems and filters under the Brita[®] brand; and natural personal care products under the Burt's Bees[®] brand.
- *International* consists of products sold outside the United States. Products within this segment include laundry, home care, water-filtration, charcoal and cat litter products, dressings and sauces, plastic bags, wraps and containers and natural personal care products, primarily under the Clorox[®], Javex[®], Glad[®], PinoLuz[®], Ayudin[®], Limpido[®], Clorinda[®], Poett[®], Mistolin[®], Lestoil[®], Bon Bril[®], Brita[®], Green Works[®], Pine-Sol[®], Agua Jane[®], Chux[®], Kingsford[®], Fresh Step[®], Scoop Away[®], Ever Clean[®], KC Masterpiece[®], Hidden Valley[®] and Burt's Bees[®] brands.

RESULTS OF OPERATIONS

CONSOLIDATED RESULTS FROM CONTINUING OPERATIONS

	Three Months Ended			% of Net Sales	
	12/31/2014	12/31/2013	% Change	12/31/2014	12/31/2013
Diluted net earnings per share from continuing operations	\$ 0.97	\$ 0.90	8		
Net sales	1,345	1,308	3	100 %	100 %
Gross profit	572	555	3	42.5	42.4
Selling and administrative expenses	191	196	(3)	14.2	15.0
Advertising costs	127	122	4	9.4	9.3
Research and development costs	33	31	6	2.5	2.4

	Six Months Ended			% of Net Sales	
	12/31/2014	12/31/2013	%	12/31/2014	12/31/2013
Diluted net earnings per share from continuing operations	\$ 2.07	\$ 1.95	6		
Net sales	2,697	2,651	2	100 %	100 %
Gross profit	1,150	1,139	1	42.6	43.0
Selling and administrative expenses	371	390	(5)	13.8	14.7
Advertising costs	248	242	2	9.2	9.1
Research and development costs	63	62	2	2.3	2.3

Diluted net earnings per share from continuing operations increased \$0.07, or 8%, in the current quarter, primarily due to higher volume, the benefits of cost savings and price increases, as well as lower selling and administrative expenses. These increases were partially offset by unfavorable foreign currency exchange rates, incremental demand-building investments, higher commodity prices and increased manufacturing and logistics costs.

Diluted net earnings per share from continuing operations increased \$0.12, or 6%, in the current six-month period, primarily due to higher volume, the benefits of cost savings and price increases, a one-time benefit of \$11, or \$0.05 diluted net earnings per share, related to changes in the Company's long-term disability plan to bring it more in line with the marketplace, and lower selling and administrative expenses. These increases were partially offset by increased manufacturing and logistics costs, incremental demand-building investments, unfavorable foreign currency exchange rates and higher commodity prices.

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Net sales and volume increased by 3% and 4%, respectively, in the current quarter. Net sales and volume increased by 2% and 2%, respectively, in the current six-month period.

The increase in volume in the current quarter was driven by shipment growth in all four segments, particularly healthcare and cleaning products in the Professional Products business, which were driven, in part, by Ebola and Enterovirus concerns; higher shipments in the International segment, primarily due to growth in Latin America, Europe and Canada; higher shipments of Burt's Bees[®] natural personal care products, primarily driven by innovation in lip and face care products, and higher shipments of Litter behind new Fresh Step[®] extreme light weight cat litter. Volume results also reflected the distribution loss of Clorox[®] disinfecting wipes at a major club customer in calendar year 2014, offset by Clorox[®] disinfecting wipes double-digit gains at other retailers and volume growth across multiple Home Care brands. Net sales growth was driven by higher volume (350 basis points) and the benefit of price increases (210 basis points), partially offset by unfavorable foreign currency exchange rates (280 basis points).

The increase in volume in the current six-month period was driven by higher shipments in the International segment, primarily due to growth in Latin America, Europe and Canada; higher shipments of Burt's Bees[®] natural personal care products, primarily driven by innovation in lip and face care products combined with distribution gains; and higher shipments of cleaning and healthcare products in the Professional Products business, which were driven, in part, by Ebola and Enterovirus concerns. Volume results also reflected the distribution loss of Clorox[®] disinfecting wipes at a major club customer in calendar year 2014, offset by Clorox[®] disinfecting wipes double-digit gains at other retailers and volume growth across multiple Home Care brands. In addition, the increases in volume were partially offset by lower shipments of Clorox[®] liquid bleach due to category softness and lower shipments of Brita[®] water-filtration products, primarily due to lower merchandising support and increased merchandising of private label products. Net sales growth was driven by higher volume (250 basis points) and the benefit of price increases (190 basis points), partially offset by unfavorable foreign currency exchange rates (240 basis points) and higher trade promotion spending (60 basis points).

Gross margin percentage, defined as gross profit as a percentage of net sales, increased 10 basis points in the current quarter and decreased 40 basis points in the current six-month period.

The increase in the current quarter was driven by 130 basis points from cost savings and 100 basis points from the benefit of price increases. These factors were largely offset by 90 basis points from higher commodity costs, primarily from resin, as the benefits related to lower energy costs are not expected to be seen until the second half of the fiscal year, 90 basis points from higher manufacturing and logistics costs, largely due to the impact of continued high inflation in International, and 40 basis points from unfavorable foreign currency exchange rates.

The decrease in the current six-month period was driven by 130 basis points from higher manufacturing and logistics costs, largely due to the impact of continued high inflation in International, 60 basis points from higher commodity costs, primarily from resin, as the company did not realize any impact related to energy cost declines in the second quarter, and 40 basis points from unfavorable foreign currency exchange rates. These factors were partially offset by 120 basis points from strong cost savings and 100 basis points from the benefit of price increases.

Selling and administrative expenses decreased by 3% in the current quarter, primarily due to the benefit of cost savings, lower one-time selling and administrative costs in the year-ago period related to the change in information technology (IT) service providers in the year-ago period, and foreign currency exchange rates. These decreases were partially offset by continued inflationary pressures in international markets.

Selling and administrative expenses decreased by 5% in the current six-month period due to the benefit of cost savings, lower one-time selling and administrative costs related to the change in information technology (IT) service providers in the year-ago period, foreign currency exchange rates, and a one-time benefit related to a change in the Company's long-term disability plan to bring it more in line with the marketplace. These decreases were partially offset by continued inflationary pressures in international markets.

Advertising costs as a percentage of net sales increased slightly in both the current three-month and six-month periods, reflecting continued strong support behind the Company's brands, particularly to drive trial of new products. The Company's U.S. retail advertising spend was 11% of sales in the current quarter.

Research and development costs remained essentially flat in the current three- and six-month periods reflecting the Company's continued support of its new products and established brands with an emphasis on innovation.

Other (income) expense, net, was \$(2) and \$1 in the current three- and six-month periods, respectively, and \$(4) and \$(2) in the prior three- and six-month periods, respectively.

Other (income) expense, net, in the current quarter included \$(5) of income from equity investees, partially offset by \$3 of foreign currency exchange losses. Other (income) expense, net, in the current six-month period included \$7 of foreign currency exchange losses and \$4 of amortization of trademarks and other intangible assets, partially offset by \$(8) of income from equity investees.

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Other (income) expense, net, in the prior quarter included \$(5) of income from equity investees. Other (income) expense, net, in the prior six-month period included \$(8) of income from equity investees, partially offset by \$4 of amortization of trademarks and other intangible assets and \$4 of foreign currency exchange losses.

The effective tax rate on earnings from continuing operations was 34.9% and 34.2% for the current three- and six-month periods, respectively, and 35.6% and 34.8% for the prior three- and six-month periods, respectively. The lower tax rates for the current periods were primarily due to higher benefits from favorable tax settlements. The higher tax rates for the prior periods were primarily due to higher state tax accruals.

DISCONTINUED OPERATIONS

Including fiscal year-to-date results, the Company believes it is reasonably possible that it will recognize \$60 to \$65 in after-tax exit costs and other related expenses in discontinued operations for Clorox Venezuela during fiscal year 2015, and \$10 to \$15 in fiscal years 2016 through 2018, for a total of \$70 to \$80 over the entire three-year period. Of this total, the Company believes \$5 to \$10 will be after-tax cash expenditures. Further significant changes to the exchange rate used for financial reporting purposes, among many other external factors, could have a significant impact on the above estimated costs.

See Note 2 – Discontinued Operations to the Condensed Consolidated Financial Statements for more detailed information regarding discontinued operations of Clorox Venezuela.

SEGMENT RESULTS FROM CONTINUING OPERATIONS

The following sections present the results from operations of the Company's reportable segments:

Cleaning

	Three Months Ended			Six Months Ended		
	12/31/2014	12/31/2013	% Change	12/31/2014	12/31/2013	% Change
Net sales	\$ 447	\$ 432	3 %	\$ 917	\$ 911	1 %
Earnings from continuing operations before income taxes	107	101	6	231	232	-

Volume, net sales, and earnings from continuing operations before income taxes increased in the current quarter. Both volume and sales in the Cleaning segment grew 3% in the current quarter, primarily driven by higher shipments of cleaning and healthcare products in the Professional Products business, which were driven, in part, by Ebola and Enterovirus concerns. Volume results also reflected the distribution loss of Clorox® disinfecting wipes at a major club customer in calendar year 2014, offset by Clorox® disinfecting wipes double-digit gains at other retailers and volume growth across multiple Home Care brands. The increase in earnings from continuing operations before income taxes was primarily driven by \$8 of volume growth and \$7 of cost savings. These increases were partially offset by \$6 of demand-building investments and \$3 of higher commodity costs, primarily resin.

Volume and net sales increased while earnings from continuing operations before income taxes remained essentially flat in the current six-month period. Both volume and sales in the Cleaning segment grew 1% in the current six-month period, driven by higher shipments of Clorox® toilet bowl cleaner, due to strong merchandising activities, and of cleaning and healthcare products in the Professional Products business, which were driven, in part, by Ebola and Enterovirus and concerns. Volume results also reflected the distribution loss of Clorox® disinfecting wipes at a major club customer in calendar year 2014, offset by Clorox® disinfecting wipes double-digit gains at other retailers and volume growth across multiple Home Care brands. Flat earnings from continuing operations before income taxes were driven by increases of \$14 from cost savings and \$6 from volume growth, offset by increased spending to build demand of \$9, \$6 from higher commodity costs, primarily resin, and \$5 from other smaller items.

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Household

	Three Months Ended			Six Months Ended		
	12/31/2014	12/31/2013	% Change	12/31/2014	12/31/2013	% Change
Net sales	\$ 371	\$ 352	5 %	\$ 763	\$ 724	5 %
Earnings from continuing operations before income taxes	51	41	24	103	93	11

Volume, net sales, and earnings from continuing operations before income taxes increased in the current quarter. Volume in the Household segment grew 3% in the current period, primarily driven by higher shipments of Glad[®] Odor Shield[®] trash bags behind innovation and increased distribution, and Fresh Step[®] extreme lightweight growth. Net sales growth outpaced volume growth primarily due to the benefit of price increases (310 basis points). The increase in earnings from continuing operations before income taxes was primarily due to \$13 of volume growth, \$3 of cost savings and \$3 from the benefit of price increases. These increases were offset by \$6 of higher commodity costs, primarily resin.

Volume, net sales, and earnings from continuing operations before income taxes increased in the current six-month period. Volume in the Household segment grew 3% in the current six-month period, primarily driven by higher shipments of Glad[®] Odor Shield[®] trash bags behind innovation and increased distribution, and Fresh Step[®] extreme lightweight growth. Net sales growth outpaced volume growth primarily due to the benefit of price increases (290 basis points), partially offset by higher trade promotion spending (160 basis points). The increase in earnings from continuing operations before income taxes was primarily due to \$29 of volume growth, \$7 from the benefit of price increases and \$7 of cost savings. These increases were partially offset by \$16 of demand-building investments and \$11 of higher commodity costs, primarily resin.

Lifestyle

	Three Months Ended			Six Months Ended		
	12/31/2014	12/31/2013	% Change	12/31/2014	12/31/2013	% Change
Net sales	\$ 246	\$ 237	4 %	\$ 462	\$ 455	2 %
Earnings from continuing operations before income taxes	73	69	6	129	122	6

Volume, net sales, and earnings from continuing operations before income taxes increased in the current quarter. Volume in the Lifestyle segment grew 5% in the current period, primarily driven by higher shipments of Burt's Bees[®] natural personal care products, due to innovation in lip and face care products, including continued growth in towelettes. The increase was offset by lower shipments of Brita[®] water-filtration products, primarily due to increased merchandising of private-label filter products. Volume growth outpaced sales growth primarily due to unfavorable mix (120 basis points). The increase in earnings from continuing operations before income taxes was driven by \$4 of higher volume, \$2 of cost savings and \$2 of lower commodity costs, primarily soybean oil. These increases were partially offset by \$4 of higher manufacturing costs and \$2 of incremental demand-building programs, including the first-ever television campaign for the Burt's Bees[®] brand.

Volume, net sales, and earnings from continuing operations before income taxes increased in the current six-month period. Volume in the Lifestyle segment grew 2% in the current six-month period, primarily driven by high shipments of Burt's Bees[®] natural personal care products, due to innovation and distribution gain in lip and face care products. The increase was offset by lower shipments Brita[®] water-filtration products, primarily due to increased merchandising of private-label filter products. The variance between net sales and volume was primarily due to unfavorable mix (120 basis points). The increase in earnings from continuing operations before income taxes was driven by \$4 of lower commodity costs, primarily soybean oil, \$4 of lower selling and administrative costs, \$3 of favorable mix and \$2 of cost savings. These increases were partially offset by higher manufacturing costs and higher advertising spending.

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International

	Three Months Ended			Six Months Ended		
	12/31/2014	12/31/2013	% Change	12/31/2014	12/31/2013	% Change
Net sales	\$ 281	\$ 287	(2) %	\$ 555	\$ 561	(1) %
Earnings from continuing operations before income taxes	24	33	(27)	50	64	(22)

Volume increased while net sales and earnings from continuing operations before income taxes decreased in the current quarter. Volume in the International segment grew 5% in the current quarter, driven by higher shipments in certain Latin American countries, Canada and Europe. Volume growth outpaced net sales growth primarily due to unfavorable foreign currency exchange rates across most countries (1,270 basis points), partially offset by the benefit of price increases (490 basis points). The 27% decrease in earnings from continuing operations before income taxes was primarily driven by the impact of unfavorable foreign currency exchange rates. Additionally, the Company continued to face inflationary pressures in Latin America, which resulted in higher selling and administrative costs, manufacturing and logistics costs, and commodity costs. These decreases were partially offset by higher volume and the benefits of price increases and cost savings.

Volume increased while net sales and earnings from continuing operations before income taxes decreased in the current six-month period. Volume in the International segment grew 5% in the current six-month period, driven by higher shipments in certain Latin American countries and Canada. Volume growth outpaced net sales growth primarily due to unfavorable foreign currency exchange rates (1,120 basis points), partially offset by the benefit of price increases (470 basis points). The 22% decrease in earnings from continuing operations before income taxes was primarily due to the impact of unfavorable foreign currency exchange rates. Additionally, the Company continued to face inflationary pressures in Latin America, which resulted in higher selling and administrative expenses and manufacturing and logistics costs. These decreases were partially offset by higher volume and the benefit of price increases.

Corporate

Certain non-allocated administrative costs, interest income, interest expense and various other non-operating income and expenses are reflected in Corporate. Corporate assets include cash and cash equivalents, property and equipment, other investments and deferred taxes.

	Three Months Ended			Six Months Ended		
	12/31/2014	12/31/2013	% Change	12/31/2014	12/31/2013	% Change
Losses from continuing operations before income taxes	\$ 58	\$ 60	(3) %	\$ 98	\$ 116	(16) %

The decrease in losses from continuing operations before income taxes attributable to Corporate in the current quarter was primarily due to one-time IT service provider transition costs in the prior period.

The decrease in losses from continuing operations before income taxes attributable to Corporate in the six-month period was primarily due to a one-time benefit of \$11 related to a change in the company's long-term disability plan to bring it more in line with the marketplace and one-time IT service provider transition costs in the prior period, partially offset by current period foreign currency exchange losses.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Operating Activities

The Company's financial condition and liquidity remain strong as of December 31, 2014. Net cash provided by continuing operations was \$267 in the current six-month period, compared with \$222 in the prior six-month period. Contributing factors to the year-over-year change were lower employee incentive compensation payments and lower tax payments in the current quarter, as well as the initial funding of the Company's non-qualified deferred compensation plan in the year-ago quarter. These factors were partially offset by \$25 million in payments to settle interest-rate hedges related to the Company's issuance of long-term debt.

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Investing Activities

Capital expenditures were \$60 in the current six-month period, compared with \$63 in the prior six-month period. Capital spending as a percentage of net sales was approximately 2% in both the current and prior periods, respectively, which was essentially flat due to capital spending for manufacturing efficiencies at the same level in each period.

Financing Activities

Net cash provided by (used for) financing activities was \$281 in the current six-month period, compared with \$(103) in the prior six-month period. The change was primarily due to the issuance of \$500 of long-term debt in December 2014, increasing the Company's quarter-end cash balance. These proceeds were subsequently used to pay down a portion of the Company's notes that matured in January 2015.

Share repurchases and dividends

The Company has two share repurchase programs: an open-market purchase program with an authorized aggregate purchase amount of up to \$750, all of which was available for share repurchases as of December 31, 2014, and a program to offset the impact of share dilution related to share-based awards (the Evergreen Program), which has no authorization limit as to amount or timing of repurchases.

During the current periods, the Company repurchased zero shares and approximately 0.1 million shares, respectively, under its Evergreen Program, for an aggregate amount of \$0 and \$8, respectively. During the prior periods, the Company repurchased zero shares and approximately 1.6 million shares, respectively, under its Evergreen Program, for an aggregate amount of \$0 and \$130, respectively. The Company did not repurchase any shares under the open-market purchase program during the current or prior periods.

During the current periods, the Company paid dividends per share of \$0.74 and \$1.48, respectively, equivalent to \$96 and \$191, respectively. During the prior periods, the Company paid dividends per share of \$0.71 and \$1.42, respectively, equivalent to \$91 and \$184, respectively.

Credit Arrangements

On October 1, 2014, the Company entered into a \$1,100 revolving credit agreement (the Credit Agreement), which expires in October 2019. This agreement replaced a prior \$1,100 revolving credit agreement in place since May 2012. There were no borrowings under the Credit Agreement as of December 31, 2014, and the Company believes that borrowings under the Credit Agreement are and will continue to be available for general corporate purposes. The Credit Agreement includes certain restrictive covenants and limitations. The primary restrictive covenant is a maximum ratio of total debt to earnings before interest, taxes, depreciation and amortization and intangible asset impairment (Consolidated EBITDA) for the trailing four quarters (Consolidated Leverage ratio), as defined and described in the Credit Agreement, of 3.50.

The following table sets forth the calculation of the Consolidated EBITDA ratio as of December 31, using Consolidated EBITDA for the trailing four quarters, as contractually defined:

	2014
Earnings from continuing operations	\$ 595
Add back:	
Interest expense	103
Income tax expense	309
Depreciation and amortization	174
Noncash intangible asset impairment charges	3
Deduct:	
Interest income	3
Consolidated EBITDA	<u>\$ 1,181</u>
Total debt	<u>\$ 2,672</u>
Consolidated Leverage ratio	<u>2.26</u>

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The Company is in compliance with all restrictive covenants and limitations in the Credit Agreement as of December 31, 2014, and anticipates being in compliance with all restrictive covenants for the foreseeable future. The Company continues to monitor the financial markets and assess its ability to fully draw on its revolving credit agreement, and currently expects that any drawing on the agreement will be fully funded.

The Company had \$37 of foreign and other credit lines as of December 31, 2014; \$4 was outstanding and the remainder of \$33 was available for borrowing.

CONTINGENCIES

The Company is involved in certain environmental matters, including response actions at various locations. The Company had a recorded liability of \$13 and \$14 as of December 31, 2014 and June 30, 2014, respectively, for its share of aggregate future remediation costs related to these matters. One matter in Dickinson County, Michigan, for which the Company is jointly and severally liable, accounted for a substantial majority of the recorded liability as of both December 31, 2014 and June 30, 2014. The Company has agreed to be liable for 24.3% of the aggregate remediation and associated costs for this matter pursuant to a cost-sharing arrangement with a third party. With the assistance of environmental consultants, the Company maintains an undiscounted liability representing its current best estimate of its share of the capital expenditures, maintenance and other costs that may be incurred over an estimated 30-year remediation period. Currently, the Company cannot accurately predict the timing of future payments that may be made under this obligation. In addition, the Company's estimated loss exposure is sensitive to a variety of uncertain factors, including the efficacy of remediation efforts, changes in remediation requirements and the future availability of alternative clean-up technologies. Although it is reasonably possible that the Company's exposure may exceed the amount recorded, any amount of such additional exposures, or range of exposures, is not estimable at this time.

In October 2012, a Brazilian appellate court issued an adverse decision in a lawsuit pending in Brazil against the Company and one of its wholly owned subsidiaries, The Glad Products Company (Glad). The lawsuit, which was initially filed in a Brazilian lower court in 2002 by two Brazilian companies and one Uruguayan company (collectively, Petroplus), relates to joint venture agreements for the distribution of STP auto-care products in Brazil with three companies that became subsidiaries of the Company as a result of the Company's merger with First Brands Corporation in January 1999 (collectively, Clorox Subsidiaries). The pending lawsuit seeks indemnification for damages and losses for alleged breaches of the joint venture agreements and abuse of economic power by the Company and Glad. Petroplus had previously unsuccessfully raised the same claims and sought damages from the Company and the Clorox Subsidiaries in an International Chamber of Commerce (ICC) arbitration proceeding in Miami, Florida, filed in 2001. The ICC arbitration panel unanimously ruled against Petroplus in a final decision in November 2003 (Final ICC Arbitration Award). The Final ICC Arbitration Award was ratified by the Superior Court of Justice of Brazil in May 2007 (Foreign Judgment), and the United States District Court for the Southern District of Florida subsequently confirmed the Final ICC Arbitration Award and recognized and adopted the Foreign Judgment as a judgment of the United States District Court for the Southern District of Florida (U.S. Judgment). Despite this, in March 2008, a Brazilian lower court ruled against the Company and Glad in the pending lawsuit. The value of the judgment against the Company, including interest and foreign exchange fluctuations as of December 31, 2014, was approximately \$34.

Among other defenses, because the Final ICC Arbitration Award, the Foreign Judgment and the U.S. Judgment relate to the same claims as those in the pending lawsuit, the Company believes that Petroplus is precluded from re-litigating these claims. Based on the unfavorable appellate court decision, however, the Company believes that it is reasonably possible that a loss could be incurred in this matter in excess of amounts accrued, and that the estimated range of such loss in this matter is from \$0 to \$28.

The Company continues to believe that its defenses are meritorious, and has appealed the decision to the highest courts of Brazil. In December 2013, in the first stage of the appellate process, the appellate court declined to admit the Company's appeals to the highest courts. The Company then appealed directly to the highest courts. While in May 2014 the Superior Court of Justice originally agreed to consider the Company's appeal, in December 2014 the same court declined to admit the appeal based on procedural grounds. The Company is appealing that decision. It is possible that a final decision in this case could be issued as early as the third quarter of fiscal year 2015. Expenses related to this litigation have been, and any potential additional loss would be, reflected in discontinued operations, consistent with the Company's classification of expenses related to its discontinued Brazil operations.

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In a separate action filed in 2004 by Petroplus, in January 2013, a lower Brazilian court nullified the Final ICC Arbitration Award. The Company believes this judgment is inconsistent with the Foreign Judgment and the U.S. Judgment and that it is without merit. The Company appealed this decision, and the lower court decision was overturned by the appellate court in April 2014. Petroplus has appealed this decision to Brazil's highest court.

Glad and the Clorox Subsidiaries have also filed separate lawsuits against Petroplus alleging misuse of the STP trademark and related matters, which are currently pending before Brazilian courts, and have taken other legal actions against Petroplus, which are pending. Additionally, in November 2013, the Clorox Subsidiaries initiated a new ICC arbitration seeking damages against Petroplus.

The Company is subject to various other lawsuits, claims and loss contingencies relating to issues such as contract disputes, product liability, patents and trademarks, advertising, and employee and other matters. Based on management's analysis, it is the opinion of management that the ultimate disposition of these matters, to the extent not previously provided for, will not have a material adverse effect, individually or in the aggregate, on the Company's consolidated financial statements taken as a whole.

OFF-BALANCE SHEET ARRANGEMENTS

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

The Company had not recorded any liabilities on the aforementioned guarantees as of December 31, 2014.

As of December 31, 2014, the Company was a party to letters of credit of \$11, primarily related to one of its insurance carriers, of which \$0 had been drawn upon.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, "Revenue from Contracts with Customers (Topic 606)", which replaces most existing U.S. GAAP revenue recognition guidance and is intended to improve and converge with international standards the financial reporting requirements for revenue from contracts with customers. The core principle of ASU 2014-09 is that an entity should recognize revenue for the transfer of goods or services equal to the amount that it expects to be entitled to receive for those goods or services. ASU 2014-09 also requires additional disclosures about the nature, timing and uncertainty of revenue and cash flows arising from contracts with customers, including information about significant judgments and changes in judgments. The new guidance is effective for the Company beginning in the first quarter of fiscal year 2018, with no early adoption permitted. The Company is currently evaluating the impact that the adoption of ASU 2014-09 will have on its consolidated financial statements.

In April 2014, the FASB issued ASU No. 2014-08 "Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity (Topic 205)", which will change the criteria for reporting discontinued operations. The amendments will also require new disclosures about discontinued operations and disposals of components of an entity that do not qualify for discontinued operations reporting. The amendments are effective for the Company for new disposals (or classifications as held for sale) of components of the Company, should they occur, beginning in the first quarter of fiscal year 2016. Early adoption is permitted for disposals (or classifications as held for sale) that have not been previously reported. The Company will adopt this ASU beginning in the first quarter of fiscal year 2016, as required. Adoption of the new standard will not impact the Company's reporting or disclosures for discontinued operations of Clorox Venezuela.

Cautionary Statement

This Quarterly Report on Form 10-Q, including the exhibits hereto and the information incorporated by reference herein, contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and such forward-looking statements involve risks and uncertainties. Except for historical information, matters discussed above, including statements about future volume, sales, costs, cost savings, earnings, cash flows, plans, objectives, expectations, growth, or profitability, are forward-looking statements based on management’s estimates, assumptions and projections. Words such as “could,” “may,” “expects,” “anticipates,” “targets,” “goals,” “projects,” “intends,” “plans,” “believes,” “seeks,” “estimates” and variations on such words, and similar expressions, are intended to identify such forward-looking statements. These forward-looking statements are only predictions, subject to risks and uncertainties, and actual results could differ materially from those discussed above. Important factors that could affect performance and cause results to differ materially from management’s expectations are described in the sections entitled “Risk Factors” in the Annual Report on Form 10-K for the fiscal year ended June 30, 2014, and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Exhibit 99.2 of the Company’s Current Report on Form 8-K filed on December 4, 2014, as updated from time to time in the Company’s SEC filings. These factors include, but are not limited to:

- risks related to international operations, including political instability; government-imposed price controls or other regulations; foreign currency exchange rate controls, including periodic changes in such controls, fluctuations and devaluations; labor unrest and inflationary pressures, particularly in Argentina and other challenging markets;
- risks related to the possibility of nationalization, expropriation of assets or other government action in foreign jurisdictions;
- risks related to the Company’s discontinuation of operations in Venezuela;
- intense competition in the Company’s markets;
- changes in the Company’s leadership;
- worldwide, regional and local economic conditions and financial market volatility;
- volatility and increases in commodity costs such as resin, sodium hypochlorite and agricultural commodities, and increases in energy, transportation or other costs;
- the ability of the Company to drive sales growth, increase price and market share, grow its product categories and achieve favorable product and geographic mix;
- dependence on key customers and risks related to customer consolidation and ordering patterns;
- costs resulting from government regulations;
- the ability of the Company to successfully manage global political, legal, tax and regulatory risks, including changes in regulatory or administrative activity;
- supply disruptions and other risks inherent in reliance on a limited base of suppliers;
- the ability of the Company to implement and generate anticipated cost savings and efficiencies;
- the success of the Company’s business strategies;
- the impact of product liability claims, labor claims and other legal proceedings, including in foreign jurisdictions and the Company’s litigation related to its discontinued operations in Brazil;
- the ability of the Company to develop and introduce commercially successful products;
- risks relating to acquisitions, new ventures and divestitures, and associated costs, including the potential for asset impairment charges related to, among others, intangible assets and goodwill;
- risks related to reliance on information technology systems, including potential security breaches, cyber attacks or privacy breaches that result in the unauthorized disclosure of consumer, customer, employee or Company information, or service interruptions;
- the Company’s ability to attract and retain key personnel;
- the Company’s ability to maintain its business reputation and the reputation of its brands;
- environmental matters, including costs associated with the remediation of past contamination and the handling and/or transportation of hazardous substances;
- the impact of natural disasters, terrorism and other events beyond the Company’s control;
- the Company’s ability to maximize, assert and defend its intellectual property rights;
- any infringement or claimed infringement by the Company of third-party intellectual property rights;
- the effect of the Company’s indebtedness and credit rating on its operations and financial results;
- the Company’s ability to maintain an effective system of internal controls;
- uncertainties relating to tax positions, tax disputes and changes in the Company’s tax rate;
- the accuracy of the Company’s estimates and assumptions on which its financial statement projections are based;
- the Company’s ability to pay and declare dividends or repurchase its stock in the future; and
- the impacts of potential stockholder activism.

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

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

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Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have not been any material changes to the Company's market risk since June 30, 2014. For additional information, refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in Exhibit 99.2 of the Company's Current Report on Form 8-K filed on December 4, 2014.

Item 4. Controls and Procedures

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

No change in the Company's internal control over financial reporting occurred during the second fiscal quarter of the fiscal year ending June 30, 2015, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1.A. Risk Factors

For information regarding Risk Factors, please refer to Item 1.A. in the Company’s Annual Report on Form 10-K for the fiscal year ended June 30, 2014, and the information in “Cautionary Statement” included in this Report.

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

The following table sets forth the purchases of the Company’s securities by the Company and any affiliated purchasers within the meaning of Rule 10b-18(a)(3) (17 CFR 240.10b-18(a)(3)) during the second quarter of fiscal year 2015.

Period	[a] Total Number of Shares Purchased(1)	[b] Average Price Paid per Share	[c] Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	[d] Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs(1)
October 1 to 31, 2014	-	\$ -	-	\$ 750,000,000
November 1 to 30, 2014	-	\$ -	-	\$ 750,000,000
December 1 to 31, 2014	-	\$ -	-	\$ 750,000,000
Total	<u>-</u>	<u>\$ -</u>	<u>-</u>	

- (1) On May 13, 2013, the Company’s board of directors approved a share repurchase program authorizing up to \$750 million in share repurchases. As of December 31, 2014, all of the \$750 million remained available for repurchases. Since 1999, the Company has also had a share repurchase program, the purpose of which is to offset the impact of stock dilution related to share-based awards. On November 15, 2005, the board of directors approved the extension of the program, which has no specified cap. Neither of these programs has a specified termination date.

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Item 6. Exhibits

- 10.1 Form of First Amended and Restated Executive Change in Control Severance Plan, effective November 20, 2014.
- 10.2 Form of Severance Plan for Clorox Executive Committee Members, amended and restated effective November 20, 2014.
- 31.1 Certification by the Chief Executive Officer of the Company Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 Certification by the Chief Financial Officer of the Company Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32 Certification by the Chief Executive Officer and Chief Financial Officer of the Company Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 101 The following materials from The Clorox Company's Quarterly Report on Form 10-Q for the period ended December 31, 2014, are formatted in eXtensible Business Reporting Language (XBRL): (i) the Condensed Consolidated Statements of Earnings and Comprehensive Income, (ii) the Condensed Consolidated Balance Sheets, (iii) the Condensed Consolidated Statements of Cash Flows, and (iv) Notes to Condensed Consolidated Financial Statements.

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SIGNATURE

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

THE CLOROX COMPANY
(Registrant)

DATE: February 5, 2015

BY /s/ Thomas D. Johnson

Thomas D. Johnson
Vice President – Global Business Services and
Principal Accounting Officer

EXHIBIT INDEX

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THE CLOROX COMPANY
FIRST AMENDED AND RESTATED
EXECUTIVE CHANGE IN CONTROL SEVERANCE PLAN
EFFECTIVE NOVEMBER 20, 2014

THIS EXECUTIVE CHANGE IN CONTROL SEVERANCE PLAN (the “Plan”) was originally adopted and approved by the Management Development and Compensation Committee (“Committee”) of the Board of Directors (“Board”) of THE CLOROX COMPANY, a Delaware corporation (the “Company”) on December 17, 2010 and became effective immediately upon such adoption. It is hereby amended and restated on November 20, 2014 as set forth herein. The purpose of the Plan is to provide for the payment of severance benefits to certain eligible executives of the Company in the event their employment with the Company terminates involuntarily, as described in further detail in the Plan, and to assure that the Company will have the continued dedication of the Executive, notwithstanding the possibility, threat or occurrence of a Change in Control (as defined in Section 2 below) of the Company. The Company believes it is an important corporate goal and in the interests of the Company’s stockholders to diminish the inevitable distraction of the Executive by virtue of the personal uncertainties and risks created by a pending or threatened Change in Control and to encourage the Executive’s full attention and dedication to the Company currently and in the event of any threatened or pending Change in Control, and to provide the Executive with compensation and benefits arrangements upon a Change in Control which ensure that the compensation and benefits expectations of the Executive will be satisfied and which are competitive with those of other corporations.

1. Eligibility and Term.

(a) Each executive officer of the Company who is selected by the Committee and who executes the form of participation letter established under the Plan (“Executive”) shall be covered by the Plan until either (i) the time that he is no longer an employee of the Company or (ii) the first to occur of the following: (A) the first anniversary of the date that the Plan is amended or otherwise altered to terminate such person’s coverage, (B) the first anniversary of the date that the individual is no longer an executive officer of the Company, or (C) the first anniversary of the date that the Committee acts to end his coverage under the Plan without amendment or other alteration of the Plan. Any Executive whose participation is terminated by amendment or alteration of the Plan, cessation of service as an executive officer of the Company or action of the Committee shall be notified promptly in accordance with Section 15(b).

(b) The Plan became effective immediately upon its adoption by the Committee on December 17, 2010 (the “Effective Date”). After the Effective Date, the Plan may be amended, modified, suspended or terminated at any time by the Committee; provided, however, that no such action that may adversely affect the rights of an executive officer shall become effective for one (1) year following the date of such action. Any executive officer whose rights are adversely affected shall be notified promptly in accordance with Section 15(b) following the date of such action. With respect to any given Executive, the terms of the Plan, together with any actions taken after the Effective Date by the Committee that are effective with respect to that Executive, shall remain in effect until either (i) the time that the Executive is no longer employed by the Company, if a Severance Protection Period has not commenced for that Executive in the interim, or (ii) if a Severance Protection Period has commenced at or before the time that the Executive is no longer employed by the Company, the date as of which all of the duties and obligations of the parties have been satisfied under the Plan.

2. Change in Control. For the purpose of the Plan, a “Change in Control” shall mean:

(a) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) (a “Person”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of (i) 50% of either the total fair market value or the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the “Outstanding Company Voting Securities”), or (ii) during a 12 month period ending on the date of the most recent acquisition by such Person, 30% of the Outstanding Company Voting Securities; provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change in Control: (i) any acquisition directly from the Company, (ii) any acquisition by the Company, including any acquisition which by reducing the number of shares outstanding, is the sole cause for increasing the percentage of shares beneficially owned by any such Person to more than the applicable percentage set forth above, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company or (iv) any acquisition by any corporation pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (c) of this Section 2; or

(b) Individuals who, as of the date hereof, constitute the Board (the “Incumbent Board”) cease for any reason within any period of 12 months to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company’s stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board, shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(c) Consummation by the Company of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company or the acquisition of assets of another corporation (a “Business Combination”), in each case, unless, following such Business Combination, (i) more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries) is represented by Outstanding Company Common Stock and Outstanding Company Voting Securities, respectively, that were outstanding immediately prior to such Business Combination (or, if applicable, is represented by shares into which such Outstanding Company Common Stock and Outstanding Company Voting Securities were converted pursuant to such Business Combination) and such ownership of common stock and voting power among the holders thereof is in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (ii) no Person (excluding any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination and (iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination.

Notwithstanding any other provision in this Section 2, any transaction defined in Section 2(a) through (c) above that does not constitute a "change in the ownership or effective control" of the Company, or "change in the ownership of a substantial portion of the assets" of the Company within the meaning of Treasury Regulations 1.409A-3(a)(5) and 1.409A-3(i)(5) shall not be treated as a Change in Control.

3. Entitlement to Benefits Upon Termination of Employment.

(a) Events Entitling Executive to Benefits under the Plan. In the event that an Executive's employment is terminated by the Company without Cause during the Severance Protection Period or the Executive resigns for a Good Reason during the Severance Protection Period, then the Executive shall be entitled to receive the benefits set forth in Section 4 below, subject to the satisfaction of any requirements set forth in Section 4(c) of the Plan.

(b) Events Not Entitling Executive to Benefits under the Plan. Under all other circumstances not described in Section 3(a) above, including (i) the termination of an Executive's employment with the Company on account of death, Disability, or Executive's resignation not for a Good Reason, or the termination of Executive's employment, whether initiated by the Company, Executive or otherwise, that does not occur within the Severance Protection Period, the Executive shall not be entitled to receive any benefits under the Plan. For avoidance of doubt, any termination of Executive's employment by the Company on account of a physical or mental impairment of Executive's faculties that does not constitute a Disability shall be treated for purposes of the Plan as a termination without Cause by the Company and Executive shall be entitled to receive benefits under the Plan if such a termination occurs during the Severance Protection Period. Furthermore, nothing in the Plan shall be treated as a waiver by Executive of amounts otherwise due and owing to Executive in the event that Executive is not entitled to the receipt of benefits under the Plan (e.g., the receipt of accrued but unused vacation in accordance with the Company's policy and applicable law).

(c) Notice of Termination.

(i) Any termination by the Company for Cause shall be communicated by Notice of Termination for Cause to Executive given in accordance with Sections 14(e) and 15(b) of this Plan.

(ii) Any termination by the Executive for Good Reason shall be communicated by Notice of Termination for Good Reason to the Company within a period not to exceed 90 days of the initial existence of the condition and given in accordance with Section 15(b) of the Plan. For purposes of the Plan, a “Notice of Termination for Good Reason” means a written notice which (X) indicates the specific termination provision in the Plan relied upon, (Y) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive’s employment under the provision so indicated and (Z) the Executive’s intended Date of Termination if the Company does not cure the issue (which date shall be not less than thirty days after the giving of such notice). After receipt by the Company of the Notice of Termination for Good Reason, the Company shall have thirty (30) days during which it may remedy the condition and thereby cure the event or circumstance constituting “Good Reason”.

4. Change in Control Severance Benefits .

In the event that an Executive’s employment is terminated by the Company without Cause or the Executive resigns for a Good Reason, and either such event occurs during the Severance Protection Period, the following provisions shall apply:

(a) The Company shall provide the following benefits to the Executive:

(i) A lump sum cash payment no later than 30 days after the Date of Termination equal to the aggregate of the following amounts:

(A) the sum of (1) the Executive’s Annual Base Salary through the Date of Termination to the extent not theretofore paid, (2) any accrued but unused vacation pay, and (3) reimbursement of any unpaid business expenses incurred by Executive in accordance with the Company’s policy on business expense reimbursement (the sum of the amounts described in clauses (1), (2), and (3) shall be hereinafter referred to as the “Accrued Obligations”);

(B) an amount equal to the following:

$$\text{Average Annual Bonus} \quad \times \quad \frac{\text{\# of days in the current fiscal year through the Date of Termination}}{365}$$

provided, however, that if the Executive meets retirement eligibility on the Date of Termination and thus is eligible to receive a retirement bonus in accordance with the terms of the Company's AIP Plan, EIC Plan or any other plan adopted by the Company, the Company shall pay such retirement bonus or pay the amount calculated in accordance with this Section 4(a)(i)(B), whichever is greater, but it shall not be obligated to pay both; and

(C) an amount equal to two (2) times (or three (3) times, in the case of the Chief Executive Officer) the sum of the Executive’s (i) Annual Base Salary and (ii) Average Annual Bonus; and

(D) an amount equal to the difference between (a) the actuarial equivalent of the aggregate benefits under the Company's qualified pension and profit-sharing plans (the "Retirement Plans") and any excess or supplemental pension and profit-sharing plans in which the Executive participates (collectively, the "Nonqualified Plans") which the Executive would have been entitled to receive if the Executive's employment had continued for an additional two (2) years ("Separation Period"), assuming (to the extent relevant) that the Executive's compensation during the Separation Period would have been equal to the Executive's compensation as in effect immediately prior to the Date of Termination (disregarding any decrease in compensation that resulted in the delivery by Executive to the Company of a Notice of Termination for Good Reason), and that employer contributions to the Executive's accounts in the Retirement Plans and the Nonqualified Plans during the Separation Period would have been equal to the average of such contributions for the three years immediately preceding the Date of Termination or, if higher, the three years immediately preceding the Effective Date, and (b) the actuarial equivalent of the Executive's actual aggregate benefits (paid or payable), if any, under the Retirement Plans and the Nonqualified Plans as of the Date of Termination (the actuarial assumptions used for purposes of determining actuarial equivalence shall be no less favorable to the Executive than the most favorable of those in effect under the Retirement Plan and the Nonqualified Plans on the Date of Termination and the date of the Change in Control).

(ii) the Company shall provide the following health benefits:

(A) if the Executive participated in a Company self-insured medical plan (which does not satisfy the requirements of Section 105(h)(2)) immediately prior to the Date of Termination, pay to the Executive or cause to have paid on the Executive's behalf the Company's portion of the premium payable under the Company's group health plans for providing health benefits (i.e., medical, dental and vision benefits) to the Executive and to those family members covered through Executive under the Company's group health plans immediately prior to the Date of Termination, such coverage to be provided under the group health plans in which Executive and his covered family members are participating immediately prior to the Date of Termination or elect in accordance with the Company's applicable established procedures (reduced by any amounts which Executive is required to pay for such health benefit coverage). The Company shall pay or cause to have paid all amounts due under this Section 4(a)(ii) in annual installments, with the first installment due or credited within 30 days after the Date of Termination and subsequent installments being made or credited on the anniversary thereof; provided, however, that subsequent installments may be reduced or eliminated to the extent that Executive becomes eligible for other health coverage through a subsequent employer; or

(B) if Section 4(a)(ii)(A) above is not applicable (because the Executive participated in a health benefit program to which Section 105(h) is not applicable, such as the Company's HMO immediately prior to the Date of Termination), continue benefits under such health plan on the same basis as an employee of the Company.

The purpose of providing the benefits pursuant to this Section 4(a)(ii) shall be to provide the Executive and/or the Executive's covered family members with continued health benefits at least equal to those which would have been provided to them in accordance with the Company's health plans, programs, practices and policies if the Executive's employment had not been terminated or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies and their families (in each case with such contributions by the Executive as would have been required had the Executive's employment not been terminated). However, each continued benefit under a health plan sponsored by the Company described herein shall cease upon the earliest of: (i) two years (or three years, in the case of the Chief Executive Officer) from the Date of Termination; (ii) the Participant's 65th birthday; or (iii) the Participant's eligibility for the same type of health benefit (i.e., medical, dental or vision coverage) under a subsequent employer's group health plans. For purposes of determining eligibility (but not the time of commencement of benefits) of the Executive for retiree benefits pursuant to such plans, practices, programs and policies of the Company, the Executive shall be considered to have remained employed for an additional two (2) years (or three (3) years, in the case of the Chief Executive Officer) following the Date of Termination and to have retired on the last day of such period. Any period of additional coverage under this Section 4(a)(ii) shall not be subtracted from the period of months for which the Executive is eligible for benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"). As such, upon the cessation of coverage under this Section 4(a)(ii), the Participant shall be entitled to elect continued coverage under COBRA (at the Participant's sole expense) for the full period the Participant would have otherwise been entitled to had the Participant's qualifying event (within the meaning of COBRA) occurred on the date of such cessation of coverage.

(iii) if the Executive were entitled to receive financial planning and/or tax return preparation benefits immediately before the Date of Termination, the Company shall continue to provide the Executive with such financial planning and/or tax return preparation benefits with respect to the calendar year in which the Date of Termination occurs (including without limitation the preparation of income tax returns for that year), on the same terms and conditions as were in effect immediately before the Date of Termination (disregarding for all purposes of this clause (iii) any reduction or elimination of such benefits that was the basis of a termination of employment by the Executive for Good Reason).

(iv) any awards granted to the Executive prior to the Change in Control under the Company's 2005 Stock Incentive Plan or any successor plan thereto will become immediately vested and exercisable upon the Executive's termination.

To the extent any benefits described in Section 4(a)(ii) and (iii) cannot be provided pursuant to the appropriate plan or program maintained for employees, the Company shall provide such benefits outside such plan or program at no additional cost to the Executive than the cost to the Executive immediately prior to the Date of Termination.

(b) **Specified Employee.** Notwithstanding the foregoing, if the Executive is a Specified Employee (as defined in Section 1.409A-1(i) of the Treasury Department Regulations) on the Date of Termination and all payments subject to Section 409A of the Internal Revenue Code (the "Code") specified in Section 4(a) are not made by March 15 of the year immediately following the Date of Termination, the following shall apply: Such payments may be made to the extent that the amount does not exceed two times the lesser of (i) the sum of the Executive's annualized compensation based upon the annual rate of pay for services provided to the Company for the taxable year preceding the termination, or (ii) the maximum amount that may be taken into account pursuant to Section 401(a)(17) of the Code (\$260,000 in 2014) for the year in which the Executive has terminated. Any amounts exceeding such limit, may not be made before the earlier of the date which is six (6) months after the Date of Termination or the date of death of the Executive. Furthermore, any payments pursuant to this Section 6 shall be postponed until six (6) months following the end of the consulting period so long as the Executive continues to work on a consulting basis for the Company following termination and such consulting requires the Executive to work more than 20% of his average hours worked during the 36 months preceding his termination. Any payments that were scheduled to be paid during the six (6) month period following the Executive's Date of Termination, but which were delayed pursuant to this Section 6(e), shall be paid without interest on, or as soon as administratively practicable after, the first day following the six (6) month anniversary of the Executive's Date of Termination (or, if earlier, the date of Executive's death). Any payments that were originally scheduled to be paid following the six (6) months after the Executive's Date of Termination, shall continue to be paid in accordance to their predetermined schedule.

(c) **Release.** The Executive shall have 21 days following termination (or such longer period as may be required by law, but in no event greater than 60 days following termination) in which to execute a form of release of claims ("Release") in a form substantially equivalent to the attached Exhibit (which may be amended by the Company, from time to time, to conform to applicable law) and seven days in which to revoke the Release after its execution. If the Executive does not execute, or having executed, effectively revokes the Release, the Company will not be obligated to provide any benefits or payments of any kind to the Executive under the Plan.

5. Non-Exclusivity of Rights. Nothing in the Plan (i) shall prevent or limit an Executive's continuing or future participation in any written plan, program or policy provided by the Company or any of its affiliated companies and for which the Executive may qualify by the express terms of such plan, program, or policy nor (ii) shall limit or otherwise affect such rights as the Executive may have under any written contract or agreement with the Company or any of its affiliated companies. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any such plan, program or policy, or any such contract or agreement, at or subsequent to the Date of Termination shall be payable in accordance with such plan, program or policy, or such contract or agreement, except as explicitly modified by the Plan.

6. Full Settlement. The Company's obligation to make the payments provided for in the Plan to an Executive and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of the Plan and except as specifically provided in Section 4(a)(ii), such amounts shall not be reduced whether or not the Executive obtains other employment.

7. Parachute Limitation.

(a) Notwithstanding any other provision of the Plan, in the event that any amount or benefit that may be paid or otherwise provided to or in respect of an Executive by or on behalf of the Company or any affiliate, whether pursuant to the Plan or otherwise (collectively, “Covered Payments”), is or may become subject to the tax imposed under Section 4999 of the Code (or any successor provision or any comparable provision of state, local or foreign law) (“Excise Tax”), then the portion of the Covered Payments that would be treated as “parachute payments” under Code Section 280G (“Covered Parachute Payments”) may be reduced so that the Covered Parachute Payments, in the aggregate, are reduced to the Safe Harbor Amount (as defined below). For purposes of this Plan, the term “Safe Harbor Amount” means that portion of the monetary value of the Covered Payments, whether either (i) provided to the Executive in full, or (ii) provided to the Executive as to such lesser extent which would result in no portion of such benefits being subject to the Excise Tax, whichever of the foregoing amounts described in (i) or (ii), when taking into account applicable federal, state, local and foreign income and employment taxes, the Excise Tax, and any other applicable taxes, results in the receipt by the Executive, on an after-tax basis, of the greatest amount of benefits, notwithstanding that some portion of such benefits may be taxable under the Excise Tax. In the event that it is determined that the amount of any Covered Payments will be reduced in accordance with this Section 7(a), the same independent tax professional experienced in the completion of the calculations described in this Section 7 (“Tax Professional”) making the determinations described in Section 7(b) below shall designate which of the Covered Payments shall be reduced and to what extent. In the event that it is determined that a reduction of the Covered Payments would not result in a greater after-tax amount of benefits under the Plan to the Executive, then no reduction shall be made under this Section 7(a).

(b) The determination of (i) whether an event described in Section 280G(b)(2)(A)(i) of the Code has occurred, (ii) the value of any Covered Parachute Payments and the Safe Harbor Amount, (iii) whether any reduction in the Covered Payments is required under Section 7(a), and (iv) the amount of any such reduction, shall be made initially by the Tax Professional. The Tax Professional shall be selected by the Executive, or if the Executive fails to select a Tax Professional within thirty (30) days following the Date of Termination, by the Committee (as constituted prior to the occurrence of any Change in Control). For purposes of making the calculations required by this Section 7, the Tax Professional may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of the Code, and other applicable legal authority. The Company and the Executive shall furnish to the Tax Professional such information and documents as the Tax Professional may reasonably request in order to make a determination under this Section 7. The Company shall bear and be solely responsible for all costs the Tax Professional may reasonably incur in connection with any calculations contemplated by this Section 7.

(c) If, notwithstanding any reduction described in Section 7(a), the IRS determines that an Executive is liable for the Excise Tax as a result of the receipt of any Covered Payments, then the Executive shall be obligated to pay back to the Company, within thirty (30) days after a final IRS determination or in the event that the Executive challenges the final IRS determination, a final judicial determination, a portion of the Payments equal to the “Repayment Amount.” The Repayment Amount shall be the smallest such amount, if any, as shall be required to be paid to the Company so that the Executive’s net after-tax proceeds with respect to the Covered Payments (after taking into account the payment of the Excise Tax and all other applicable taxes imposed on such benefits) shall be maximized. The Repayment Amount shall be zero if a Repayment Amount of more than zero would not result in the Executive’s net after-tax proceeds with respect to the Covered Payments being maximized. If the Excise Tax is not eliminated pursuant to this Section 7(c), the Executive shall pay the Excise Tax.

(d) Notwithstanding any other provision of this Section 7, if (i) there is a reduction in the payments to an Executive as described in this Section 7, (ii) the IRS later determines that the Executive is liable for the Excise Tax, the payment of which would result in the maximization of the Executive's net after-tax proceeds (calculated as if the Executive's benefits had not previously been reduced), and (iii) the Executive pays the Excise Tax, then the Company shall pay to the Executive those payments which were reduced pursuant to this Section 7 as soon as administratively possible after the Executive pays the Excise Tax so that the Executive's net after-tax proceeds with respect to the payment of the Covered Payments are maximized.

8. Post Termination Obligations .

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

(b) General Restrictions on Use of Proprietary Information . Each Executive covered by the Plan agrees to hold all Proprietary Information in strict confidence and trust for the sole benefit of the Company and not to, directly or indirectly, disclose, use, copy, publish, summarize, or remove from Company's premises any Proprietary Information (or remove from the premises any other property of the Company), except (i) during his employment to the extent necessary to carry out the Executive's responsibilities under this Plan, (ii) after termination of his employment as specifically authorized in writing by the Board, and (iii) pursuant to a subpoena.

(c) Non-Solicitation and Non-Raiding . To forestall the disclosure or use of Proprietary Information in breach of Section 8(b), and in consideration of this Plan, each Executive covered by this Plan agrees that for a period of two (2) years after termination of his employment, he shall not, for himself or any third party, directly or indirectly (i) divert or attempt to divert from the Company (or any of its affiliated companies) any business of any kind in which it is engaged, including, without limitation, the solicitation of its customers as to products which are directly competitive with products sold by the Company at the time of the Executive's termination, or interference with any of its suppliers or customers, or (ii) solicit for employment any person employed by the Company, or by any of its affiliated companies, during the period of such person's employment and for a period of one year after the termination of such person's employment with the Company.

(d) Contacts with the Press . Following termination, each Executive covered by this Plan will continue to abide by the Company's policy that prohibits discussing any aspect of Company business with representatives of the press without first obtaining the permission of the Company's corporate communications group.

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

(f) Remedies. Nothing in this Section 8 is intended to limit any remedy of the Company under the California Uniform Trade Secrets Act (California Civil Code Section 3426), or otherwise available under law. Furthermore, each Executive covered by the Plan and the Company agrees that the covenants contained in this Section 8 are reasonable and enforceable under the circumstances, and further agrees that if in the opinion of any court of competent jurisdiction any such covenant is not enforceable in any respect, such court will have the right, power and authority to sever or modify any provision or provisions of such covenants as to the court appear unenforceable and to enforce the remainder of the covenants as so amended. Each Executive covered by the Plan shall also acknowledge and agree that the remedy at law available to the Company for breach of any of the Executive's obligations under this Section 8 would be inadequate, and that damages flowing from such a breach may not readily be susceptible to being measured in monetary terms, so therefore such Executive acknowledges, consents and agrees that, in addition to any other rights and remedies that the Company may have at law, in equity or under the Plan (subject to the limitation set forth in Section 8(g) below), upon adequate proof of the Executive's violation of any such provision of this Section 8, the Company will be entitled to immediate injunctive relief and may obtain a temporary order restraining any threatened or further breach, without the necessity of proof of actual damage or posting of any bond.

(g) No Deferral or Withholding by the Company. In no event shall an asserted violation of the provisions of this Section 8 constitute a basis for deferring or withholding any amounts otherwise payable to an Executive pursuant to this Plan.

9. Successors

(a) The rights and obligations of an Executive under the Plan are personal to that Executive and without the prior written consent of the Company, no such right shall be assignable by an Executive otherwise than by will or the laws of descent and distribution. The rights of Executive under this Plan shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) This Plan shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to administer this Plan in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in the Plan, “Company” shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform the Plan by operation of law, or otherwise.

10. Executive Acknowledgment. Each Executive covered by this Plan shall acknowledge that (a) he has consulted with or has had the opportunity to consult with independent counsel of his own choice concerning the Plan and has been advised to do so by the Company, and (b) he has read and understands the Plan, is fully aware of its legal effect, and has agreed to participate under its terms and conditions freely based on his own judgment.

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

12. Administration and Claims.

(a) Administration. The “Administrator” shall be the Committee. The Administrator shall have the exclusive discretion and authority to establish rules, forms, and procedures for the administration of the Plan, and to construe and interpret the Plan and to decide any and all questions of fact, interpretation, definition, computation or administration arising in connection with the operation of the Plan, including, but not limited to, the eligibility to participate under the Plan, the amount of benefits paid under the Plan, and the timing of payments under the Plan. For decisions made by the Administrator prior to the occurrence of a Change in Control that do affect benefits payable under the Plan on account of the occurrence of the termination of an Executive during the Severance Protection Period, the Administrator’s decisions shall not be subject to review unless they are found to be unreasonable or not to have been made in good faith. For decisions made by the Administrator at or after the occurrence of a Change in Control that affect benefits payable under the Plan on account of the occurrence of the termination of an Executive during the Severance Protection Period, the Administrator’s decisions shall be subject to review. As used in this Section 12, “*review*” shall mean review as provided by applicable law; further, nothing in this Section 12 is intended to abridge any of the rights of an Executive under Section 16(b) of this Plan. The Administrator may appoint one or more individuals and delegate such of its powers and duties as it deems desirable to any such individual(s), in which case every reference herein made to the Administrator shall be deemed to mean or include the appointed individual(s) as to matters within their jurisdiction.

(b) Claims Procedure. If an individual (“Claimant”) believes that he is entitled to a benefit under this Plan that is greater than the benefit about which the Claimant has received or received notice under this Plan, the Claimant may submit a written application to the Administrator or its delegate within 90 days of having not received or been denied such greater benefit. The Claimant will be notified of the approval or denial of this application within 30 days of the date that the Administrator (or its delegate) receives the application. If the claim is denied in whole or in part, the notification will state specific reasons for the denial, reference the provisions of the Plan on which the denial is based, and notify the Claimant of the right to initiate an arbitration proceeding in accordance with Section 12(c). The Claimant must exhaust the procedures set forth in this Section 12(b) before initiating an arbitration proceeding relating to a claim for benefits under this Plan in accordance with Section 12(c). Each Executive agrees as a condition of receiving benefits under this Plan that arbitration is the exclusive dispute resolution mechanism with respect to this Plan following a Claimant's exhaustion of the procedures described in this Section 12(b).

(c) **Arbitration.** Within one (1) year following a Claimant's exhaustion of the procedures in Section 12(b), any remaining controversy relating to this Plan shall be settled by the Claimant and the Company solely pursuant to final and binding arbitration before a single arbitrator in accordance with the then current commercial arbitration rules of the American Arbitration Association and governed by California law except to the extent preempted by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and judgment on the award rendered by the arbitrator may be entered by any court having jurisdiction thereof. Failure by the Claimant to initiate arbitration within the one (1) year time period set forth above shall prevent the Claimant from any pursuit of such claim by any means, whether through arbitration or otherwise, and the resolution of such claim upon the completion of the claims procedure set forth in Section 12(b) shall be final and binding on Claimant and any and all successors in interest. The arbitrator shall determine whether to affirm, modify or reverse the Administrator's (or its delegate's) denial of the appeal, which determination shall be made in good faith by the arbitrator. The arbitrator shall have no power to alter, add to, or subtract from any provision of the Plan. The arbitrator's decision shall be final and binding on all parties, if warranted on the record and reasonably based on applicable law and the provisions of this Plan. Each party shall bear its own attorney's fees, but the Company shall bear the costs and expenses of arbitration. The location of the arbitration shall be within fifty (50) miles of the last place of employment with the Company of the Executive with respect to whose potential benefit under the Plan the claim is brought. Service of legal process should be directed to the General Counsel of Clorox as provided in Section 15(b) below. Process may also be served on the Corporate Secretary of Clorox in the same manner. Clorox's employer identification number is 31-0595760. Clorox's address and telephone number are: 1221 Broadway, Oakland, CA 94612, (510) 271-7000.

(d) **Injunctive Relief.** Notwithstanding the other provisions of this Section 12 or any other provision of the Plan to the contrary, no claim or controversy for injunctive or equitable relief contemplated by or allowed under applicable law pursuant to Section 8 of the Plan will be subject to arbitration under this Section 12, but will instead be subject to determination in a court of competent jurisdiction in the State of California, County of Alameda, which court shall apply California law without reference to the conflict of laws provisions thereof.

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

14. Certain Definitions .

(a) “Annual Base Salary” shall mean the monthly base salary in effect for an Executive immediately prior to the Date of Termination multiplied by twelve (12). Any reduction of an Executive’s Annual Base Salary that provides the basis for the Executive to resign for Good Reason shall be disregarded for purposes of the Plan.

(b) “Annual Bonus” shall mean the annual award an Executive receives in any year under the Company’s Annual Incentive Plan (“AIP Plan”) and/or the Company’s Executive Incentive Compensation Plan (“EIC Plan”) or any successors thereto.

(c) “Average Annual Bonus” shall mean the average Annual Bonus a given Executive received for the three (3) completed fiscal years immediately preceding the Date of Termination, or the average Annual Bonus for the actual number of completed fiscal years immediately preceding the Date of Termination if less than three (3), provided that the First Year Bonus Target, shall be used in the average computation for any year in which the Executive was not eligible to participate in the AIP Plan and/or the EIC Plan for the full fiscal year.

(d) “Bonus Target” means the Annual Bonus that an Executive would have received in a fiscal year under the AIP Plan and/or the EIC Plan, if the target goals had been achieved.

(e) “Cause” shall mean the occurrence of any one of the following:

(i) the willful and continued failure of the Executive to perform substantially the Executive’s duties with the Company or one of its affiliates (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to the Executive by the Board or authorized representative of the Board which specifically identifies the manner in which the Board believes that the Executive has not substantially performed the Executive’s duties, or

(ii) the willful engagement by the Executive in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company.

For purposes of this provision, no act or failure to act on the part of the Executive shall be considered “willful” unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive’s action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or, other than with respect to the Chief Executive Officer, upon the instructions of the Chief Executive Officer or a senior officer of the Company or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company. The cessation of employment of the Executive shall not be deemed to be for Cause unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for such purpose (after reasonable notice is provided to the Executive and the Executive is given an opportunity, together with counsel, to be heard before the Board), finding that, in the good faith opinion of the Board, the Executive is guilty of the conduct described in subparagraph (i) or (ii) above, and specifying the particulars thereof in detail. Executive’s employment shall end on the date such resolutions are delivered to Executive or a later date specified in or established in accordance with such resolutions (which shall generally not be any later than the 30th day following the delivery of such resolutions. The delivery of such resolutions shall constitute “Notice of Termination for Cause”.

(f) “Date of Termination” shall mean (i) if the Executive’s employment is terminated by the Company for Cause, the date of receipt of the Notice of Termination for Cause or any later date specified therein, as the case may be, (ii) if the Executive’s employment is terminated by the Executive for Good Reason, the 30th day following receipt by the Company of the Notice of Termination for Good Reason if the Company fails to cure the problem during the 30-day cure period, or any later date specified in the Notice of Termination for Good Reason, as the case may be, (iii) if the Executive’s employment is terminated by the Company other than for Cause or Disability, the date on which the Company notifies the Executive of such termination, and (iv) if the Executive’s employment is terminated by reason of death or Disability, the date of death of the Executive or the Disability Effective Date, as the case may be.

(g) “Disability” shall mean that the Executive (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or (ii) is receiving income replacement benefits for a period of not less than three (3) months under the Company’s accident and health plans by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.

(h) “Disability Effective Date” shall mean the 30th day after receipt of written notice by Executive of the Company’s intent to terminate Executive’s employment on account of Disability; provided that Executive has not returned to full-time performance of Executive’s duties during such 30-day period.

(i) “Effective Date” shall mean the date on which the Plan became effective, as set forth above.

(j) “First Year Bonus Target” means an Executive’s Bonus Target as of the last day of the first fiscal year in which he was eligible to participate in the AIP Plan and/or the EIC Plan.

(k) “Good Reason” shall mean the occurrence of any of the following during the Severance Protection Period. The Executive’s employment may be terminated by the Executive for Good Reason provided the Executive delivers the written notice to the Company set forth in Section 3 (c)(ii) and the Company fails to cure the issue within the time period set forth in such notice. For purposes of the Plan, “Good Reason” shall mean:

(i) the assignment to the Executive of any duties inconsistent in any material respect with the Executive’s position (including offices and reporting requirements), authority, duties or responsibilities, as in effect immediately prior to the occurrence of the Change in Control or the Date of Termination, whichever is greater, or any other action by the Company which results in a material diminution in such position, authority, duties or responsibilities, excluding for this purpose either (A) an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive or (B) for an Executive other than the Chief Executive Officer, the assignment of Executive to a different position with a substantially similar level and scope of authority, duties, responsibilities and reporting relationship;

(ii) any failure by the Company to substantially comply with any of the material provisions of Executive's compensation plans, programs, agreements or arrangements as in effect immediately prior to the Change in Control, which material provisions shall 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, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive;

(iii) the Company's requiring the Executive to be based at any office or location other than that in effect immediately prior to the Change in Control or any office or location not requiring Executive's commute to increase by more than 50 miles from his commute immediately prior to the Change in Control;

(iv) any purported termination by the Company of the Executive's employment otherwise than as expressly permitted by this Plan; or

(v) any material failure by the Company to comply with and satisfy Section 9(c) of the Plan.

(l) "Severance Protection Period" shall mean the period commencing on the day on which a Change in Control occurs and ending on the second anniversary following such date and shall be inclusive of both such dates. Such period shall also include the time prior to the occurrence of a Change in Control if the Company either terminates an Executive's employment without Cause or acts in a manner that provides an Executive with the basis to resign for a Good Reason, but in either case only if (1) (i) such termination or other act is made at the request of a third party who has expressed an intent or taken action to cause a Change in Control to occur and (ii) a Change in Control in fact occurs on or before the first anniversary of the termination of Executive's employment that results in that third party being in control of the ownership of the Company's securities or business or being a member of a group that acquires control of the ownership of the Company's securities or business, or (2) such termination or other act occurs either (i) on or before three months prior to the occurrence of a Change in Control or (ii) with respect to a negotiated transaction that results in a Change in Control, between the time of the signing of a definitive agreement with respect to such transaction and the closing of such transaction.

15. Miscellaneous .

(a) The captions of this Plan are not part of the provisions hereof and shall have no force or effect. References to the masculine gender shall include the feminine gender and references to the feminine gender shall include the masculine gender.

(b) All notices or other communications required or permitted hereunder shall be made in writing. Notice shall be effective on the date of delivery if delivered by hand upon receipt or if delivered by use of the recipient's Company e-mail address upon receipt, on the first business day following the date of dispatch if delivered utilizing next day service by a recognized next day courier to the applicable address set forth below, or if mailed, three (3) business days after having been mailed, postage prepaid, by certified or registered mail, return receipt requested, and addressed to the applicable address set forth below. Notice given by facsimile shall be effective upon written confirmation of receipt of the facsimile.

If to the Executive :

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

If to the Company :

The Clorox Company
1221 Broadway
Oakland, California 94612
Attention: General Counsel
Fax: 510-271-1696

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

(c) The invalidity or unenforceability of any provision of this Plan shall not affect the validity or enforceability of any other provision of this Plan.

(d) The Company may withhold from any amounts payable under this Plan such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(e) This Plan may not be modified or amended in a manner adverse to the interests of Executive except as provided in Section 1 above, or with respect to a given Participating Executive, by an instrument in writing signed by the Executive consenting to such modification or amendment. By an instrument in writing similarly executed, either party may waive compliance by the other party with any provision of this Plan that such other party was or is obligated to comply with or perform, provided, however, that such waiver shall not operate as a waiver of, or estoppel with respect to, any other or subsequent failure. No failure to exercise and no delay in exercising any right, remedy, or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, or power hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, or power provided herein or by law or in equity.

(f) This Plan shall terminate only in accordance with the terms of Section 1 above.

(g) Except as provided in Section 5 herein, the terms of this Plan are intended by the Company to be the final, complete and exclusive expression of its commitment regarding the provision of benefits to be paid by the Company to an Executive in connection with a certain types of termination of employment in connection with the occurrence of a Change in Control. Except as permitted under Section 5 herein, the terms of the Plan may not be contradicted by evidence of any prior or contemporaneous agreement and no extrinsic evidence whatsoever may be introduced in any judicial, administrative, or other legal proceeding involving the Plan. Each Executive covered by this Plan shall set forth in writing his acceptance of the terms of the Plan, including this Section 15(g), as a condition of participation in this Plan. The Plan (and any other plan, program, contract, agreement, policy or other document either incorporated by reference or referred to herein) supersede any prior agreements or understandings, written or oral, between the Company and an Executive concerning any or all matters addressed by this Plan.

(h) All benefits under the Plan shall be paid by the Company. The benefits payable under the Plan are unfunded and shall be paid only from the general assets of the Company.

(i) In the event of any inconsistency between (i) this Plan and (ii) any other plan, program, practice or agreement in which the Executive participates or is a party, this Plan shall control.

END OF PLAN

EXHIBIT
GENERAL RELEASE

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

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

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

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

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

1. Executive's regular employment with Employer will terminate as of _____, 20_. Executive is ineligible for reemployment or reinstatement with Employer.

2. Upon Executive's acceptance of the terms set forth herein, the Employer agrees to provide the Executive with compensation and benefits set forth in Section 4 of the Executive Change in Control Severance Plan (the "Severance Plan"), which compensation and benefits shall be provided subject to the terms and conditions of the Severance Plan, a copy of which is attached to this General Release.

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

(b) By signing this document, Executive agrees not to file a lawsuit to assert such claims. Executive also agrees that if Executive breaches this provision, Executive will be liable for all costs and attorneys' fees incurred by any Releasee resulting from such action and shall pay all expenses incurred by a Releasee in defending any proceeding pursuant to this Section 3(b) as they are incurred by the Releasee in advance of the final disposition of such proceedings, together with any tax liability incurred by the Releasee in connection with the receipt of such amounts; provided, however, that the payment of such expenses incurred in advance of the final disposition of such proceeding shall be made only upon delivery to the Executive of an undertaking, by or on behalf of the Releasee, to repay all amounts so advanced to the extent the arbitrator in such proceeding affirmatively determines that the Executive is the prevailing party, taking into account all claims made by any party to such proceeding.

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

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

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

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

6. Executive agrees to comply with the Post Termination Obligations set forth in Section 8 of the Severance Plan, a copy of which is attached to this General Release, including Executive's obligations regarding (i) the use of Proprietary Information, (ii) non-solicitation and non-raiding, (iii) contacts with the press, (iv) non-disparagement and (v) remedies.

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

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

9. Nothing in this General Release is intended to limit any remedy of the Employer under the California Uniform Trade Secrets Act (California Civil Code Section 3426), or otherwise available under law.

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

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

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

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

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

THE CLOROX COMPANY

Signature:

Name:

Title:

Date:

EXECUTIVE

Signature:

Name:

Date:

Severance Plan for Clorox Executive Committee Members
Amended and Restated Effective as of November 20, 2014

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

Article I Definitions

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

1.2 “Average Annual Bonus” means the average annual incentive bonus that the Participant received for the three (3) completed fiscal years immediately preceding the Separation Date, or the average annual incentive bonus that the Participant received for the actual number of completed fiscal years immediately preceding the Separation Date if less than three (3), under the Company’s Annual Incentive Plan (“AIP Plan”) and/or the Company’s Executive Incentive Compensation Plan (“EIC Plan”).

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

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

1.5 “Bonus Target” means the annual bonus that the Participant would have received in a fiscal year under the AIP Plan and/or the EIC Plan, if the target goals had been achieved.

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

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

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

1.9 “Misconduct” means any act or omission of the Participant through which he: (i) willfully neglects significant duties he is required to perform or willfully violates a material Company policy, and, after being warned in writing, continues to neglect such duties or continues to violate the specified Company policy; (ii) commits a material act of dishonesty, fraud, misrepresentation or other act of moral turpitude; (iii) acts (or omits to act) with gross negligence in the course of employment; (iv) fails to obey a lawful direction of the Board or, for Participants other than the Chief Executive Officer, a corporate officer to whom he reports, directly or indirectly; or (v) acts in any other manner inconsistent with the Company’s best interests and values.

No act or failure to act on the part of the Participant shall be considered “willful” unless it is done, or omitted to be done, by the Participant in bad faith or without reasonable belief that the Participant’s action or omission was in the best interests of the Company. Any act or failure to act based upon authority given pursuant to a resolution duly adopted by the Board, upon the instructions of the Chief Executive Officer (with respect to Participants other than the Chief Executive Officer), or upon the advice of counsel for the Company shall be conclusively presumed to be done or omitted to be done by the Participant in good faith and in the best interests of the Company. The Participant shall not be deemed to have committed an act or omission of Misconduct unless and until the Committee determines that, in its good faith opinion, the Participant is guilty of conduct described in subparagraphs (i) through (v) above, and so notifies the Participant specifying the particulars thereof in detail.

1.10 “Participant” means a regular salaried employee of the Company scheduled to work more than twenty (20) hours per week who is a member of the Clorox Executive Committee (“CEC Member”), excluding an individual who is a CEC Member on account of service as the Executive Chairman.

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

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

1.13 “SERP” means The Clorox Company Supplemental Executive Retirement Plan, as it may be amended from time to time.

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

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

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

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

1.15 “Year of Service” means a consecutive or non-consecutive twelve-month period, including approved leaves of absence, beginning on the first date that a Participant performs an hour of service for the Company. If a Participant separates service from the Company and is rehired within a twelve-month period, any period of less than twelve consecutive months during which the Participant does not perform an hour of service will be counted when computing Years of Service. A twelve-month or longer period of separation will not be counted when computing Years of Service.

1.16 Other Definitions.

AIP Plan	Section 1.2
Bonus	Section 3.1(B)
CIC Severance Plan	Section 3.5
Claimant	Section 4.2
Clorox	Recital
COBRA	Section 3.1(D)
Committee	Section 1.7
Company	Recital
EIC Plan	Section 1.2
ERISA	Section 5.6
Other Benefits	Section 3.5
Plan	Recital
Plan Administrator	Section 4.1

Article II Termination of Employment

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

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

2.3 By Company at Will. The Company may, at any time, with or without notice, and for any reason or no reason, terminate the Participant's employment. If the Company terminates the Participant's employment other than for Misconduct or on account of disability, the severance payment provisions of Article III shall apply and the Company shall have no additional liability. The Company's progressive discipline policy and practice do not apply to such terminations.

Article III Severance Benefits

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

A. An amount equal to two times the Participant's Base Salary. In the case of the Chief Executive Officer, an amount equal to the sum of (i) two times the CEO's Base Salary and (ii) two times the CEO's Average Annual Bonus multiplied by 75%. Such amount(s) shall be paid as soon as reasonably practicable and, subject to Section 3.4, no later than thirty (30) days after the Separation Date.

B. An amount equal to:

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

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

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

Provided, however, that if the Participant meets retirement eligibility on the Separation Date and thus is eligible to receive a prorated bonus ("Retirement Bonus") in the year of separation in accordance with the terms of the Company's AIP Plan, EIC Plan or any other plan adopted by the Company, the Company may determine, in its sole discretion, to either pay such Retirement Bonus or pay the amount calculated in accordance with this Section 3.1(B), but it shall not be obligated to pay both.

C. If the Participant as of the Separation Date is at least age 53 and has at least 8 Years of Service, and became eligible for participation in the SERP prior to its closure to new participants in April 2007, but has not reached age 55 and/or has less than 10 Years of Service, then for the purpose of determining early retirement eligibility and calculating the Early Retirement Benefit (including, but not limited to, determining the Normal Retirement Benefit, Early Retirement Date and any reduction factors used in calculating the Early Retirement Benefit) under the SERP the Participant's age, if less than 55, will be deemed to be 55 years and 0 months on the Early Retirement Date and the Participant's Years of Service, if less than 10, will be deemed to be 10. Under these circumstances, the Participant's Early Retirement Benefit shall be calculated based upon the Participant's Compensation (as defined in the SERP) earned on or prior to the Participant's Separation Date.

D. The Company shall provide the Participant with the benefits described in either paragraph (i) or (ii) below, as follows:

- (i) if the Participant participated in a Company self-insured medical plan (which does not satisfy the requirements of Section 105(h) (2)) of the Code immediately prior to the Separation Date, then (a) the Participant shall have the right to continue in such plan for a period of up to two (2) years (as determined below) following the date on which his coverage would otherwise terminate under such plan on account of termination of employment (without for this purpose taking into account any health care continuation rights under COBRA (as defined below)) and (b) the Company shall pay to the Participant, or cause to have paid on the Participant's behalf, an amount equal to the Company's portion of the premiums payable for a period of up to two (2) years (as determined below) starting from the Separation Date, under the Company's group health plans for providing Medical Insurance Coverage to the Participant and to those family members covered through Participant under the Medical Insurance Coverage in effect at the time of the Separation Date. Such coverage described in (a) above shall be provided under the group health plans in which Participant and his covered family members are participating at the time of the Separation Date or subsequently elect in accordance with the Company's applicable established procedures. Subject to Section 3.4, the Company shall pay or cause to have paid all amounts due under Section 3.1(D)(i)(b) in up to two annual installments, with the first installment due or credited within thirty (30) days after the Separation Date and a subsequent installment being made or credited on the anniversary thereof; provided, however, that either installment shall be prorated or eliminated to the extent that the Participant becomes eligible for other health coverage through a subsequent employer or reaches the age of 65 years during the year covered by the installment; or
- (ii) if paragraph (i) above is not applicable (because the Participant participated in a health benefit program to which Section 105(h) of the Code is not applicable, such as the Company's HMO immediately prior to the Separation Date), the Company shall continue to provide benefits under such health plan on the same basis as for an employee of the Company, for a period of up to two (2) years (as determined below) starting from the Separation Date.

Each continued health benefit described herein shall cease upon the earliest of: (i) two years from the Separation Date; (ii) the Participant's 65th birthday; or (iii) the Participant's eligibility for the same type of health benefit (i.e., medical, dental or vision coverage) under a subsequent employer's group health plans. Any period of participation hereunder shall not be subtracted from the period of months for which the Participant is eligible for benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"). As such, upon the cessation of coverage under this Section 3.1(D), the Participant shall be entitled to elect continued coverage under COBRA (at the Participant's sole expense) for the full period the Participant would have otherwise been entitled to had the Participant's qualifying event (within the meaning of COBRA) occurred on the date of such cessation of coverage.

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

3.2 A Participant shall not be entitled to the severance benefits set forth in this Article III if the Participant is terminated by the Company but continues to be employed by, or is offered employment with: (i) a third party or related entity in connection with an outsourcing of such Participant's position to such third party or related entity; or (ii) any entity or individual that acquires all or any portion of the assets or operations of the Company, or that assumes responsibility for the performance of the obligations of all or any portion of the Company. Notwithstanding the foregoing, if the continued or offered employment referenced above in this Section 3.2 is in a location that is more than 50 miles from the Participant's current principal work location, and the Participant elects not to continue or accept such employment, then the Participant shall be deemed to have been involuntarily terminated by the Company other than for Misconduct or on account of disability and therefore shall be entitled to severance benefits, pursuant and subject to the other terms of this Plan.

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

3.4 Notwithstanding the foregoing, if the Participant is a Specified Employee on the Separation Date, all payments specified in this Article III that are subject to Section 409A but are not made by March 15 of the year immediately following the Separation Date, may be made to the extent that the amount does not exceed two times the lesser of (i) the sum of the Participant's annualized compensation based upon the annual rate of pay for services provided to the Company for the taxable year preceding the termination, or (ii) the maximum amount (\$260,000 in 2014) that may be taken into account pursuant to Section 401(a)(17) of the Code for the year in which the Participant has terminated. Any amounts exceeding such limit, may not be made before the earlier of the date which is six (6) months after the Separation Date or the date of death of the Participant. Furthermore, any payments pursuant to this Article III shall be postponed until six (6) months following the end of any consulting period so long as the Participant continues to work on a consulting basis for the Company following termination and such consulting requires the Participant to work more than 20% of his average hours worked during the 36 months preceding his termination. Any payments that were scheduled to be paid during the six (6) month period following the Participant's Separation Date, but which were delayed pursuant to this Section 3.4, shall be paid without interest on, or as soon as administratively practicable after, the first day following the six (6) month anniversary of the Participant's Separation Date (or, if earlier, the date of Participant's death). Any payments that were originally scheduled to be paid following the six (6) months after the Participant's Separation Date shall continue to be paid in accordance to their predetermined schedule.

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

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

Article IV Plan Administration and Claims

4.1 Plan Administration. The Committee shall serve as the person responsible for administration of this Plan ("Plan Administrator"). As the Plan Administrator, the Committee has full discretionary authority to administer and interpret this Plan, including discretionary authority to determine eligibility for participation and for benefits under this Plan and to correct errors. The Plan Administrator may delegate administrative duties to other Company personnel or to any other committee. Any such delegation will carry with it the full discretionary authority of the Plan Administrator to carry out these duties. Any determination by the Plan Administrator or its delegate will be final and conclusive upon all persons and shall be given the maximum deference allowed by law.

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

4.3. The Claimant must exhaust the procedures set forth in this Section 4.2 before initiating an arbitration proceeding relating to a claim for benefits under this Plan in accordance with Section 4.3. Each Participant agrees as a condition of participating in this Plan that arbitration is the exclusive dispute resolution mechanism with respect to this Plan following a Claimant's exhaustion of the procedures described in this Section 4.2.

4.3 Arbitration. Within one (1) year following a Claimant's exhaustion of the procedures in Section 4.2, any remaining controversy relating to this Plan shall be settled by the Claimant and the Company solely pursuant to final and binding arbitration before a single arbitrator in accordance with the then current commercial arbitration rules of the American Arbitration Association, and judgment on the award rendered by the arbitrator may be entered by any court having jurisdiction thereof. Failure by the Claimant to initiate arbitration within the one (1) year time period set forth above shall prevent the Claimant from any pursuit of such claim by any means, whether through arbitration or otherwise, and the resolution of such claim upon the completion of the claims procedure set forth in Section 4.2 shall be final and binding on Claimant and any and all successors in interest. The arbitrator shall determine whether to affirm or reverse the Plan Administrator's (or its delegate's) denial of the appeal, and shall reverse such denial if the Plan Administrator's (or its delegate's) decision was arbitrary or capricious. The arbitrator shall have no power to alter, add to, or subtract from any provision of this Plan. The arbitrator's decision shall be final and binding on all parties, if warranted on the record and reasonably based on applicable law and the provisions of this Plan. The arbitrator shall have no power to award any damages that are not permitted by ERISA, and under no circumstances shall an award contain any amount that in any way reflects any of such types of damages. Each party shall bear its own attorney's fees, but the Company shall bear the costs and expenses of arbitration (provided that if the Company prevails in the arbitration, the arbitrator may, in his or her discretion, require the Claimant to pay or reimburse the Company for all or a portion of such costs and expenses). The location of the arbitration shall be within fifty (50) miles of the last place of employment with the Company of the Participant with respect to whose potential Plan benefit the claim is brought. Service of legal process should be directed to the Legal Services Department of Clorox. Process may also be served on the Corporate Secretary of Clorox. Clorox's employer identification number is 31-0595760. Clorox's address and telephone number are: 1221 Broadway, Oakland, CA 94612, (510) 271-7000.

Article V Miscellaneous Provisions

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

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

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

5.4 Amendment and Termination. The Board or the Committee, by a signed writing, may amend or terminate this Plan at any time, with or without notice; provided, however, that this Plan may not be amended or terminated to reduce or eliminate benefits that would otherwise be payable under this Plan to Participants who are entitled to benefits under Article III as of the date such amendment or termination is approved by the Board or the Committee, as applicable.

5.5 Continued Services. This Plan does not provide a Participant with any right to continue employment with the Company or affect the right of the Company to terminate the services of any individual at any time with or without cause.

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

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

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

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

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

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

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

If to the Participant :

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

If to the Company :

The Clorox Company
1221 Broadway Oakland, California 94612
Attention: General Counsel
Fax: 510-271-1696

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

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

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

EXHIBIT 1
GENERAL RELEASE

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

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

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

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

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

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

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

(b) By signing this document, Executive agrees not to file a lawsuit to assert such claims. Executive also agrees that if Executive breaches this provision, Executive will be liable for all costs and attorneys' fees incurred by any Releasee resulting from such action and shall pay all expenses incurred by a Releasee in defending any proceeding pursuant to this Section 3(b) as they are incurred by the Releasee in advance of the final disposition of such proceedings, together with any tax liability incurred by the Releasee in connection with the receipt of such amounts; provided, however, that the payment of such expenses incurred in advance of the final disposition of such proceeding shall be made only upon delivery to the Executive of an undertaking, by or on behalf of the Releasee, to repay all amounts so advanced to the extent the arbitrator in such proceeding affirmatively determines that the Executive is the prevailing party, taking into account all claims made by any party to such proceeding

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

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

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

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

6. Executive agrees that for a period of two years after termination of his employment, he shall not, for himself or any third party, directly or indirectly solicit for employment any person employed by the Employer, or any of its affiliates, during the period of such person's employment and for a period of one year after the termination of such person's employment with the Employer.

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

8. Executive hereby acknowledges and agrees that all personal property and equipment furnished to or prepared by the Executive in the course of or incident to his employment, belong to the Employer and shall, if physically returnable, be promptly returned to the Employer upon termination of his employment. "Personal property" includes, without limitation, all books, manuals, records, reports, notes, contracts, lists, blueprints, and other documents, computer media or materials, or copies thereof, and Proprietary Information. Following termination, the Executive will not retain any written or other tangible material containing any Proprietary Information. "Proprietary Information" is all information and any idea in whatever form, tangible or intangible, pertaining in any manner to the business of the Employer or any its affiliates, or to its clients, consultants, or business associates, unless: (i) the information is or becomes publicly known through lawful means; (ii) the information was rightfully in the Executive's possession or part of his general knowledge prior to his employment by the Employer; or (iii) the information is disclosed to the Executive without confidential or proprietary restriction by a third party who rightfully possesses the information (without confidential or proprietary restriction) and did not learn of it, directly or indirectly, from the Employer.

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

10. Nothing in this General Release is intended to limit any remedy of the Employer under the California Uniform Trade Secrets Act (California Civil Code Section 3426), or otherwise available under law.

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

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

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

14. This Release, the Severance Plan and the plans of The Clorox Company referred to in the Severance Plan set forth the entire agreement between Executive and the Employer.

This Release is not subject to modification except in writing executed by both of the parties. The Clorox Company plan documents of plans referred to in the Severance Plans may be amended in accordance with the provisions of those plans.

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

Executive

Dated:

THE CLOROX COMPANY

By:

Dated:

CERTIFICATION

I, Benno Dorer, certify that:

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

Date: February 5, 2015

/s/ Benno Dorer

Benno Dorer
Chief Executive Officer

CERTIFICATION

I, Stephen M. Robb, certify that:

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

Date: February 5, 2015

/s/ Stephen M. Robb

Stephen M. Robb

Executive Vice President - Chief Financial Officer

CERTIFICATION

In connection with the periodic report of The Clorox Company (the "Company") on Form 10-Q for the period ended December 31, 2014, as filed with the Securities and Exchange Commission (the "Report"), we, Benno Dorer, Chief Executive Officer of the Company, and Stephen M. Robb, Chief Financial Officer of the Company, hereby certify as of the date hereof, solely for purposes of Title 18, Chapter 63, Section 1350 of the United States Code, that to our knowledge:

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

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

Date: February 5, 2015

/s/ Benno Dorer

Benno Dorer

Chief Executive Officer

/s/ Stephen M. Robb

Stephen M. Robb

Executive Vice President – Chief Financial Officer
