

CLOROX CO /DE/

FORM 10-K (Annual Report)

Filed 9/26/1996 For Period Ending 6/30/1996

Address	THE CLOROX COMPANY 1221 BROADWAY OAKLAND, California 94612-1888
Telephone	510-271-7000
CIK	0000021076
Industry	Personal & Household Prods.
Sector	Consumer/Non-Cyclical
Fiscal Year	06/30

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

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

For the fiscal year ended June 30, 1996

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

For the transmission 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, CA (Address of principal executive offices)	94612-1888 (Zip Code)
Registrant's telephone number, including area code	(510) 271-7000
Securities registered pursuant to Section 12(b) of the Act:	
Title of each class -----	Name of each exchange on which registered -----
Common Stock, \$1 par value	New York Stock Exchange Pacific Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: NONE.

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 X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Aggregate market value of voting stock held by non-affiliates of the registrant at July 31, 1996: \$4,682,914,521.

Number of shares of common stock outstanding at July 31, 1996: 51,531,384.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Annual Report to Stockholders for the Year Ended June 30, 1996 are incorporated by reference into Parts I, II and IV of this Report. Portions of the registrant's definitive Proxy Statement for the Annual Meeting of Stockholders to be held on November 20, 1996, which will be filed with the United States Securities and Exchange Commission within 120 days after the end of the registrant's fiscal year ended June 30, 1996, are incorporated by reference into Part III of this Report.

PART I

ITEM 1. BUSINESS

(a) GENERAL DEVELOPMENT OF BUSINESS.

The Company (the term "Company" as used herein includes the registrant identified on the facing sheet, The Clorox Company, and its subsidiaries, unless the context indicates otherwise) was originally founded in Oakland, California in 1913 as the Electro-Alkaline Company. It was reincorporated as Clorox Chemical Corporation in 1922, as Clorox Chemical Co. in 1928, and as The Clorox Company (an Ohio corporation) in 1957, when the business was acquired by The Procter & Gamble Company. The Company was fully divested by The Procter & Gamble Company in 1969 and, as an independent company, was reincorporated in 1973 in California as The Clorox Company. In 1986, the Company was reincorporated in Delaware.

The Clorox Company Annual Report for the Year Ended June 30, 1996 ("Annual Report") to its stockholders is included in this Form 10-K. Portions of the Annual Report are incorporated herein by specific reference.

During fiscal year 1996, the Company continued to focus on expanding its domestic business, through internal development of new products and line extensions of existing products. The Company introduced 14 new products in the U.S. during fiscal year 1996. It also continued its strategy of considering strategic acquisitions and, in that regard, acquired the "Black Flag" brand of aerosol insecticides and the "Lestoil" brand of home cleaning products during fiscal year 1996. Additionally, the Company acquired from Rhone-Poulenc exclusive rights to a new active ingredient, Fipronil, for use in the U.S. and many international consumer insecticide markets. An application for the registration of Fipronil with the U.S. Environmental Protection Agency has been filed.

Internationally, the Company continued the implementation of its strategy of expanding its laundry, household cleaning and insecticide businesses to markets where these categories are not yet fully developed, but where high potential exists. The Company made three international acquisitions in fiscal year 1996 and increased its ownership in one additional business. In addition, the Company introduced 20 new products or line extensions in previously established international operations.

(b) FINANCIAL INFORMATION ABOUT INDUSTRY SEGMENTS.

The Company's operations are predominantly in one segment -- non-durable household consumer products. Such operations include the production and marketing of non-durable consumer products sold primarily through grocery and other retail stores. Financial information for the last three fiscal years attributable to the Company's operations is set forth in the Consolidated Financial Statements, pages 24 through 35 of the Annual Report, incorporated herein by this reference.

(c) NARRATIVE DESCRIPTION OF BUSINESS.

PRINCIPAL PRODUCTS. Products currently marketed in the United States and certain foreign countries are listed on the inside back cover (page 41) of the Annual Report, incorporated herein by this reference.

PRINCIPAL MARKETS - METHODS OF DISTRIBUTION. Most non-durable household consumer products are nationally advertised and sold within the United States to grocery stores through a network of brokers, and to mass merchandisers, warehouse clubs, military and other retail stores primarily through a direct sales force. The Company also sells, within the United States, institutional versions of specialty food and non-food products. Outside the United States, the Company sells consumer products through subsidiaries, licensees, distributors and joint venture arrangements with local partners.

SOURCES AND AVAILABILITY OF RAW MATERIALS. The Company has obtained ample supplies of all required raw materials and packaging supplies, which, with a few exceptions, were available from a wide variety of sources during fiscal year 1996. Contingency plans have been developed for single sourced supplier materials. No supply problems are presently anticipated.

PATENTS AND TRADEMARKS. Although some products are covered by patents, the Company does not believe that patents, patent licenses or similar arrangements are material to its business. Most of the Company's brand name consumer products are protected by registered trademarks. Its brand names and trademarks are extremely important to its business and the Company pursues a course of vigorous action against apparent infringements.

SEASONALITY. The only portions of the operations of the Company which have any significant degree of seasonality are the marketing of charcoal briquets and insecticides. Most sales of these product lines occur in the third and fourth fiscal quarters. Working capital to carry inventories built up in the off-season and to extend terms to customers is generally provided by internally generated funds plus commercial paper lines of credit.

CUSTOMERS AND ORDER BACKLOG. During fiscal years 1994, 1995 and 1996, revenue from the Company's sales of its products to Wal-Mart Stores, Inc. and its affiliated companies was 12%, 13% and 14%, respectively, of the Company's gross consolidated revenues. Except for this relationship, the Company is not dependent upon any other single customer or a few customers. Order backlog is not a significant factor in

the Company's business.

RENEGOTIATION. None of the Company's operations is subject to renegotiation or termination at the election of the Federal government.

COMPETITION. The markets for consumer products are highly competitive and most of the Company's products compete with other nationally advertised brands within each category, and with "private label" brands and "generic" non-branded products of grocery chains and wholesale cooperatives. Competition is encountered from similar and alternative products, many of which are produced and marketed by major national concerns having financial resources greater than those of the Company. Depending on the competitor, the Company's products compete with competitive products on price, quality or other benefits to consumers.

A newly introduced consumer product (whether improved or newly developed) usually encounters intense competition requiring substantial expenditures for advertising and sales promotion. If a product gains consumer acceptance, it normally requires continuing advertising and promotional support to maintain relative market position.

RESEARCH AND DEVELOPMENT. The Company's operations incurred expenses of approximately \$45,821,000 in fiscal year 1996, \$44,819,000 in fiscal year 1995, and \$44,558,000 in fiscal year 1994 on research activities relating to the development of new products or the maintenance and improvement of existing products. None of such research activity was customer sponsored.

ENVIRONMENTAL MATTERS. The Company does not anticipate making material capital expenditures in the future for environmental control facilities or to comply with environmental laws and regulations. However, in general, the Company does anticipate spending increasing amounts annually for facility upgrades and for environmental programs. The amount of capital expenditures for environmental compliance was not material in fiscal year 1996 and is not expected to be material in the next fiscal year.

In addition, the Company is involved in certain other environmental matters, as follows:

- (i) The Company sold its architectural coatings business in fiscal year 1990. In connection with the disposition of those manufacturing facilities, the Company retained responsibility for certain environmental obligations. The financial reserve established at the time of the sale is expected to be adequate to cover the financial responsibilities for environmental matters which may arise in the future.
- (ii) The Company has been named as a potentially responsible party ("PRP") by the Environmental Protection Agency pursuant to the Spill Compensation and Control Act, the Sanitary Landfill Closure and Contingency Fund Act, and a section of the Solid Waste Management Act, for a site in New Jersey. Based on the Company's experience and because the Company's level of involvement is extremely limited, the Company does not expect that this matter will represent a material cost to the Company in the future. The Company settled a similar matter for another site in New Jersey during fiscal year 1995 and does not expect such settlement to represent a material cost in the future.
- (iii) The Company operates a water treatment operation at its former Oakland, California manufacturing location and may undertake additional remediation in the future to recondition such property for sale. A financial reserve established in an earlier year is considered by management to be adequate to cover the future costs or liability in connection with this manufacturing location.
- (iv) The Company has announced that it contemplates the sale of its Frederick, Maryland manufacturing facility. Customary environmental investigations are being conducted in conjunction with the contemplated sales of these sites. The Company does not expect that material environmental liabilities will be identified, and accordingly has not recorded any loss contingencies.
- (v) A former subsidiary of the Company has been named as a PRP by the Environmental Protection Agency for a site in Tulalip, Washington in connection with the Company's former architectural coatings business. Pursuant to the terms of the agreement by which the Company sold such architectural coatings business, the Company has been responding to this matter. Based on the Company's experience and because the Company's level of involvement is extremely limited, the Company does not expect that this matter will represent a material cost to the Company in the future.
- (vi) An explosion attributed to methane caused property damage and personal injury in a residential area near a site formerly operated by a subsidiary of the Company in Eaton Estates, Michigan. The Environmental Protection Agency is investigating and has served the Company with a Request for Information under CERCLA Sec. 104(e). The result of the investigation is to be determined and the Company's potential liability is unknown at this time.
- (vii) The Company has been served with a Notice of Violation at the site operated by its subsidiary at Bedford Park, near Chicago, Illinois. Based on the Company's experience, the Company does not expect that this matter will represent a material cost to the Company in the future.

Although the potential cost to the Company related to the above ongoing environmental matters is uncertain due to such factors as: the unknown magnitude of possible pollution and clean-up costs; the complexity and evolving nature of governmental laws and regulations and their interpretations; and the timing, varying costs and effectiveness of alternative clean-up technologies; based on its experience and without offsetting for expected insurance recoveries or discounting for present value, the Company does not expect that such costs individually and in the aggregate will represent a material cost to the Company or affect its competitive position.

NUMBER OF PERSONS EMPLOYED. At the end of fiscal year 1996, approximately 5,300 persons were employed by the Company's continuing operations.

(d) FINANCIAL INFORMATION ABOUT FOREIGN AND DOMESTIC OPERATIONS AND EXPORT SALES.

Net sales, pretax earnings and identifiable assets related to foreign operations and export sales are 13%, 4% and 28%, respectively for fiscal year 1996. See Note 17 of Notes to Consolidated Financial Statements, page 35 of the Annual Report, incorporated herein by this reference.

ITEM 2. PROPERTIES

PRODUCTION FACILITIES. The Company operates production and major warehouse facilities for its operations in 18 locations throughout the United States, and in 24 locations internationally. The vast majority of the space is owned. Some space, mainly for warehousing, is leased. The Company acquired a production facility in Argentina in August 1995. No facilities were either closed or sold during fiscal year 1996. The Company considers its manufacturing and warehousing facilities to be adequate to support its business.

OFFICES AND TECHNICAL CENTER. The Company's general office building is owned and is located in Oakland, California. The Company's Technical Center and Data Center are owned and are located in Pleasanton, California. Leased sales and other office facilities are located at a number of manufacturing and other locations.

ENCUMBRANCES. None of the Company's owned facilities are encumbered to secure debt owed by the Company, except that the manufacturing facilities in Wheeling, Illinois and Belle, Missouri secure industrial revenue bond indebtedness incurred in relation to the construction or upgrade thereof.

ITEM 3. LEGAL PROCEEDINGS

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

EXECUTIVE OFFICERS OF THE REGISTRANT

The names, ages and current positions of the executive officers of the Company are set forth below:

Name (Age) and Year Elected to Current Position			Title and Current Position(s)
-----			-----
G. C. Sullivan	(56)	1992	Chairman of the Board, Chief Executive Officer and President
W. F. Ausfahl	(56)	1983	Group Vice President and Chief Financial Officer
E. A. Cutter	(57)	1992	Senior Vice President-General Counsel and Secretary
G. E. Johnston	(49)	1996	Group Vice President
R. A. Llenado	(49)	1992	Group Vice President-Technical
P. N. Louras, Jr.	(46)	1992	Group Vice President
D. C. Murray	(60)	1996	Group Vice President
C. T. Alcantara	(46)	1996	Vice President-Latin America
A. W. Biebl	(46)	1992	Vice President-Manufacturing, Engineering and Distribution
R. H. Bolte	(56)	1995	Vice President-Corporate Marketing Services
J. M. Brady	(42)	1993	Vice President-Human Resources
J. O. Cole	(55)	1992	Vice President-Corporate Affairs
R. T. Conti	(41)	1996	Vice President-Kingsford Products
C. M. Couric	(49)	1995	Vice President and General Manager- Brita Products
L. Griffey	(60)	1993	Vice President-International Manufacturing

R. C. Klaus	(51)	1996	Vice President-Corporate Administration
L. S. Peiros	(41)	1995	Vice President and General Manager-Food Products Division
K. M. Rose	(47)	1993	Vice President-Treasurer
H. J. Salvo, Jr.	(48)	1991	Vice President-Controller
B. A. Sudbury	(49)	1992	Vice President-Research and Development
F. A. Tataseo	(42)	1994	Vice President-Sales
C. E. Williams	(47)	1993	Vice President-Information Services

There is no family relationship between any of the above named persons, or between any of such persons and any of the directors of the Company or any persons nominated for election as a director of the Company. See Item 10 of Part III of this Form 10-K.

The current term of office of each officer is from the date of the officer's election to the date of the first Board of Directors' meeting following the next Annual Meeting of Stockholders or until the officer's successor is elected, subject to the power of the Board of Directors to remove any officer at any time.

W. F. Ausfahl, R. A. Llenado and H. J. Salvo have been employed by the Company for at least the past five years in the same respective positions as listed above. The other executive officers have held the respective positions described below for at least the past five years:

G. C. Sullivan joined the Company in 1971 in the sales department of Household Products. Prior to his election as Chairman of the Board, Chief Executive Officer and President in 1992, he was Group Vice President from 1989 through 1992 and Vice President-Household Products from 1984 through 1989.

E. A. Cutter joined the Company in June 1983 as Vice President-General Counsel and Secretary. He held this position through June 1, 1992, when he was elected Senior Vice President-General Counsel and Secretary, with additional responsibility for the Company's government affairs and community affairs functions.

G. E. Johnston joined the Company in July 1981 as Regional Sales Manager-Special Markets. Prior to his election as Group Vice President effective July 1, 1996, he was Vice President-Kingsford Products from November 17, 1993 through June 1996, Vice President-Corporate Development from June 1992 through November 16, 1993, Director of Corporate Development from 1991 through May 1992, and Director of Business Development from September 1989 through 1991.

P. N. Louras, Jr. joined the Company in April 1980 as Manager, Analysis and Control, Kingsford Products. Prior to his election as Group Vice President effective June 1, 1992, he was Vice President-International from August 1990 through May 1992, Vice President-Controller from July 1988 through August 1990 and Controller, Household Products from 1987 through July 1988.

D. C. Murray joined the Company in February 1978 as Region Manager - Latin America and Asia. Prior to his election as Group Vice President effective July 1, 1996, he was Vice President - Household Products Division from November 1994 through June 30, 1996, Vice President - Household Products from April 1989 through November 1994, Vice President - International from November 1984 through April 1989, and Vice President - Latin America and Asia from April 1982 through November 1984.

C. T. Alcantara joined the Company in 1992 as Area General Manager - Latin America. Prior to his election as Vice President - Latin America effective July 1, 1996, he left the Company briefly from December 8, 1995 through March 31, 1996, when he returned as Area General Manager - Latin America.

A. W. Biebl joined the Company in 1981 as Manufacturing Manager, Food Service. Prior to his election as Vice President- Manufacturing, Engineering and Distribution effective June 1, 1992, he was Vice President-Kingsford Products from 1989 through May 1992 and Vice President-Food Service Products from 1985 through 1989.

R. H. Bolte joined the Company in April 1982. Prior to his election as Vice President-Corporate Marketing Services in July 1995, he was Director of Advertising and Promotion from June 1993 through June 1995 and Director of Media Services from May 1982 through May 1993.

J. M. Brady joined the Company in 1976 as a brand assistant in Marketing, Household Products. From November 1991 until her election as Vice President-Human Resources in September 1993, she was Vice President-Corporate Marketing Services. She was director of Corporate Marketing Services from August 1991 through November 1991, Director of Marketing, Kingsford Products from 1989 through August 1991 and held various marketing positions for Household Products and Kingsford Products from 1987 through 1989.

J. O. Cole joined the Company in 1973 as an attorney in its Legal Services Department. He has served in numerous capacities in that Department and was named Associate General Counsel in 1992. In November 1992, he was elected to the position of Vice President-Corporate Affairs.

R. T. Conti joined the Company in 1982 as Associate Region Sales Manager, Household Products. Prior to his election as Vice President-Kingsford Products effective July 1, 1996, he was Vice President-International from June 1992 through June 1996, Area General Manager-International for Europe, Middle East and Africa from 1990 through May 1992 and Manager of Sales Planning for Household Products from 1987 through 1990.

C. M. Couric joined the Company in 1973 as a brand assistant in the Household Products marketing organization. Prior to his election in July 1995 as Vice President-Brita Products, he had served as Director, Brita Operations from 1988 through June 1995 and as a Manager of Business Development from 1984 through 1988.

R. C. Klaus joined the Company in 1977 as Regional Sales Manager (Baltimore) for the Company's Household Products Business. Prior to his election as Vice President - Corporate Administration in November 1995, he was Vice President - Clorox Professional Products from March 1994 through October 1995, and Vice President - Food Service Products from May 1990 through March 1994.

L. S. Peiros joined the Company in 1982 and was elected Vice President-Food Products Division effective July 1995. From September 1993 until his election to his current position he was Vice President-Corporate Marketing Services. From June 1992 through August 1993 he was Director of Marketing- Household Products and from August 1991 through June 1992 he was Director of Marketing-Kingsford Products. Prior to that he had served in various marketing positions in both Household Products and Kingsford Products.

K. M. Rose joined the Company in 1978 as a financial analyst. Prior to her election as Vice President-Treasurer effective July 15, 1992, she was Controller, Household Products from July 1988 through July 1992. Beginning October 1, 1994, she also assumed responsibility for the Company's investor relations and risk management functions.

B. A. Sudbury joined the Company in 1978 as Project Leader in Research and Development. Prior to his election as Vice President-Research and Development effective June 1, 1992, he was Director of Research and Development, Household Products from 1985 through May 1992.

F. A. Tataseo joined the Company in October 1994 as Vice President-Sales. Previously, he was employed by The Pillsbury Company (Division of Grand Metropolitan Inc.) as Vice President, Sales (March - September 1994), and as Vice President, Direct Sales Force (June 1993 - February 1994); and by The Procter & Gamble Company as Sales Merchandising Division Manager, Soap Sector (May 1992 - May 1993); as Division Sales Manager, Laundry Products Category (November 1990 - April 1993); and as Division Sales Manager, Fabric Care Category (July 1988 - October 1990).

C. E. Williams joined the Company in May 1993 as Vice President-Information Services. From 1987 until he joined the Company, Mr. Williams was Director of Information Services of the Fritz Companies, Inc.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

(a) MARKET INFORMATION.

The principal markets for Clorox Common Stock are the New York and Pacific Stock Exchanges. The high and low sales prices quoted for New York Stock Exchange-Composite Transactions Report for each quarterly period during the past two fiscal years appears under "Quarterly Data," page 38 of the Annual Report, incorporated herein by this reference, and on July 31, 1996, the closing price for the Company's stock was \$90.875 per share.

(b) HOLDERS.

The approximate number of record holders of Clorox Common Stock as of July 31, 1996 was 13,009 based on information provided by the Company's transfer agent.

(c) DIVIDENDS.

The amount of quarterly dividends paid with respect to Clorox Common Stock during the past two fiscal years appears under "Quarterly Data," page 38 of the Annual Report, incorporated herein by this reference.

ITEM 6. SELECTED FINANCIAL DATA

This information appears under "Financial Summary," pages 36 and 37 of the Annual Report, incorporated herein by this reference.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

This information appears under "Management's Discussion and Analysis," pages 22 and 23 of the Annual Report, incorporated herein by this

reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

These statements and data appear on pages 24 through 35 and 38 of the Annual Report, incorporated herein by this reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information regarding each nominee for election as a director, including those who are executive officers of the Company, appears under "Nominees for Election as Directors" of the definitive Proxy Statement of the Company, which will be filed with the United States Securities and Exchange Commission within 120 days after the end of the registrant's fiscal year ended June 30, 1996 ("Proxy Statement"), incorporated herein by this reference.

Pursuant to Instruction 3 to Item 401(b) of Regulation S-K, information regarding the executive officers of the registrant is reported in Part I of this Report.

The information required by Item 405 of Regulation S-K appears under "Section 16(a) Beneficial Ownership Reporting Compliance" of the Proxy Statement, incorporated herein by this reference.

ITEM 11. EXECUTIVE COMPENSATION

The information required by Item 402 of Regulation S-K appears under "Organization of the Board of Directors," "Employee Benefits and Management Compensation Committee Report on Compensation," "Summary Compensation Table," "Options and Stock Appreciation Rights," "Long-Term Incentive Plans," "Comparative Stock Performance," and "Pension Benefits" of the Proxy Statement, all incorporated herein by this reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

(a) SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS.

Information concerning the only entity or person known to the Company to be the beneficial owner of more than 5% of its Common Stock appears under "Beneficial Ownership of Voting Securities" of the Proxy Statement, incorporated herein by this reference.

(b) SECURITY OWNERSHIP OF MANAGEMENT.

Information concerning the beneficial ownership of the Company's Common Stock by each nominee for election as a director appears under "Nominees for Election as Directors" of the Proxy Statement and by all directors and executive officers as a group appears under "Beneficial Ownership of Voting Securities" of the Proxy Statement, both incorporated herein by this reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Information concerning transactions with directors, nominees for election as directors, management and the beneficial owner of more than 5% of the Company's Common Stock appears under "Beneficial Ownership of Voting Securities" of the Proxy Statement, incorporated herein by this reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a)(1) Financial Statements:

Page

Financial Statements and Independent Auditors' Report included in the Annual Report, incorporated herein by this reference:

Copy
Included

Statements of Consolidated Earnings for the years ended June 30, 1996, 1995 and 1994

Consolidated Balance Sheets, June 30, 1996 and 1995

Statements of Consolidated Stockholders' Equity for the years ended June 30, 1996, 1995 and 1994

Statements of Consolidated Cash Flows for the years ended June 30, 1996, 1995 and 1994

Notes to Consolidated Financial Statements

Independent Auditors' Report

Quarterly Data

(2) Financial Statement Schedules have been omitted because of the absence of conditions under which they are required, or because the information is shown elsewhere in this Form 10-K.

(3) Executive Compensation Plans and Arrangements:

Stock Option Plan (1977), amended 10/16/80, 7/21/82, 6/21/83, 10/19/83 and 11/17/93 (Exhibit 10(i) to Annual Report on Form 10-K for the year ended June 30, 1994)

Long-Term Compensation Program dated October 21, 1987, amended 11/17/93 (Exhibit 10(ii) to Annual Report on Form 10-K for the year ended June 30, 1994)

Officer Employment Agreement (form) (filed as Exhibit 10(xi) to this Annual Report on Form 10-K for the year ended June 30, 1996)

Officer Change of Control Employment Agreement (form) (filed as Exhibit 10(xii) to this Annual Report on Form 10-K for the year ended June 30, 1996)

Supplemental Executive Retirement Plan dated July 17, 1991 (Exhibit 10(x) to Annual Report on Form 10-K for the year ended June 30, 1993)

Non-Qualified Deferred Compensation Plan (filed as Exhibit 10(xiii) to this Annual Report on Form 10-K for the year ended June 30, 1996)

The Clorox Company 1995 Performance Unit Plan filed as Exhibit 10(xiv) to this Annual Report on Form 10-K for the year ended June 30, 1996)

The Clorox Company 1996 Stock Incentive Plan (filed as Exhibit 10(xv) to this Annual Report on Form 10-K for the year ended June 30, 1996)

The Clorox Company 1996 Executive Incentive Compensation Plan (filed as Exhibit 10(xvi) to this Annual Report on Form 10-K for the year ended June 30, 1996);

(b) Current Reports on Form 8-K during the fourth quarter of fiscal year 1996:

None.

(c) Exhibits:

Index to Exhibits follows.

(d) (Not applicable)

Index to Exhibits

(2) (Not applicable)

(3) (i) Certificate of Incorporation dated October 22, 1986 (filed as Exhibit (3)(i) to Annual Report on Form 10-K for the year ended June 30, 1987, incorporated herein by this reference)

(ii) Bylaws dated November 18, 1992 (restated) (filed as Exhibit 3(ii) to Quarterly Report on Form 10-Q for the quarter ended December 31, 1992, incorporated herein by this reference)

(4) (i) Form of Indenture between the Company and Wachovia Bank & Trust Company, N.A. as Trustee, regarding \$200,000,000 in 8.8% Notes due 2001 (filed as Exhibit 4 to Registration Statement on Form S-3 No. 33-4083 dated May 24, 1991, incorporated herein by this reference)

(ii) Prospectus Supplement (to Prospectus dated July 9, 1991) giving terms of the Indenture referenced in Exhibit 4 (i) above (filed on July 18, 1991, supplementing the Registration Statement on Form S-3 No. 33-4083 dated May 24, 1991, and incorporated herein by this reference)

(9) (Not applicable)

(10) Material contracts:

(i) Stock Option Plan (1977) (Amended 10/16/80, 7/21/82, 6/21/83, 10/19/83, 9/18/85, 11/20/85, 7/15/87 and 11/17/93) (filed as Exhibit 10(i) to Annual Report on Form 10-K for the year ended June 30, 1994, incorporated herein by this reference)

(ii) Long-Term Compensation Program dated October 21, 1987 (filed as Exhibit 10(ii) to Annual Report on Form 10-K for the year ended June 30, 1994, incorporated herein by this reference)

(iii) Agreement between Henkel KGaA and the Company dated June 18, 1981 (filed as Exhibit (10)(v) to Form 8 dated August 11, 1983, incorporated herein by this reference)

(iv) Agreement between Henkel GmbH (now Henkel KGaA) and the Company dated July 31, 1974 (filed as

- Exhibit (10)(vi) to Form 8 dated August 11, 1983, incorporated herein by this reference)
- (v) Agreement between Henkel KGaA and the Company dated November 16, 1981 (filed as Exhibit (10)(vii) to Form 8 dated August 11, 1983, incorporated herein by this reference)
 - (vi) Agreement between Henkel KGaA and the Company dated July 16, 1986 (filed as Exhibit B to Current Report on Form 8-K for March 19, 1987, incorporated herein by this reference)
 - (vii) Agreement between Henkel KGaA and the Company dated March 18, 1987 (filed as Exhibit A to Current Report on Form 8-K for March 19, 1987, incorporated herein by this reference)
 - (viii) Agreement between Henkel KGaA and the Company dated January 16, 1992 (filed as Exhibit 10(xi) to Annual Report on Form 10-K for the year ended June 30, 1992, incorporated herein by this reference)
 - (ix) Supplemental Executive Retirement Plan dated July 17, 1991 (filed as Exhibit 10(x) to Annual Report on Form 10-K for the year ended June 30, 1993, incorporated herein by this reference)
 - (x) 1993 Directors' Stock Option Plan dated November 17, 1993 (filed as Exhibit 10(xi) to Annual Report on Form 10-K for the year ended June 30, 1994, incorporated herein by this reference)
 - (xi) Officer Employment Agreement (form) (filed as Exhibit 10(xi) to this Annual Report on Form 10-K for the year ended June 30, 1996)
 - (xii) Officer Change of Control Employment Agreement (form) (filed as Exhibit 10(xii) to this Annual Report on Form 10-K for the year ended June 30, 1996)
 - (xiii) Non-Qualified Deferred Compensation Plan (filed as Exhibit 10(xiii) to this Annual Report on Form 10-K for the year ended June 30, 1996)
 - (xiv) The Clorox Company 1995 Performance Unit Plan (filed as Exhibit 10(xiv) to this Annual Report on Form 10-K for the year ended June 30, 1996)
 - (xv) The Clorox Company 1996 Stock Incentive Plan (filed as Exhibit 10(xv) to this Annual Report on Form 10-K for the year ended June 30, 1996)
 - (xvi) The Clorox Company 1996 Executive Incentive Compensation Plan (filed as Exhibit 10(xvi) to this Annual Report on Form 10-K for the year ended June 30, 1996)
- (11) (Not applicable)
 - (12) (Not applicable)
 - (13) 1996 Annual Report to Stockholders, following Exhibit 10(xvi) of this Form 10-K
 - (16) (Not applicable)
 - (18) (Not applicable)
 - (21) Subsidiaries of the registrant, following Exhibit 13 of this Form 10-K
 - (22) (Not applicable)
 - (23) Independent Auditors' Consent, following Exhibit 21 of this Form 10-K
 - (24) Power of Attorney (see page 15)
 - (27) Financial Data Schedule, following Exhibit 23 of this Form 10-K

SIGNATURES

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Edward A. Cutter and Henry J. Salvo, Jr., jointly and severally, attorneys-in-fact and agents, with full power of substitution, for him in any and all capacities to sign any and all amendments to this Form 10-K, and to file the same and all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact and agents, and his or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of Section 13 or 15(d) 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

Date: September 18, 1996

By: /s/G. C. Sullivan

G. C. Sullivan,
Chairman of the Board
and Chief Executive
Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
-----	-----	-----
/s/G.C. Sullivan	Chairman of the Board & Director	September 18, 1996

G. C. Sullivan	(Chief Executive Officer)	
/s/W. F. Ausfahl	Group Vice President & Director	September 18, 1996

W. F. Ausfahl	(Principal Financial Officer)	
/s/D. Boggan, Jr. ----- D. Boggan, Jr.	Director	September 18, 1996
/s/J. W. Collins ----- J. W. Collins	Director	September 18, 1996
	(signatures continue)	
----- U. Fairchild	Director	September 18, 1996
----- J. Manchot	Director	September 18, 1996
/s/D. O. Morton ----- D. O. Morton	Director	September 18, 1996
/s/K. Morwind ----- K. Morwind	Director	September 18, 1996
/s/E. L. Scarff ----- E. L. Scarff	Director	September 18, 1996
/s/L. R. Scott ----- L. R. Scott	Director	September 18, 1996
/s/F. N. Shumway ----- F. N. Shumway	Director	September 18, 1996
/s/J. A. Vohs ----- J. A. Vohs	Director	September 18, 1996
/s/C. A. Wolfe ----- C. A. Wolfe	Director	September 18, 1996
/s/H. J. Salvo, Jr. ----- H. J. Salvo, Jr.	Vice President-Controller (Principal Accounting Officer)	September 18, 1996

MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATIONS

Results of Operations

Continuing operations again achieved record unit volume in 1996, after record years in 1995 and 1994. The gain in 1996 volume was principally due to: acquisition activity in Latin America; record volumes for Pine-Sol, Clorox toilet bowl cleaner, Clorox liquid bleach, Clorox Clean-Up cleaners, Tilex products, Kingsford charcoal briquets, and the Brita water filtration business in the United States; and the effects of the 1995 Brita Canada and the Black Flag insecticide acquisitions. These were partially offset by lower volumes in our food business. The gain in 1995 volume was principally due to a full year's ownership of the S.O.S business, which was acquired in mid 1994, growth in the Brita water filtration business in the United States, and record volumes for Combat insecticides, Clorox liquid bleach, Clorox Clean-Up dilutable cleaner, Tilex soap scum remover, Clorox toilet bowl cleaner, Professional Strength Formula 409 cleaner, Pine-Sol cleaner, and the Kingsford line of charcoal briquets.

Net sales increased 12% in 1996 following increases of 8% in 1995 and 12% in 1994. This year's growth was driven primarily by the volume increases and the acquisitions mentioned above.

Cost of products sold was 45% of net sales in 1996, 1995, and 1994. Research and development (R&D) expense was up slightly over 1995. New product activity continued at a high level for the third consecutive year and reflects efficiencies achieved in the R&D function to bring new products to market faster and at lower overall costs. R&D activities are anticipated to continue at current levels as a percent of sales. We expect to continue to shorten development times and further improve cost efficiencies while maintaining a high level of new product activity in 1997.

Selling, delivery, and administration expenses increased 12% over 1995 and remained constant as a percentage of net sales. The increase is principally attributable to the strategic growth of our international business where we have increased our overhead infrastructure through acquisitions or through expanding our marketing activities in Latin America, the Caribbean, Canada, the Pacific Rim, and Central Europe. In addition, we incurred transition costs related to the implementation of our manufacturing strategy, and our new Customer Interface project that we believe will improve customer service. We continue to focus on improving our cost structure and anticipate continued spending during 1997 on our International infrastructure and the Customer Interface initiative.

Advertising expense increased 5% over 1995 and includes a shift in emphasis away from consumer sales promotions, i.e., couponing, to media advertising, which increased at a rate faster than sales. This follows a trend started in 1995 when marketing expense increased 3% over 1994. Interest expense, the majority of which relates to long-term financing, increased by \$13,168,000 in 1996 and \$6,696,000 in 1995 due to additional borrowings to finance acquisitions and our share-repurchase program.

Effective tax rates were 40.0%, 40.6%, and 41.3% in 1996, 1995, and 1994, respectively. The decrease in 1995 was principally due to the effecting 1994 of the retroactive 1% increase in the federal statutory tax rate that was reflected in 1994 earnings.

Earnings per share from continuing operations increased \$.50 in 1996 over 1995, a 13% improvement, and \$.43 in 1995, also a 13% improvement over 1994, both of which were driven by the volume growth described above and shares repurchased in 1996, 1995, and 1994 under the share-repurchase program. Net earnings per share decreased in 1995 from 1994 due to the inclusion in 1994 of \$.59 earnings per share from discontinued operations.

Foreign Operations

Foreign net sales were \$302,575,000 and represented 14% of total company sales in 1996. This was up significantly from 1995 and 1994 when foreign sales represented only 9% and 7%, respectively, of total Company sales. This growth comes primarily from volume associated with acquisitions made in the last three years, principally in Latin America. Foreign pre-tax earnings in 1996 were \$14,525,000 and have grown from \$5,989,000 in 1994. Earnings levels in these years reflect investment spending on our international infrastructure and the cost of integrating these operations into our mode of business. Our stated strategy has been to grow our International business to 20% of total Company net sales by the turn of the century. Commensurate with the growth in sales, identifiable assets have grown to \$613,375,000 in 1996 from \$191,468,000 in 1994 primarily due to acquisitions of existing businesses abroad.

Financial Position and Liquidity

Cash provided by continuing operations was a record \$406,665,000 in 1996 and resulted from record earnings and our continued focus on efficient utilization of resources driven by the Clorox Value Measure (CVM) economic value measurement system implemented in 1993. CVM increased 20% in 1996 over 1995. The 1995 increase in CVM was 26%, which followed the two previous years' increases of 18%. Inventory levels are up over last year due to acquisitions in 1996 and 1995. Both short-term and long-term debt increased over the prior year principally to fund a portion of 1996 investing activities and the stock repurchase program.

At June 30, 1996, we had available a \$350,000,000 credit agreement with a syndication of banks that expires on May 31, 2000. During 1996, we invested \$165,231,000 in new businesses. Foreign acquisitions included the Poett San Juan home products business in Argentina, the largest business acquired, and the Electroquimicas Unidos S.A.C.I. bleach business in Chile. Domestically, acquisitions included the Black Flag line of insecticides and the Lestoil brand of home cleaning products.

During 1995, \$97,651,000 was invested in new businesses, all of which were outside the United States. The largest single investment was Brita International Holdings, Inc., of Canada. On January 1, 1994, the S.O.S products business was acquired for \$116,488,000. Also during 1994, additional foreign investments of \$25,949,000 were made.

Dividends paid in 1996 were \$110,447,000 or \$2.12 per share. In July 1996, we announced a 9.4% increase in the quarterly dividend rate to \$.58 from \$.53 per share for a new annual rate of \$2.32.

In 1996, 1995, and 1994, cash flow from operations has exceeded cash needs for capital expenditures, dividends, and scheduled debt service. We believe that cash flows from operations, supplemented if necessary by financing expected to be available from external sources, will provide sufficient liquidity for the foreseeable future. However, depending upon conditions in the financial markets and other factors, the Company may from time to time consider the issuance of debt or other securities, the proceeds of which would be used to finance acquisitions, to refinance debt, or for other general corporate purposes. Proceeds from the sale of discontinued operations generated cash of \$159,293,000 in 1994.

We recently completed a stock repurchase program authorized in July 1995 by our Board of Directors. During 1996, 1,266,906 shares were repurchased at a cost of \$98,112,000. During 1995, we completed a stock repurchase program initiated in 1989 in which 5,000,000 shares were repurchased. Reacquired shares are held as treasury shares and are available for reissuance for corporate uses.

In order to manage the impact of interest rate movements on interest expense and interest income, we have approved the use of interest rate derivative instruments, such as interest rate swaps. These instruments have the effect of converting fixed rate interest to floating, or floating to fixed. Conditions under which derivatives can be used are set forth in a Company Policy Statement. They include a restriction on the amount of such activity to a designated portion of existing debt, a limit on the term of any derivative transaction, and a specific prohibition of the use of any leveraged instrument. Other derivative instruments used to hedge assets and anticipated transactions include foreign currency contracts.

We are committed to an ongoing program of comprehensive, long-term environmental assessment of our facilities. This program is implemented by the Company's Department of Health, Safety and Environment, with guidance from legal counsel. During each facility assessment, compliance with applicable environmental laws and regulations is evaluated and the facility is reviewed in an effort to identify possible future environmental liabilities. Although not material, at June 30, 1996 and 1995, expected costs have been accrued for the probable future costs of environmental liabilities without offset for expected insurance recoveries or discounting for present value.

INDEPENDENT AUDITOR'S REPORT

The Stockholders and Board of Directors of The Clorox Company:

We have audited the accompanying consolidated balance sheets of The Clorox Company and its subsidiaries (the companies) as of June 30, 1996 and 1995, and the related statements of consolidated earnings, consolidated stockholders' equity and consolidated cash flows for the years ended June 30, 1996, 1995, and 1994. These financial statements are the responsibility of the companies' management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the companies at June 30, 1996 and 1995, and the results of their operations and their cash flows for the years ended June 30, 1996, 1995, and 1994 in conformity with generally accepted accounting principles.

*/S/ DELOITTE & TOUCHE LLP
Deloitte & Touche LLP*

Oakland, California August 8, 1996

CONSOLIDATED FINANCIAL STATEMENTS

Years ended June 30 (in thousands, except per-share amounts)	1996	1995	1994
Net Sales	\$2,217,843	\$1,984,170	\$1,836,949

Costs and Expenses			
Cost of products sold	1,007,200	892,172	820,434
Selling, delivery and administration	464,767	416,392	359,360
Advertising	285,015	271,730	286,666
Research and development	45,821	44,819	44,558

Interest expense	38,288	25,120	18,424
Other (income) expense, net	6,365	(3,957)	874

Total costs and expenses	1,847,456	1,646,276	1,530,316

Earnings Before Income Taxes	370,387	337,894	306,633
Income Taxes	148,295	137,062	126,640

Earnings from Continuing Operations	222,092	200,832	179,993
Earnings from Discontinued Operations	-	-	32,064

Net Earnings	\$ 222,092	\$ 200,832	\$ 212,057
=====			
Earnings per Common Share			
Continuing operations	\$ 4.28	\$ 3.78	\$ 3.35
Discontinued operations	-	-	0.59

Net Earnings	\$ 4.28	\$ 3.78	\$ 3.94
=====			
Weighted Average Shares Outstanding	51,935	53,147	53,800
=====			

See notes to consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

Years ended June 30 (in thousands, except shares and per-share amounts)	1996	1995
Assets		
Current Assets		
Cash and short-term investments	\$ 90,828	\$ 137,330
Accounts receivable, less allowance	315,106	311,868
Inventories	138,848	121,095
Prepaid expenses	18,076	18,543
Deferred income taxes	10,987	11,495

Total current assets	573,845	600,331

Property, Plant and Equipment - Net	551,437	524,972

Brands, Trademarks, Patents and Other Intangibles - Net	704,669	592,792

Investments in Affiliates	99,033	96,385

Other Assets	249,910	92,192

Total	\$2,178,894	\$1,906,672
=====		
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	\$ 155,366	\$ 122,763
Accrued liabilities	266,192	234,595
Short-term debt	192,683	115,303
Income taxes payable	9,354	6,283
Current maturities of long-term debt	291	379

Total current liabilities	623,886	479,323

Long-term Debt	356,267	253,079

Other Obligations	117,505	85,129

Deferred Income Taxes	148,408	145,228

Stockholders' Equity		
Common stock - authorized, 175,000,000 shares, \$1 par value	55,422	55,422
Additional paid-in capital	111,782	108,347
Retained earnings	1,078,789	971,380
Treasury shares, at cost	(268,652)	(168,217)
Cumulative translation adjustments and other	(44,513)	(23,019)
=====		
Stockholders' equity	932,828	943,913

Total	\$2,178,894	\$1,906,672
=====		

See notes to consolidated financial statements.

STATEMENTS OF CONSOLIDATED STOCKHOLDERS' EQUITY

(in thousands, except shares and per-share amounts)	common stock		additional	retained	treasury shares		cumulative
	-----	-----	paid-in	earnings	-----	-----	translation
	shares	amount	capital	-----	shares	amount	adjustments
							and other

Balance, June 30, 1993	55,422,297	\$55,422	\$105,483	\$ 762,162	(572,155)	\$ (23,357)	\$(20,416)
Net earnings				212,057			
Dividends (\$1.80 per share)				(97,095)			
Employee stock plans and other			1,071	(292)	405,414	16,121	
Treasury stock acquired					(1,883,300)	(99,910)	
Translation adjustments							(1,829)

Balance, June 30, 1994	55,422,297	55,422	106,554	876,832	(2,050,041)	(107,146)	(22,245)
Net earnings				200,832			
Dividends (\$1.92 per share)				(102,272)			
Employee stock plans and other			1,793	(4,012)	355,211	17,199	(1,187)
Treasury stock acquired					(1,325,485)	(78,270)	
Translation adjustments							413

Balance, June 30, 1995	55,422,297	55,422	108,347	971,380	(3,020,315)	(168,217)	(23,019)
Net earnings				222,092			
Dividends (\$2.12 per share)				(110,447)			
Employee stock plans and other			3,435	(4,236)	362,750	14,936	(9,949)
Treasury stock acquired					(1,266,906)	(98,112)	
Put option obligations		(240,000)	(17,259)				
Translation adjustments							(11,545)

Balance, June 30, 1996	55,422,297	\$55,422	\$111,782	\$1,078,789	(4,164,471)	\$(268,652)	\$(44,513)

See notes to consolidated financial statements.

STATEMENTS OF CONSOLIDATED CASH FLOWS

Years ended June 30 (in thousands)	1996	1995	1994
Operations			
Earnings from continuing operations	\$ 222,092	\$ 200,832	\$ 179,993
Adjustments to reconcile to net cash provided by continuing operations:			
Depreciation and amortization	116,534	103,866	94,120
Deferred income taxes	2,020	15,386	15,985
Other	16,057	7,498	25,985
Effects of changes in:			
Accounts receivable	27,447	(58,314)	(18,299)
Inventories	(5,132)	(11,723)	5,691
Prepaid expenses	7,653	(1,892)	2,355
Accounts payable	17,890	21,771	13,485
Accrued liabilities	2,561	15,630	(8,134)
Income taxes payable	(457)	(2,205)	(12,741)
Net cash provided by continuing operations	406,665	290,849	298,440
Net cash (used for) discontinued operations	-	-	(31,658)
Net cash provided by operations	406,665	290,849	266,782
Investing Activities			
Property, plant and equipment	(84,804)	(62,911)	(56,627)
Net proceeds from sales of businesses	-	-	159,293
Businesses purchased	(165,231)	(97,651)	(142,437)
Disposal of property, plant and equipment	2,671	8,707	11,264
Other	(47,312)	(23,299)	(22,046)
Net cash used for investment	(294,676)	(175,154)	(50,553)
Financing Activities			
Long-term borrowings	110,000	47,298	13,000
Long-term debt repayments	(14,732)	(2,806)	(741)
Forward purchase financing agreements	(110,045)	(31,138)	-
Short-term borrowings, net	50,763	62,115	3,430
Cash dividends	(110,447)	(102,272)	(97,095)
Treasury stock acquired	(98,112)	(78,270)	(99,910)
Employee stock plans and other	14,082	10,786	9,845
Net cash used for financing	(158,491)	(94,287)	(171,471)
Net (decrease) increase in cash and short-term investments	(46,502)	21,408	44,758
Cash and short-term investments:			
Beginning of year	137,330	115,922	71,164
End of year	\$ 90,828	\$ 137,330	\$ 115,922
Cash Paid For			
Interest (net of amounts capitalized)	\$ 36,576	\$ 25,479	\$ 18,267
Income taxes	116,799	106,821	128,210
Noncash Transactions			
Liabilities arising from businesses purchased	\$ 75,690	\$ 25,047	\$ 7,200

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 Significant Accounting Policies

Nature of Operations and Principles of Consolidation The Company is principally engaged in the production and marketing of nondurable consumer products to grocery stores, mass merchandisers and other retail outlets. The consolidated financial statements include the statements of the Company and its majority-owned and controlled subsidiaries. All significant intercompany transactions and accounts are eliminated in consolidation.

Accounting Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts and related disclosures. Actual results could differ from estimates and assumptions made.

Short-term Investments

Short-term investments consist of money market and other high-quality instruments with an initial maturity of three months or less and are stated at cost, which approximates market value.

Inventories

Inventories are stated at the lower of cost or market. Cost of the majority of inventories is determined on the last-in, first-out (LIFO) method. Cost of the remainder of the inventories is determined generally on the first-in, first-out (FIFO) method.

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Depreciation is calculated by the straight-line method over the estimated useful lives of the depreciable assets.

Brands, Trademarks, Patents and Other Intangibles Brands, trademarks, patents and other intangible assets arising from transactions after October 30, 1970 are amortized over their estimated useful lives up to a maximum of 40 years. Carrying values are reviewed periodically and a determination of impairment is made based on estimates of future cash flows, undiscounted and without interest charges.

Investments in Affiliates

The Company holds minority investments in foreign entities which are accounted for under the equity method. The most significant investment is a 20 percent equity ownership in Henkel Iberica, S.A. of Spain.

Forward Purchase Financing Agreements

In connection with the financing of acquisitions in Argentina in 1996 and the Brita water filtration systems business in Canada in 1995, the Company entered into forward purchase agreements with third parties whereby the Company has purchased preferred stock of certain of its foreign subsidiaries for future delivery from third parties who have the right to acquire the preferred stock according to the terms of certain subscription agreements. The differences between the purchase prices and the third party subscription prices are being accreted on a straight-line basis over the terms of the agreements. **Income Taxes** The Company uses the liability method to account for income taxes, in accordance with Statement of Financial Accounting Standards (SFAS) No. 109, "Accounting for Income Taxes."

Foreign Currency Translation

The local currency is primarily the functional currency for the Company's foreign operations. Assets and liabilities are translated using the exchange rates in effect at the balance sheet date. Income and expenses are translated at the average exchange rates during the year. Translation gains and losses, and the effects of exchange rate changes on transactions designated as hedges of net foreign investments, are reported in stockholders' equity. Transaction gains and losses and foreign currency gains and losses where the U.S. dollar is the functional currency are included in net earnings.

Earnings per Common Share

Earnings per common share are computed by dividing net earnings by the weighted average number of common shares outstanding during each year. The potential dilution from the exercise of stock options is not material.

Major Customer

Sales to the Company's largest customer, Wal-Mart Stores, Inc. and its affiliates, were 14%, 13%, and 12% of consolidated net sales in 1996, 1995, and 1994, respectively.

Derivative Financial Instruments

The use of financial instruments is limited to purposes other than trading and includes management of interest rate movements (interest rate swaps), and foreign currency exposure (forward contracts) related to supply contracts, accounts receivable and net investments in foreign subsidiaries. Both categories of financial instruments are treated as off-balance sheet financial instruments. Gains or losses on hedges of existing assets are included in the carrying amounts and are recognized in earnings when those assets are liquidated. Gains or losses arising from hedges of firm commitments and

anticipated transactions are deferred and recognized in earnings or as an adjustment of carrying amounts when the hedged transaction occurs. Interest rate swap agreements are accounted for using the settlement basis of accounting. As such, no gains or losses are recorded for movements in the swaps' values during the term of the agreements.

Note 2 Discontinued Operations

The Company sold its bottled water and frozen foods businesses during 1994 for \$159,293,000. The sale of these businesses resulted in a net gain of \$31,430,000. Results of discontinued operations are classified separately in the Statements of Consolidated Earnings and include (in thousands):

	1994
Net sales	\$18,700

Earnings from operations before income taxes	\$ 1,043
Income taxes	(409)

Net earnings from discontinued operations	634

Gain on sale of businesses	42,177
Income taxes	(10,747)

Net gain on sale of businesses	31,430

Earnings from discontinued operations	\$32,064

Note 3 Acquisitions

Acquisitions in 1996 totaled \$165,231,000 and included Black Flag insecticides, Lestoil cleaner, the Poett San Juan home cleaning products business in Argentina, and the Electroquimicas Unidas S.A.C.I. bleach business in Chile. They were each accounted for as purchases and were funded with cash from operations and debt. Approximately \$143,019,000 of the total acquisition costs have been allocated to brands, trademarks and other intangibles to be amortized over estimated lives of up to 40 years. Purchases in 1996 included, at fair value, assets of \$97,902,000, and the assumption of liabilities of \$75,690,000.

Acquisitions in 1995 totaled \$97,651,000 and were funded from cash from operations and debt. They included Brita International Holdings, Inc., a Canadian-based manufacturer and marketer of Brita water filtration systems, and eight foreign investments, all of which were accounted for as purchases. Approximately \$96,337,000 of the acquisition cost was allocated to brands, trademarks and other intangibles to be amortized over estimated lives up to 40 years. Those purchased in 1995 included, at fair value, assets of \$26,361,000 and the assumption of liabilities of \$25,047,000.

On January 31, 1994, the Company acquired the S.O.S products business of Miles, Inc., which was accounted for as a purchase. The acquisition cost of \$116,488,000 included the S.O.S brand of soap pads and other cleaning products in the United States and Canada, manufacturing facilities, and certain items of working capital. Approximately \$98,850,000 of the purchase price has been allocated to brands, trademarks and other intangibles to be amortized over an estimated life of 40 years. The purchase included, at fair value, current assets of \$9,200,000; property, plant and equipment of \$15,600,000; the assumption of current liabilities of \$5,300,000, and a post retirement healthcare liability of \$1,900,000. In addition, acquisitions included various foreign investments of \$25,949,000. These acquisitions were funded from cash from operations and short-term borrowings.

Operating results of acquired businesses are included in consolidated net earnings from the date of acquisition.

Note 4 Inventories

The major classes are (in thousands):

	1996	1995

Finished goods and work in process	\$ 82,261	\$ 71,102
Raw materials and supplies	56,587	49,993

Total	\$138,848	\$121,095
=====		

Had the cost of inventories been determined using the FIFO method, inventories would have been higher by approximately \$13,320,000 at June 30, 1996 and \$14,218,000 at June 30, 1995. The LIFO method was used to value 61% of the inventory at June 30, 1996 and 74% at June 30, 1995.

Note 5 Property, Plant and Equipment

The major classes are (in thousands):

	1996	1995
Land and improvements	\$ 63,474	\$ 60,083
Buildings	274,895	263,509
Machinery and equipment	577,015	534,660
Construction in progress	45,897	31,622
Total	961,281	889,874
Less accumulated depreciation	409,844	364,902
Net	\$551,437	\$524,972

Depreciation expense was \$72,619,000 in 1996, \$66,886,000 in 1995 and \$61,660,000 in 1994.

Note 6 Brands, Trademarks, Patents and Other Intangibles - Net

The major classes are (in thousands):

	1996	1995
Brands and trademarks	\$722,149	\$583,902
Patents and other intangibles	133,096	129,076
Accumulated amortization	(150,576)	(120,186)
Net	\$704,669	\$592,792

Brands and trademarks include \$41,708,000 of continuing value arising from transactions prior to October 31, 1970.

Note 7 Other Assets

The major components are (in thousands):

	1996	1995
Forward purchase financing agreements	\$146,524	\$31,138
Other	103,386	61,054
Total	\$249,910	\$92,192

The cost to acquire preferred stock of certain foreign subsidiaries according to terms of forward purchase financing agreements was \$141,183,000 and \$31,138,000 at June 30, 1996 and 1995, respectively. The difference between cost and third party subscription price of the preferred stock is being accreted on a straight-line basis over five years. The amount of accretion included in other income was \$5,341,000 in 1996.

Note 8 Accrued Liabilities

Advertising costs included in accrued liabilities at June 30, 1996 and 1995 were \$121,877,000 and \$126,268,000, respectively.

Note 9 Short-term Debt

The major components are (in thousands):

	1996	1995
Commercial paper	\$167,241	\$105,031
Bank loans	25,442	10,272
Net	\$192,683	\$115,303

Note 10 Long-term Debt

The principal components are (in thousands):

	1996	1995
8.8% Non-callable notes due August 2001, including net unamortized premium of \$173 and \$208, respectively	\$200,173	\$200,208
Bank loans due March 2001, including accrued unpaid interest of \$2,325, at fixed rates ranging from 6.7% to 7.7%	112,325	-
Other debt	44,060	53,250
	356,558	253,458
Less: current maturities	291	379
Long-term debt	\$356,267	\$253,079

The Company has a \$350,000,000 credit agreement with a syndication of banks which expires on May 31, 2000. The credit agreement requires maintenance of a minimum net worth of \$704,000,000. At June 30, 1996, the credit agreement is available for general corporate purposes and for the support of additional commercial paper issuance.

Note 11 Financial Instruments and Fair Values

In order to manage the impact of interest rate movements, the Company has entered into six interest rate swap agreements. The transactions effectively convert a portion of the Company's interest rate exposure on its 8.8% fixed rate non-callable notes to a floating rate. The effect of the swap agreements on the 8.8% fixed rate notes reduced interest expense by \$522,000 and \$573,000 in 1996 and 1995, respectively, and resulted in effective borrowing rates of 8.5% in both years. Under the terms of these agreements, the Company agrees with other parties to exchange, at specified intervals, the difference between fixed-rate and floating-rate interest amounts as calculated by reference to agreed upon notional principal amounts. LIBOR is used as the variable rate index for calculation.

In 1996, the Company entered into a Canadian dollar interest rate swap that converted a portion of the exposure of floating interest rate Canadian debt to a fixed rate of 6.3%. This swap agreement resulted in an effective borrowing rate of 6.9%.

Exposure to counterparty credit risk has been decreased by entering into these agreements only with major financial institutions that are expected to fully perform under the terms of the swap agreements.

Notional amounts outstanding and weighted average rates at June 30 are (in thousands):

	1996	1995
Received fixed/pay		
floating - notional amounts	\$100,000	\$100,000
Weighted average receive rate	6.3%	6.6%
Weighted average pay rate	5.9%	6.6%
Pay fixed/received		
floating - notional amounts	\$ 75,665	\$ 50,000
Weighted average pay rate	7.4%	6.3%
Weighted average receive rate	6.4%	6.6%

Original terms to maturity of these agreements ranged from 7 1/2 to 7 3/4 years where fixed rates are received and at June 30, 1996 the remaining term for these agreements was approximately 5 years. Original terms to maturity where fixed rates are paid were 1 3/4 to 2 years and at June 30, 1996 the remaining term for these agreements was approximately 1 1/2 years.

Foreign currency forward contracts may be used periodically to manage foreign exchange risks associated with export sales and purchases from foreign suppliers denominated in foreign currency, net investments in foreign subsidiaries, and other third party or intercompany foreign currency obligations. These contracts are entered into with major financial institutions thereby decreasing the risk of loss. Foreign currency forward contracts with notional amounts totaling \$100,942,000 and \$17,937,000 were outstanding at June 30, 1996 and 1995, respectively. The 1996 amount includes \$90,000,000 of Argentine peso contracts. The balance of the 1996

amount and the 1995 amount is Canadian dollar denominated contracts. The majority of contracts outstanding at June 30, 1996 will expire prior to December 31, 1996.

Fair Values The Company has used market information for similar instruments and applied judgement to estimate fair values of financial instruments. The carrying values of cash and short-term investments, accounts receivable and payable, and short-term debt approximate fair

values due to their short-term nature. The values of other financial instruments at June 30 are (in thousands):

	1996		1995	
	book	fair	book	fair
Forward purchase financing agreements	\$ 146,524	\$ 146,524	\$ 31,138	\$ 31,138
Long-term debt	(356,267)	(373,267)	(253,079)	(275,579)
Foreign exchange contracts	-	(211)	-	426
Interest rate swaps	-	(4,095)	-	(3,539)

Note 12 Stockholders' Equity

In addition to common stock, the Company is authorized to issue 5,000,000 shares of preferred stock with a par value of \$1 per share, none of which is outstanding. The Company has a stock option plan under which options to purchase shares of common stock may be granted to key employees. The plan provides that the option price shall not be less than the fair market value of the shares on the date of grant and that no portion of the option may be exercised beyond ten years from that date. Options which are outstanding at

June 30, 1996 become exercisable cumulatively over one, two or three years from the grant date. At June 30, 1996 no shares were available for the granting of additional options or other stock compensation awards.

The Company sold 240,000 put options and purchased 240,000 call options during the second quarter of fiscal year 1996 with various strike prices (average of \$71.91 per share) that expire on various dates through September 30, 2005. Upon exercise, each put option requires the Company to purchase, and each call option allows the Company to buy one share of its common stock at the strike price. The aggregate exercise price of the put options, \$17,259,000, has been classified as other long-term obligations with a corresponding increase in treasury stock at June 30, 1996.

A summary of changes in common stock options during 1996 and 1995 is:

	number of shares	price per share
Outstanding at June 30, 1994	2,358,120	\$13.81 - \$63.50
Granted	386,897	48.88 - 57.20
Exercised	(330,140)	13.81 - 54.63
Cancelled	(35,114)	40.50 - 52.94
Outstanding at June 30, 1995	2,379,763	20.00 - 63.50
Granted	1,479,019	64.69 - 97.13
Exercised	(417,135)	20.00 - 54.63
Cancelled	(58,431)	43.75 - 71.75
Outstanding (held by 207 optionees) at June 30, 1996	3,383,216	\$24.34 - \$97.13
Options exercisable at:		
June 30, 1996	1,424,228	
June 30, 1995	1,328,838	

Note 13 Leases

The Company leases transportation equipment and a limited number of its manufacturing, warehousing and office facilities. Most leases are classified as operating leases and will expire over the next five years. Future total minimum lease payments are \$6,759,000, and do not exceed \$3,765,000 in any one year. Rental expense for continuing operations was \$9,899,000 in 1996, \$11,424,000 in 1995 and \$11,875,000 in 1994.

Space not occupied by the Company in its headquarters building is let to other tenants under operating leases expiring through 2006. Future total minimum rentals to be received are \$4,637,000 and do not exceed \$1,102,000 in any one year.

Note 14 Other Expense (Income), Net

The major components are (in thousands):

	1996	1995	1994
Amortization of intangibles	\$30,439	\$26,582	\$23,896
Equity in earnings of affiliates	(9,793)	(4,441)	(5,926)
Interest income	(8,132)	(7,796)	(5,292)
Royalty income	(7,622)	(7,110)	(8,850)
Other, net	1,473	(11,192)	(2,954)
Total	\$ 6,365	\$ (3,957)	\$ 874

Note 15 Income Taxes

Income tax expenses are (in thousands):

	1996	1995	1994
Current			
Federal	\$109,964	\$ 96,44	\$ 86,686
State	22,532	19,778	17,562
Foreign	13,779	5,454	3,569
Total current	146,275	121,676	107,817
Deferred			
Federal	778	12,232	16,416
State	709	688	1,173
Foreign	533	2,466	1,234
Total deferred	2,020	15,386	18,823
Total expense	\$148,295	\$137,062	\$126,640
Effective income tax rate	40.0%	40.6%	41.3%

The reconciliation between the Company's effective income tax rate and the statutory federal income tax rate is as follows:

	1996	1995	1994
Federal statutory rate	35.0%	35.0%	35.0%
State income taxes, net of federal tax benefit	4.0	3.9	3.9
Taxes on foreign earnings	1.8	1.5	1.1
Retroactive effect of federal rate increase	-	-	1.0
Other	(.8)	.2	.3
Effective income tax rate	40.0%	40.6%	41.3%

The net deferred income tax liabilities (assets), both current and non-current at June 30, result from the tax effects of the following temporary differences (in thousands):

	1996	1995
Amortization/depreciation	\$ 64,605	\$ 61,354
Safe harbor lease agreements	26,431	29,401
Unremitted foreign earnings	45,096	45,473
Post employment benefits	(19,143)	(17,712)
Other	20,432	15,217
Net	\$137,421	\$133,733

Note 16 Employee Benefit Plans

Retirement Income Plans The Company has defined benefit pension plans for

substantially all its domestic employees. Benefits are based on either

employee years of service and compensation or stated dollar amount per year of service. The Company is the sole contributor to the plans, in amounts deemed necessary to provide benefits and to the extent deductible for federal income tax purposes. Assets of the plans consist primarily of stocks and bonds. The components of pension expense are (in thousands):

	1996	1995	1994

Service cost -			
benefits earned			
in current year	\$ 6,238	\$ 6,944	\$ 5,970
Interest on projected benefit obligation	9,343	8,913	7,753
Return on plan assets:			
Actual gain	(25,026)	(19,347)	(2,762)
Deferral of the			
actual gain			
in excess of			
(less than) the			
assumed rate			
of 8.75% in			
1996 and 8% in			
1995 and 1994	12,831	9,702	(6,029)
Other gains,			
including			
amortization			
over 15 years of			
the net pension			
transition asset			
at July 1, 1985	(1,075)	(701)	(790)

Total pension expense	\$ 2,311	\$ 5,511	\$ 4,142
=====			

The plans' funded status at June 30 are as follows (in thousands):

	1996	1995

Actuarial present value of		
the accumulated benefit		
obligation, including		
vested benefits of \$106,508		
in 1996 and \$95,410		
in 1995	\$110,435	\$101,580
Plans' assets at market value	164,080	141,385
Projected benefit obligation,		
determined using a		
discount rate of 8% and		
including the effect of an		
assumed annual increase		
in future compensation		
levels of 4.5% in 1996 and 1995	129,721	124,119

Excess of plans' assets over		
pension obligation	34,359	17,266

Less deferrals:

Remaining unamortized		
balance of net pension		
transition asset at		
July 1, 1985	(7,044)	(8,691)
Prior service cost	(2,049)	4,734
Other net (gains) losses	(5,157)	6,072

Accrued pension asset included in other assets	\$ 20,109	19,381
=====		

The Company has defined contribution plans for most of its domestic employees not covered by collective bargaining agreements, to which it has contributed through June 30, 1995 based on its earnings or participants' contributions. Effective July 1, 1995, the Company's contribution is based on the Clorox Value Measure economic value measurement system, defined as net operating earnings after tax less a capital charge for net assets employed. The Company also participates in multi-employer pension plans for certain of its hourly-paid production employees and contributes to those plans based on collective bargaining agreements. The aggregate cost of the defined contribution and multi-employer pension plans was \$17,006,000 in 1996, \$12,427,000 in 1995 and \$12,753,000 in 1994.

Retirement Health Care The Company provides certain health care benefits

for employees who meet age, participation and length of service

requirements at retirement. The plans pay stated percentages of covered expenses after annual deductibles have been met. Benefits paid take into consideration payments by Medicare. The plans are not prefunded and the Company has the right to modify or terminate certain of these plans.

Postretirement health care expense consists of the following (in thousands):

	1996	1995	1994
Service cost - benefits earned in the current year	\$2,738	\$2,643	\$2,823
Interest on projected benefit obligation	3,365	3,041	2,881
Total postretirement health care expense	\$6,103	\$5,684	\$5,704

Benefits paid were \$1,306,000, \$1,191,000 and \$1,058,000 in fiscal years 1996, 1995, and 1994, respectively.

The accumulated postretirement benefit obligation (APBO) includes the following at June 30 (in thousands):

	1996	1995
Retirees	\$11,892	\$12,086
Active employees	35,770	31,109
Deferral of net gains	5,755	5,425
Total unfunded accrued benefit obligation included in other obligations	\$53,417	\$48,620

The assumed health care cost trend rate used in measuring the APBO was 10.5% for 1996, gradually declining to 5.5% over the next 8 years. Change sin these rates can have a significant effect on amounts reported. A one percentage point increase in the trend rates would increase the June 30, 1996 accumulated postretirement benefit obligation by \$8,674,000 and increase 1996 expense by \$1,351,000. The discount rate used to determine the APBO was 8%.

Note 17 Industry Segment Information

The Company's operations are predominately in the nondurable consumer products industry and include the manufacture and marketing of products through grocery and other retail stores. Operations include those in the United States and foreign countries. Foreign operations are principally in Latin American countries, which include Argentina, Brazil, Mexico and Chile. Earnings before income taxes for Domestic and Foreign operations represent operating profits, while corporate pretax earnings and identifiable

assets include interest income and expense and other non-allocable items of earnings, all cash, marketable securities, forward purchase financing agreements, and the Corporate headquarters facility. Financial information by geographic area for 1996, 1995, and 1994 is summarized at the right (in thousands):

	1996	1995	1994
Net sales			
Domestic	\$1,915,268	\$1,802,993	\$1,713,152
Foreign	302,575	181,177	123,797
Net	\$2,217,843	\$1,984,170	\$1,836,949
Earnings			
(losses) before income taxes			
Domestic	\$ 442,694	\$ 412,627	\$ 375,698
Foreign	14,525	5,709	5,989
Corporate	(86,832)	(80,442)	(75,054)
Total	\$ 370,387	\$ 337,894	\$ 306,633
Identifiable assets			
Domestic	\$1,131,760	\$1,183,058	\$1,206,937
Foreign	613,375	370,515	191,468
Corporate	433,759	353,099	299,164
Total	\$2,178,894	\$1,906,672	\$1,697,569

The Company is subject to various lawsuits and claims arising out of its businesses which relate to contracts, environmental issues, product liability, patent and trademark matters, taxes and other issues. In the opinion of management, after consultation with counsel, the disposition of these matters will not have a material adverse effect, individually or in the aggregate, on the Company's financial position, results of operations, or liquidity.

RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The management of the Company is responsible for the integrity and objectivity of the financial statements included in this Annual Report. In fulfilling this responsibility, management maintains an effective system of internal accounting controls and supports a comprehensive internal audit program.

The Board of Directors has an Audit Committee consisting of independent directors. The Audit Committee meets regularly with management, internal auditors and Deloitte & Touche LLP, independent auditors. Deloitte & Touche LLP and the internal auditors have full authority to meet with the Audit Committee, either with or without management representatives present.

Deloitte & Touche LLP have completed their audit of the accompanying consolidated financial statements. Their report appears on page 24.

FINANCIAL SUMMARY

Years ended June 30 (in thousands, except per-share data)	1996	1995	1994	1993	1992	1991	1990	1989	1988	1987
Operations										
Net sales	\$2,217,843	\$1,984,170	\$1,836,949	\$1,634,171	\$1,547,057	\$1,468,370	\$1,309,019	\$1,199,293	\$1,033,747	\$934,985
Percent change	11.8	8.0	12.4	5.6	5.4	12.2	9.1	16.0	10.6	4.6
Cost of products sold	1,007,200	892,172	820,434	724,753	678,504	672,405	601,322	548,434	450,5277	422,149
Operating expenses	795,603	732,941	690,584	613,061	612,074	677,468(d)	498,084	458,085	396,910	356,065
Other	44,653	21,163	19,298	21,172	17,382	21,315	(30,755)	(28,189)	(10,897)	(17,588)
Total costs and expenses	1,847,456	1,646,276	1,530,316	1,358,986	1,307,960	1,371,188	1,068,651	978,330	836,540	760,626
Earnings before income taxes	370,387	337,894	306,633	275,185	239,097	97,182	240,368	220,963	197,207	174,359
Income taxes	148,295	137,062	126,640	107,267	97,903	37,361	87,456	79,718	73,460	75,394
Earnings from continuing operations	222,092	200,832	179,993	167,918	141,194	59,821	152,912	141,245	123,747	98,965
Earnings (losses) from discontinued operations	-	-	32,064(a)	(867)	(23,429)(b)	(7,075)	714	(17,101)(e)	8,823	5,934
Cumulative effect of accounting change	-	-	-	-	(19,061)(c)	-	-	-	-	-
Net earnings	\$ 222,092	\$ 200,832	\$ 212,057	\$ 167,051	\$ 98,704	\$ 52,746	\$ 153,626	\$ 124,144	\$ 132,570	\$104,899
Percent change, continuing operations	10.6	11.6	7.2	18.9	136.0	(60.9)	8.3	14.1	25.0	14.3
Common Stock										
Weighted average shares outstanding(f)	51,935	53,147	53,800	54,698	54,366	54,063	54,873	55,333	55,127	54,652
Earnings (losses) per common share:										
Earnings from continuing operations	\$ 4.28	\$ 3.78	\$ 3.35	\$ 3.07	\$ 2.60	\$ 1.11(d)	\$ 2.79	\$ 2.55	\$ 2.26	\$ 1.82
Earnings (losses) from discontinued operations	-	-	0.59(a)	(0.02)	(0.43)(b)	(0.13)	0.01	(0.31)(e)	0.16	0.11
Cumulative effect of accounting change	-	-	-	-	(0.35)(c)	-	-	-	-	-
Net earnings	\$ 4.28	\$ 3.78	\$ 3.94	\$ 3.05	\$ 1.82	\$ 0.98	\$ 2.80	\$ 2.24	\$ 2.42	\$ 1.93
Dividends	\$ 2.12	\$ 1.92	\$ 1.80	\$ 1.71	\$ 1.59	\$ 1.47	\$ 1.29	\$ 1.09	\$ 0.92	\$ 0.79
Stockholders' equity at end of year	18.20	18.01	17.04	16.03	14.92	14.47	15.00	14.19	13.19	11.51

Other Data

Continuing operations

Working capital (deficiency)	\$ (50,041)	\$ 121,008	\$ 128,443	\$ 160,208	\$ (25,322)	\$ 115,626	\$ 151,602	\$ 265,569	\$ 145,780	\$ 225,596
Property, plant and equipment - net	551,437	524,972	532,600	538,101	508,629	441,794	441,681	348,526	312,068	207,712
Property additions	84,804	62,911	56,627	72,141	114,353	89,009	134,099	66,551	135,702	48,630
Long-term debt	356,267	253,079	216,088	204,000	203,627	405,341	5,807	5,192	20,739	24,513
Percent return on net sales	10.0	10.1	9.8	10.3	9.1	4.1	11.7	11.8	12.0	10.6
Current ratio	.9	1.3	1.3	1.4	0.9	1.3	1.7	1.9	1.5	2.3
Total assets	2,178,894	1,906,672	1,697,569	1,649,230	1,589,993	1,656,872	1,124,147	1,189,894	1,121,232	911,097
Stockholders' equity	932,828	943,913	909,417	879,294	813,741	784,276	810,514	786,176	712,854	616,447
Percent return on average stockholders' equity	23.8	21.7	24.2	19.8	12.3	6.4	19.1	16.4	19.9	18.0

(a) Includes net gain on the sale of discontinued business of \$31,430 or \$.58 per share.

(b) Includes special charges for the revaluation of certain intangible assets.

(c) Nonrecurring charge to recognize the accumulated postretirement health benefit obligation at July 1, 1991, resulting from the adoption of SFAS No. 106. Operating results preceding 1992 were not restated for the adoption of this new standard.

(d) Includes a charge for restructuring of \$125,250 or \$1.45 per share.

(e) Includes net loss on the disposal of Olympic HomeCare Products of \$20,000, or \$.36 per share.

(f) Weighted average shares outstanding and earnings per share from 1987 through 1989 assume full dilution from a note converted during 1989.

QUARTERLY DATA

(in thousands, except per-share amounts)	1st quarter	2nd quarter	3rd quarter	4th quarter	year
=====					
Year Ended June 30, 1996					
Net Sales	\$518,486	\$466,789	\$560,091	\$672,477	\$2,217,843
Cost of Products Sold	231,333	213,171	255,570	307,126	1,007,200
Net Earnings	58,779	37,911	59,599	65,803	222,092
Per Common Share					
Net Earnings	\$ 1.12	\$ 0.73	\$ 1.15	\$ 1.28	\$ 4.28
Dividends	0.53	0.53	0.53	0.53	2.12
Market Price (NYSE)					
High	73 3/8	79 1/4	89 3/8	89 1/8	89 3/8
Low	60 7/8	69 1/4	70 1/4	78 3/8	60 7/8
Year end					88 5/8
Price/earnings ratio, year end					21
=====					
Year Ended June 30, 1995					
Net Sales	\$476,367	\$414,454	\$499,060	\$594,289	\$1,984,170
Cost of Products Sold	210,134	183,963	225,997	272,078	892,172
Net Earnings	53,181	34,095	54,034	59,522	200,832
Per Common Share					
Net Earnings	\$ 1.00	\$ 0.64	\$ 1.02	\$ 1.13	\$ 3.78
Dividends	0.48	0.48	0.48	0.48	1.92
Market Price (NYSE)					
High	52 3/4	59 1/2	62 3/8	65 3/4	65 3/4
Low	47 3/4	51 1/4	55 1/4	56	47 3/4
Year end					65 1/4
Price/earnings ratio, year end					17
=====					

THE COMPANY'S PRINCIPAL RETAIL BRANDS, PRODUCTS AND MARKETS

United States

Laundry Additives:

Clorox	Regular, fresh scent, lemon fresh and floral fresh liquid bleach
Clorox 2	Regular and lemon fresh dry and liquid color-safe bleaches
Stain Out	Soil and stain remover, liquid and spray

Home Cleaning:

Clorox Toilet Bowl	Toilet bowl cleanser and automatic toilet bowl cleaner
Clorox Clean-Up	Dilutable household cleaner, spray cleaner and gel
Formula 409	All-purpose spray cleaner, regular, professional strength, and fresh scent glass & surface cleaner
Lestoil	Heavy duty cleaner
Liquid-Plumr	Drain opener, regular and professional strength; buildup remover; and septic system treatment
Pine-Sol	Dilutable cleaner, regular and lemon scent; professional strength; spray cleaner
Soft Scrub	Mild abrasive liquid cleanser: regular, lemon, with bleach, and gel
S.O.S	Steel wool soap pads: regular, lemon scent and juniors; scrubber sponges
Tackle	Household cleaner disinfectant
Tilex	Instant mildew remover, soap scum remover
Tuffly	Mesh scrubber

Charcoal:

BBQ Bag	Single-use, lightable bag of charcoal briquets
Kingsford	Charcoal briquets, charcoal briquets with mesquite and charcoal lighter
Match Light	Instant lighting charcoal briquets

Insecticides:

Black Flag	Insecticides: ant and roach, flying insect and other aerosols; Roach Motel; room fogger
Combat	Insecticides: ant and roach bait stations; SuperBait roach bait stations; ant granules and stakes; roach gel; ant and roach aerosols and foggers
Holiday	Insecticide: room fogger

Cat Litter:

Control	Cat litter
Fresh Step	Cat litter

Fresh Step Scoop Scoopable cat litter

Dressings & Sauces:

Hidden Valley	Bottled salad dressing, dry salad dressing and party dip mixes; bottled fat-free salad dressing; ready-to-eat dips
Hidden Valley Salad Crispins	Seasoned mini-croutons

K.C. Masterpiece Barbecue sauce
Kitchen Bouquet Browning and seasoning sauce and gravy aid

Brita Water filtration systems

Professional Products

Clorox	Germicidal bleach
Clorox	Toilet bowl cleanser
Clorox	Quat sanitizer and disinfectant
Clorox Clean-Up	Dilutable cleaner
Combat	Insecticides
Formula 409	All-purpose cleaner, glass & surface cleaner, and heavy duty degreaser
Hidden Valley	Salad dressings
K.C. Masterpiece	Barbecue sauce
Kitchen Bouquet	Browning and seasoning sauce and gravy aid
Liquid-Plumr	Drain opener
Maxforce	Professional insecticides: ant and roach baits; roach gel; ant granules
Pine-Sol	Dilutable cleaner
S.O.S	Pot & pan detergent, steel wool soap pads
Tilex	Instant mildew remover, soap scum remover

International Markets, excluding export

Argentina
Brazil
Canada
Chile
Colombia
Costa Rica
Czech Republic
Dominican Republic
Egypt
Hong Kong

Hungary
Japan
Malaysia
Mexico
Panama
People's Republic of China
Peru
Poland
Puerto Rico
Republic of Korea
Romania
Saudi Arabia/Gulf States
Singapore
Slovak Republic
Spain
Taiwan
Thailand
Uruguay
Venezuela
Yemen Arab Republic

EXHIBIT 21
 (to Form 10-K)
 THE CLOROX COMPANY
 SUBSIDIARIES OF THE REGISTRANT
 (100% owned unless otherwise indicated)

Subsidiaries -----	Jurisdiction of Incorporation -----
1109346 Ontario Ltd.	Canada
American Sanitary Company S.A.	Costa Rica
American Sanitary Company (Overseas) Inc. (51%)	Cayman Islands
Amesco Ltd. (49%)	Cayman Islands
Brita America Inc.	Nevada
Brita (Canada) Inc.	Canada
Brita Ltd. (50%)	Canada
The Brita Products Company	Delaware
Brita (South America) Inc. (50%)	Canada
Camello Cayman Co.	Cayman Islands
Ciaba Acquisition S.A.	Argentina
Ciaba Holdings S.A.	Argentina
Clorox Argentina S.A. (90%)	Argentina
Clorox (Barbados) Inc.	Barbados
Clorox do Brasil Ltda.	Brasil
The Clorox Company of Canada, Ltd.	Canada
Clorox (Cayman Islands) Ltd.	Cayman Islands
Clorox Chile S.A.	Chile
The Clorox China Company	Delaware
Clorox Export Company, Inc.	Barbados
Clorox (Far East) Ltd.	Hong Kong
The Clorox (Guangzhou) Company Ltd. (95%)	People's Republic of China
The Clorox International Company	Delaware
Clorox Korea Ltd.	Korea
Clorox (Malaysia) Industries Sdn. Bhd.	Malaysia
Clorox (Malaysia) Sdn. Bhd.	Malaysia
Clorox de Mexico, S.A. de C.V.	Mexico
Clorox del Pacifico S.A. (80%)	Peru
Clorox de Panama S.A.	Panama
Clorox del Peru S.A.	Peru
Clorox Products Manufacturing Company	Delaware
The Clorox Professional Products Company	Delaware
The Clorox Company of Puerto Rico	Delaware
The Clorox Sales Company	Delaware
Clorox Services Company	Delaware

The Clorox South Asia Company	Delaware
Clorox Uruguay S.A.	Uruguay
CLX Realty Co.	Delaware
Corporacion Clorox de Venezuela, S.A.	Venezuela
EcuaClorox S.A.	Ecuador
Electroquimicas Unidas S.A.C.I.	Chile
Henkel Iberica, S.A. (20%)	Spain
The Household Cleaning Products Company of Egypt, Ltd. (49%)	Egypt
The HV Food Products Company	Delaware
HV Manufacturing Company	Delaware
Kaflex S.A.	Argentina
Kingsford Charcoal of Canada, Ltd.	Canada
The Kingsford Products Company	Delaware
Marpla Forestal S.A.	Argentina
The Mexco Company	Delaware
Mohammed Ali Abudawood and Company for Industry (30%)	Saudi Arabia
National Cleaning Products Company Limited (30%)	Saudi Arabia
Papelara Mar del Plata, S.A..I. y C.	Argentina
PMP Acquisition S.A.	Argentina
Poett San Juan S.A.	Argentina
Productos Del Hogar, C. por A. (49%)	Dominican Republic
Rocha Color S.A.	Uruguay
Tecnoclor, S.A. (60%)	Colombia
United Cleaning Products Mfg. Co. Ltd. (33%)	Yemen Arab Republic
Yuhan-Clorox Co., Ltd. (50%)	Korea

DELOITTE & TOUCHE LLP

(LOGO)

50 Fremont St.
San Francisco, CA 94105-2230
Telephone (415) 247-4000
Facsimile (415) 247-4329

EXHIBIT 23

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in The Clorox Company Registration Statements No. 33-4083 on Form S-3, and Nos. 33-41131, 33-41277, 2-88106 (Post-Effective Amendment No. 2), 33-24582, 33-56565 and 33-56563 on Form S-8 of our report dated August 8, 1996 incorporated by reference in this Annual Report on Form 10-K of The Clorox Company for the year ended June 30, 1996.

/s/ Deloitte & Touche LLP

September 26, 1996

Deloitte Touche Tohmatsu International

ARTICLE 5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION FROM THE FINANCIAL STATEMENTS OF THE CLOROX COMPANY FOR THE FISCAL YEAR ENDED JUNE 30, 1996, AS PRESENTED IN THE CLOROX COMPANY'S FORM 10-K FOR SUCH PERIOD, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

MULTIPLIER: 1000

PERIOD TYPE	12 MOS
FISCAL YEAR END	JUN 30 1996
PERIOD START	JUL 01 1995
PERIOD END	JUN 30 1996
CASH	48897
SECURITIES	41931
RECEIVABLES	316627
ALLOWANCES	1521
INVENTORY	138848
CURRENT ASSETS	573845
PP&E	961281
DEPRECIATION	409844
TOTAL ASSETS	2178894
CURRENT LIABILITIES	623886
BONDS	356267
PREFERRED MANDATORY	0
PREFERRED	0
COMMON	55422
OTHER SE	877406
TOTAL LIABILITY AND EQUITY	2178894
SALES	2217843
TOTAL REVENUES	2217843
CGS	1007200
TOTAL COSTS	1802803
OTHER EXPENSES	6365
LOSS PROVISION	0
INTEREST EXPENSE	38288
INCOME PRETAX	370387
INCOME TAX	148295
INCOME CONTINUING	222092
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	222092
EPS PRIMARY	4.28
EPS DILUTED	0

EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED AGREEMENT, effective , is between THE CLOROX COMPANY, a Delaware corporation (the "Company"), and (the "Executive") and replaces a prior agreement with the same effective date.

RECITAL

The Company and the Executive want to enter a written agreement concerning the terms of the Executive's employment with the Company and the terms of the termination of that employment.

TERMS OF AGREEMENT

1. Term of Employment.

(a) Basic Term. The term of this Agreement shall commence on the effective date of this Agreement and end upon the earliest of (i) the anniversary thereof (the "Term Date"), as, and to the extent, extended under Section 1 (b), (ii) the date upon which the Executive's employment is terminated in accordance with

Section 4, and (iii) the first day of the month following the Executive's 65th birthday.

(b) Extension of Term. Subject to Section 1(a)(iii) and to Section 4, the Term Date will be automatically extended from the inception of this Agreement until the Company gives the Executive written notice that automatic extension has ceased and that this Agreement is to be terminated on the Term Date as extended to that point. The Company's right not to extend the Agreement shall be with or without cause, and the Company's exercise of its right not to extend the Agreement will not necessarily terminate the Executive's employment with the Company.

2. Position, Duties, Responsibilities.

(a) Position. The Company agrees to continue the Executive in its employ, and the Executive agrees to continue employment with the Company subject to the terms and conditions of this Agreement. The Executive shall devote his best efforts and the equivalent of full time employment to the performance of the services customarily incident to the Executive's current office and to such other services as may be reasonably requested by the Board. The Company shall retain full direction and control of the means and methods by which the Executive performs the above services and of the place(s) at which such services are to be rendered.

(b) Other Activities. Excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive agrees to devote reasonable attention and time during normal hours to the business and affairs of the Company, and to the extent necessary to discharge the responsibilities assigned to the Executive hereunder, to use the Executive's reasonable best efforts to perform faithfully and efficiently such responsibilities. It shall not be a violation of this Agreement for the Executive to (A) serve on corporate, civic or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements or teach at educational institutions on a part-time basis not to exceed five hours per week in the aggregate and (C) manage personal investments, so long as such activities do not significantly interfere with the performance of the Executive's responsibilities as an employee of the Company in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such activities have been conducted by the Executive prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of the Executive's responsibilities to the Company.

3. Salary; Incentive Compensation; Benefits; Expenses.

(a) Salary. In consideration of the services to be rendered hereunder, including, without limitation, services to any Affiliated Company, the Executive shall be paid an annual base salary ("Annual Base Salary") beginning at the level being paid on the effective date, payable at the times and pursuant to the procedures regularly established, and as they may be amended, by the Company during the course of this Agreement. The Annual Base Salary shall be reviewed periodically in accordance with the Company's regular administrative practice for adjusting salaries of Executive Officers (the Chairman of the Board, the President and all Vice Presidents). The Company may reduce the Executive's salary only if the salaries of other Executive Officers of the Company are at the same time being similarly adjusted and if the percentage reduction in the Executive's salary does not exceed that of the other Executive Officers.

(b) Management Incentive Compensation Plan; Long Term Compensation Program. The Executive shall be entitled to participate in the Company's Management Incentive Compensation Plan (the "MIC Plan") and 1987 Long Term Compensation Program and any later Long Term Compensation Program which is primarily based on Company stock (the "LTC Programs") in accordance with the Company's practice for administering the MIC Plan and the LTC Program with respect to Executive Officers, unless the Company suspends or terminates the MIC Plan or the LTC Program, or both.

(c) Benefits. As he becomes eligible therefor, the Company shall provide the Executive with the right to participate in and to receive benefits from all present and future welfare benefit plans, practices, policies and programs (including without limitation, medical, prescription drugs, dental, disability, salary continuance, employee life, group life, accidental death and travel accident insurance plans and programs), all incentive savings and retirement plans, practices and programs, including without limitation the Supplemental Executive Retirement Plan (the "SERP"), and all similar benefits, made available generally to Executive Officers of the Company. The Executive shall be entitled to annual

vacation as determined in accordance with Company policy which shall be taken with the prior approval of the Company. The amount and extent of benefits to which Executive is entitled shall be governed by each specific benefit plan, as it may be amended from time to time. The Executive shall also be entitled to the death and disability benefits described in Section 4. The Company may suspend or terminate any benefit plan described in this Section 3(c).

(d) Expenses. The Company shall reimburse the Executive for reasonable travel and other business expenses incurred by the Executive in the performance of his duties hereunder in accordance with the Company's general policies, as they may be amended from time to time during the course of this Agreement.

4. Termination of Employment.

(a) By Death. The Executive's employment shall terminate automatically upon his death. The Company shall pay to the Executive's beneficiaries or estate, as appropriate, the salary to which he is entitled pursuant to Section 3 (a) through the end of the month in which death occurs. The Company shall also pay the Executive's beneficiaries or estate, as appropriate, a pro rata portion (through the date of death) of the Executive's target MIC Plan award for the fiscal year of his death. After the payments called for in this Section 4(a) are made, the Company's obligations hereunder shall terminate. This Section shall not affect entitlement of the Executive's estate or beneficiaries to death benefits under any benefit plan of the Company.

(b) By Disability. Should the Executive begin to receive benefits under the Company's Long Term Disability Plan, the Executive's employment may terminate at the Company's option. If the Company so elects, the Company shall pay the salary to which the Executive is entitled pursuant to Section 3(a) through the date of termination, and in lieu of any MIC Plan award under Section 3(b) for the fiscal year in which termination occurs, the Company shall pay the Executive a pro rata portion (through the termination date) of the Executive's target MIC Plan award for the fiscal year of the termination. Thereafter the Company's obligations hereunder shall terminate.

(c) By Company For Cause. The Company may terminate the Executive's employment for Cause (as defined below) at any time without notice and without liability. The Company shall pay the Executive the salary to which he is entitled pursuant to Section 3(a) through the end of the day upon which termination occurs, and thereafter the Company's obligations hereunder shall terminate. The Executive shall not be entitled to any MIC Plan award pursuant to Section 3(b) for the fiscal year in which termination occurs. Termination shall be for Cause if:

- (i) the Executive willfully neglects significant duties he is required to perform or willfully violates material Company policy, and, after being warned in writing, continues to neglect such duties or continues to violate the specified Company policy;
- (ii) the Executive commits a material act of dishonesty, fraud, misrepresentation or other act of moral turpitude;
- (iii) the Executive exhibits gross negligence in the course of employment; or
- (iv) the Executive fails to obey a lawful direction of the Board of Directors.

(d) By the Executive or the Company At Will.

(i) Termination by the Company. The Company may, at any time, terminate the Executive's employment without Cause. If the Company does so, the severance payment provisions of Section 6 shall apply and the Company shall have no additional liability. The Executive hereby agrees that the Company may dismiss him under this Section 4(d)(i) without regard (A) to any general or specific policies (whether written or oral) of the Company relating to the employment or termination of its employees, or (B) to any statements made to the Executive, whether made orally or contained in any document, pertaining to the Executive's relationship with the Company. exercising its right under Section 4(c) to terminate the Executive's employment for Cause, and such a termination (regardless of when made) shall not give rise to damages under Section 6.

(ii) Termination by the Executive. The Executive may, upon giving 10 business days' written notice to the Company, terminate his employment, without liability, for any reason. If the Executive terminates his employment pursuant to this Section 4(d)(ii), the Company shall pay the Executive the salary to which he is entitled pursuant to Section 3(a) through the end of the 10 business days notice period, and thereafter the Company's obligations hereunder shall terminate. The Executive shall not be entitled to any MIC Plan award pursuant to Section 3(b) for the fiscal year in which he terminates.

(e) Termination Obligations.

(i) The 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 Company and shall, if physically returnable, be promptly returned to the Company upon termination of his employment. "Personal property" includes, without limitation, all books, manuals, records, reports, notes, contracts, lists, blueprints, and other documents, or materials, or copies thereof, and Proprietary Information (as defined below). Following termination, the Executive will not retain any written or other tangible material containing any Proprietary Information.

(ii) Upon termination of his employment, the Executive shall be deemed to have resigned from all offices and directorships then held with the Company or any Affiliated Company, and will execute a letter of resignation if requested.

(iii) The Executive's obligations under Sections 4(e), 5, 7 and 14 shall survive termination of his employment and the expiration of this Agreement.

5. 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 Affiliated Company, 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 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.** The Executive 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 Agreement, and (ii) after termination of his employment as specifically authorized in writing by the Board.

(c) **Non-Solicitation and Non-Raiding.** To forestall the disclosure or use of Proprietary Information in breach of Section 5(b), and in consideration of this Agreement, 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 (i) divert or attempt to divert from the Company (or any Affiliated Company) 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 Affiliated Company, 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, the Executive 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 Public Relations Department.

(e) **Remedies.** Nothing in this Section 5 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.

6. Severance Payments; Requirement of Mitigation; Release.

(a) **Severance Payments.** The Company and the Executive acknowledge that it would be impractical or extremely difficult to fix the Executive's actual damages in the case of termination at will by the Company pursuant to Section 4(d)(i). Therefore, in the event of such a termination and notwithstanding any other provision of this Agreement, in exchange for and in consideration of Executive's execution and nonrevocation of a General Release ("Release") in a form substantially equivalent to the attached Exhibit, and subject to the mitigation provisions of Section 6(b), the Executive shall be entitled to severance payments made up of the following components:

(i) Salary Component.

Continuation of salary, at a monthly rate equal to the highest monthly base salary rate in effect during the twelve month period preceding the termination of employment for a period equal to what would be the remaining term of this Agreement as determined in Sections 1(a)(i) or (iii) had the termination not occurred, or until the Executive's death if that occurs first (the "Severance Payment Period"). Such payments will be made on the Company's regular semimonthly payroll dates.

(ii) MIC Plan Components.

(A) Promptly after termination, the Executive will be paid a lump sum amount equal to 75% of his target MIC Award for the fiscal year preceding the fiscal year in which the termination occurs, prorated to the date of termination.

(B) In addition, for the Severance Payment Period, together with and in addition to each payment described in (i) above, the Company shall pay the Executive semimonthly an amount equal to one twenty-fourth of 75% of the Executive's target MIC Award for the fiscal year preceding the fiscal year in which the termination occurs, for each year of the Severance Payment Period.

(iii) Medical/Dental Plans Component.

(A) Continuation for the Severance Payment Period on the same basis as an employee of the Company of the right to participate in any Medical and/or Dental Benefit Plans as and if offered by the Company to its salaried employees. The Executive shall not participate in any other Company sponsored welfare benefit plans after the termination of employment.

(B) In addition, if at the end of the Severance Payment Period the Executive will be age 55 or older and at least 10 years will have passed since the beginning of the Executive's last period of employment with the Company, continuation of the right to participate in Medical and/or Dental Plans as and if offered to former employees whose employment terminated at or after age 55 with ten or more years of service on the same terms and conditions as for such former employees including premium contributions from the Executive as in effect from time to time. Such right to participate shall apply from the time such coverage would otherwise terminate pursuant to (iii)(a) and shall continue until the Executive attains age 65; thereafter the Executive may participate in the Company's Retiree Health Plan 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.

(iv) Supplemental Executive Retirement Plans Component.

Benefit credits and service accruals under the SERP will continue during the Severance Payment Period, if, at the end of that period and taking into account such service accruals the Executive will be age 55 or older and will be credited with ten or more years of service under the SERP. During this period, benefit credits shall be based on the compensation required to be paid under (i) and (ii)(A) and (B), above, without regard to any adjustment made pursuant to paragraph 6(b) below.

(v) Long Term Compensation Programs Component.

(A) If the Executive qualifies for continuation of benefit credits and service accruals under the SERP pursuant to (iv) above, then for purposes of the LTC Programs his termination of employment will be deemed to be a Termination of Employment Due to Retirement occurring at the end of the Severance Payment Period if the Executive irrevocably elects prior to the beginning of the Severance Payment Period to begin retirement benefits under the Company's Pension Plan and the SERP at the conclusion of the Severance Payment Period. If he does not so elect, all Restricted Stock and unvested Stock Options and other LTC Program awards which remain at the date of termination will be forfeited unless their terms specifically provide to the contrary in the event of a termination by the Company other than for Cause. Even in the event such an election is made, any incentive stock options which are not exercised within 90 days of the beginning of the Severance Payment Period will convert to non-qualified stock options thereafter.

(B) If the Executive does not qualify for continuation of benefit credits and service accruals under the SERP pursuant to (iv) above, or does not make the election described in Section 6(a)(v)(A), then for purposes of all Plans in the LTC Program, he will be deemed to have terminated employment on the day prior to the beginning of the Severance Payment Period. Shares of Restricted Stock, any unvested stock options and any Performance Units shall be forfeited.

(vi) Automobile Component.

The Executive shall be entitled to purchase the Company-leased automobile, if any, being used by the Executive prior to termination at the "buyout amount" specified by the vehicle's lessor.

The parties acknowledge that the amounts and benefits provided in (i) through (vi) above constitute a reasonable estimate of and compensation for any damages the Executive may suffer as the result of his termination of employment under this Agreement.

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.

(b) Mitigation Damages. During the Severance Payment Period, the Executive shall make reasonable efforts to secure other employment or self-employment opportunities (the suitability and acceptability of which shall be in the Executive's sole judgment), and at the Company's request

(which shall not be made more frequently than semi-annually) the Executive shall report his efforts to the Company. The Executive shall promptly and regularly report to the Company all earned income, and all medical and dental coverage of the type described in (a)(iii) above provided or made available to the Executive by a subsequent employer.

(i) The Executive's severance payments under

(a)(i) and (a)(ii)(B) above, shall be reduced by his Earned Income during the Severance Payment Period. "Earned Income" refers to wages, salary, fees or other immediately taxable compensation for personal services rendered as an employee or contractor and to the net before tax earnings from self-employment. The reduction provided for in this subsection (i) shall apply only to severance payments due from the Company from and after the Executive's receipt of such Earned Income. At the Company's request, the Executive will provide the Company with copies of appropriate pages of his federal and state income tax returns to verify Earned Income amounts, from which pages irrelevant material may be redacted.

(ii) The Executive's medical and dental benefit coverage under 6(a)(iii)(A) and/or (B) shall be secondary to medical and/or dental coverage provided to the Executive by a subsequent employer and the Executive will make every good faith effort to participate in any such coverage. For any period during which the Executive does not make such a good faith effort the Executive's medical and dental plan coverage under 6(a)

(iii)(A) and/or (B) shall be completely suspended. If medical and dental benefit coverage ceases to be provided by the subsequent employer, Executive may have his 6(a)(iii)(A) and/or (B) coverage from the Company become his primary coverage again.

(c) Lack of Participation in Qualified Plans. Upon termination of employment the Executive shall cease to participate in any qualified benefit plan maintained by the Company such as the Pension Plan, the Value Sharing Plan including the Tax Reduction Investment Plan, and the Executive shall also cease to participate in any welfare benefit plan maintained by the Company, except as otherwise provided in (a)(iii) above or under the terms of such plan. No employee or employer contributions will be made to any qualified benefit plan based on any bonus paid after after the termination of the Executive's employment.

7. Successors.

(a) This Agreement is personal to the Executive and without the prior written consent of the Company shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) This Agreement 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 perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "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 this Agreement by operation of law, or otherwise.

8. Notices. All notices or other communications required or permitted hereunder shall be made in writing and shall be deemed to have been duly given if delivered by hand or mailed, postage prepaid, by certified or registered mail, return receipt requested, and addressed to the Company at:

The Clorox Company 1221 Broadway
Oakland, CA 94612 Attn: General Counsel

or to the Executive at the address written below the Executive's signature on the last page of this document.

Notice of change of address shall be effective only when done in accordance with this Section.

9. Entire Agreement. Together with the Change of Control Agreement effective between the Executive and the Company, the terms of this Agreement are intended by the parties to be the final expression of their agreement with respect to the employment of Executive by the Company and may not be contradicted by evidence of any prior or contemporaneous agreement. The parties further intend that this Agreement and said Change of Control Agreement shall constitute the complete and exclusive statement of their terms and that no extrinsic evidence whatsoever may be introduced in any judicial, administrative, or other legal proceeding involving either Agreement. The Change of Control Agreement and this Agreement supersede any prior Agreements, written or oral, between the Company and the Executive concerning the terms of his employment.

10. Amendments; Waivers. This Agreement may not be modified, amended, or terminated except by an instrument in writing, signed by the Executive and by a duly authorized representative of the Company other than Executive. By an instrument in writing similarly executed, either party may waive compliance by the other party with any provision of this Agreement 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.

11. Severability; Enforcement. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

12. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California, without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

13. Executive Acknowledgment. Executive acknowledges

(a) that he has consulted with or has had the opportunity to consult with independent counsel of his own choice concerning this Agreement and has been advised to do so by the Company, and (b) that he has read and understands the Agreement, is fully aware of its legal effect, and has entered into it freely based on his own judgment.

14. Arbitration. Any controversy between the Executive, his heirs or estate and the Company or any employee of the Company, including but not limited to, those involving the construction or application of any of the terms, provisions or conditions of this Agreement or otherwise arising out of or related to this Agreement, shall be settled by 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. The location of the arbitration shall be San Francisco, California if the Executive's current or most recent location of employment with the Company is or was located at the Company's Technical Center or General Offices. If it is or was elsewhere, the arbitration shall be held at the city nearest to the Executive's last location of employment with the Company which has an office of the American Arbitration Association. The arbitrator may in the arbitrator's discretion award attorney's fees to the Executive.

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

The parties have duly executed this Agreement as of the effective date which appears at the beginning of this Agreement.

THE CLOROX COMPANY
The Company

By:

E. A. Cutter
Its Senior Vice President

(Executive)

(Address)

**CHANGE OF CONTROL
EMPLOYMENT AGREEMENT**

THIS AGREEMENT effective , is between THE CLOROX COMPANY, a Delaware corporation (the "Company") and (the "Executive").

The Board of Directors of the Company (the "Board"), has determined that it is in the best interests of the Company and its shareholders to assure that the Company will have the continued dedication of the Executive, notwithstanding the possibility, threat or occurrence of a Change of Control (as defined below) of the Company. The Board believes it is imperative to diminish the inevitable distraction of the Executive by virtue of the personal uncertainties and risks created by a pending or threatened Change of 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 of Control, and to provide the Executive with compensation and benefits arrangements upon a Change of Control which ensure that the compensation and benefits expectations of the Executive will be satisfied and which are competitive with those of other corporations. Therefore, in order to accomplish these objectives, the Board has caused the Company to enter into this Agreement.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Certain Definitions.

(a) The "Effective Date" shall mean the first date during the Change of Control Period (as defined in Section 1(b)) on which a Change of Control (as defined in Section 2) occurs. Anything in this Agreement to the contrary notwithstanding, if a Change of Control occurs and if the Executive's employment with the Company is terminated prior to the date on which the Change of Control occurs, and if it is reasonably demonstrated by the Executive that such termination of employment (i) was at the request of a third party who has taken steps reasonably calculated to effect a Change of Control or (ii) otherwise arose in connection with or anticipation of a Change of Control, then for all purposes of this Agreement the "Effective Date" shall mean the date immediately prior to the date of such termination of employment.

(b) The "Change of Control Period" shall mean the period commencing on the date hereof and ending on the anniversary of the date hereof; provided, however, that commencing on the date one year after the date hereof, and on each annual anniversary of such date (such date and each annual anniversary thereof shall be hereinafter referred to as the "Renewal Date"), unless previously terminated, the Change of Control Period shall be automatically extended so as to terminate years from such Renewal Date, unless at least 60 days prior to the Renewal Date the Company shall give notice to the Executive that the Change of Control Period shall not be so extended.

(c) "Henkel" shall mean Henkel, KGaA or any entity controlled by Henkel KGaA.

(d) The "Separation Period" shall mean the period from the Date of Termination through the earlier of the first day of the month following the Executive's 65th birthday or the second anniversary thereof,

(e) The "Target Annual Bonus" shall mean the Annual Bonus that the Executive would have received for the year in which the Date of Termination occurs, if the target goals had been achieved.

2. Change of Control. For the purpose of this Agreement, a "Change of 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 20%, or in the case of Henkel KGaA, or any person controlled by it ("Henkel"), more than the percentage of the Company's issued common stock agreed to in paragraph 4(a) of the June 18, 1981 agreement between the Company and Henkel, as amended, of either (i) the then outstanding shares of common stock of the Company (the "Outstanding Company Common Stock") or (ii) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change of 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 or by Henkel 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 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 shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board, and if Henkel is not the acquiring person, any individual nominated as a representative of Henkel pursuant to the agreement between Henkel and the Company dated July 16, 1986, 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) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, 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) 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; or

(d) Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

3. Employment Period.

(a) This Agreement shall become effective on the Effective Date. Before the Effective Date, the terms and conditions of the Executive's employment shall be as set forth in the employment agreement between the Executive and the Company dated , 1996, (the "Current Agreement") during the term thereof. From and after the Effective Date, this Agreement shall supersede the Current Agreement and any other agreement between the parties with respect to the subject matter hereof.

(b) The Company agrees to continue the Executive in its employ, and the Executive hereby agrees to remain in the employ of the Company subject to the terms and conditions of this Agreement, for the period commencing on the Effective Date and ending on the earlier of the first day of the month following the Executive's 65th birthday or the anniversary of such date (the "Employment Period").

4. Terms of Employment.

(a) Position and Duties. (i) During the Employment Period, (A) the Executive's position (including status, offices, titles and reporting requirements), authority, duties and responsibilities shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned to the Executive at any time during the 120-day period immediately preceding the Effective Date and (B) the Executive's services shall be performed at the location where the Executive was employed immediately preceding the Effective Date or any office or location not more than 50 miles from such location.

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities assigned to the Executive hereunder, to use the Executive's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period it shall not be a violation of this Agreement for the Executive to (A) serve on corporate, civic or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements or teach at educational institutions on a part-time basis not to exceed five hours per week in the aggregate and (C) manage personal investments, so long as such activities do not significantly interfere with the performance of the Executive's responsibilities as an employee of the Company in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such activities have been conducted by the Executive prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of the Executive's responsibilities to the Company.

(b) Compensation.

(i) Base Salary. During the Employment Period, the Executive shall receive an annual base salary ("Annual Base Salary"), which shall be paid at a monthly rate, at least equal to twelve times the highest monthly base salary paid or payable, including any base salary which has been earned but deferred, to the Executive by the Company and its affiliated companies in respect of the twelve-month period immediately preceding the month in which the Effective Date occurs. During the Employment Period, the Annual Base Salary shall be reviewed no more than 12 months after the last salary increase awarded to the Executive prior to the Effective Date and thereafter at least annually. Any increase in Annual Base Salary shall not serve to limit or reduce any other obligation to the Executive under this Agreement. Annual Base Salary shall not be reduced after any such increase and the term Annual Base Salary as utilized in this Agreement shall refer to Annual Base Salary as so increased. As used in this Agreement, the term "affiliated companies" shall include any company controlled by, controlling or under common control with the Company.

(ii) Annual Bonus. In addition to Annual Base Salary, the Executive shall have the opportunity to earn, for each fiscal year ending during the Employment Period, an annual bonus (the "Annual Bonus") in cash at least equal to the highest amount the Executive had the opportunity to earn under the Management Incentive Compensation ("MIC") Plan for any of the last three full fiscal years prior to the Effective Date (annualized in the event that the Executive was not employed by the Company for the whole of such fiscal year). Each such Annual Bonus

shall be paid no later than the end of the third month of the fiscal year next following the fiscal year for which the Annual Bonus is awarded, unless the Executive shall elect to defer the receipt of such Annual Bonus.

(iii) Incentive, Savings and Retirement Plans. During the Employment Period, the Executive shall be entitled to participate in all incentive, savings and retirement plans, practices, policies and programs applicable generally to other peer executives of the Company and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Executive with incentive opportunities (measured with respect to both regular and special incentive opportunities, to the extent, if any, that such distinction is applicable), savings opportunities and retirement benefit opportunities, in each case, less favorable, in the aggregate, than the most favorable of those provided by the Company and its affiliated companies for the Executive under such plans, practices, policies and programs as in effect at any time during the 120-day period immediately preceding the Effective Date or if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its affiliated companies.

(iv) Welfare Benefit Plans. During the Employment Period, the Executive and/or the Executive's family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare benefit plans, practices, policies and programs provided by the Company and its affiliated companies (including, without limitation, medical, prescription drugs, dental, disability, salary continuance, employee life, group life, accidental death and travel accident insurance plans and programs) to the extent applicable generally to other peer executives of the Company and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Executive with benefits which are less favorable, in the aggregate, than the most favorable of such plans, practices, policies and programs in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its affiliated companies.

(v) Expenses. During the Employment Period, the Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive in accordance with the most favorable policies, practices and procedures of the Company and its affiliated companies in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date 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.

(vi) Fringe Benefits. During the Employment Period, the Executive shall be entitled to fringe benefits, including, without limitation, tax and financial planning services, payment of club dues, and, if applicable, use of an automobile and payment of related expenses, in accordance with the most favorable plans, practices, programs and policies of the Company and its affiliated companies in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date 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.

(vii) Office and Support Staff. During the Employment Period, the Executive shall be entitled to an office or offices of a size and with furnishings and other appointments, and to exclusive personal secretarial and other assistance, at least equal to the most favorable of the foregoing provided to the Executive by the Company and its affiliated companies at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as provided generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(viii) Vacation. During the Employment Period, the Executive shall be entitled to paid vacation in accordance with the most favorable plans, policies, programs and practices of the Company and its affiliated companies as in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date 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.

5. Termination of Employment.

(a) Death or Disability. The Executive's employment shall terminate automatically upon the Executive's death during the Employment Period. If the Company determines in good faith that the Disability of the Executive has occurred during the Employment Period (pursuant to the definition of Disability set forth below), it may give to the Executive written notice in accordance with Section 12(b) of this Agreement of its intention to terminate the Executive's employment. In such event, the Executive's employment with the Company shall terminate effective on the 30th day after receipt of such notice by the Executive (the "Disability Effective Date"), provided that, within the 30 days after such receipt, the Executive shall not have returned to full-time performance of the Executive's duties. For purposes of this Agreement, "Disability" shall mean the absence of the Executive from the Executive's duties with the Company on a full-time basis for 180 consecutive business days as a result of incapacity due to mental or physical illness which is determined to be total and permanent by a physician selected by the Company or its insurers and acceptable to the Executive or the Executive's legal representative.

(b) Cause. The Company may terminate the Executive's employment during the Employment Period for Cause. For purposes of this Agreement, "Cause" shall mean:

(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, the Chief Executive Officer or a senior officer of the Company which specifically identifies the manner in which the Board, Chief Executive Officer or senior officer believes that the Executive has not substantially performed the Executive's duties, or

(ii) the willful engaging 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 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.

(c) Good Reason. The Executive's employment may be terminated by the Executive for Good Reason. For purposes of this Agreement, "Good Reason" shall mean:

(i) the assignment to the Executive of any duties inconsistent in any respect with the Executive's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by Section 4(a) of this Agreement, or any other action by the Company which results in a diminution in such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive;

(ii) any failure by the Company to comply with any of the provisions of Section 4(b) of this Agreement, 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 as provided in Section 4(a)(i)(B) hereof or the Company's requiring the Executive to travel on Company business to a substantially greater extent than required immediately prior to the Effective Date;

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

(v) any failure by the Company to comply with and satisfy Section 11(c) of this Agreement; or

(vi) a termination by the Executive for any reason during the 30-day period immediately following the first anniversary of the Effective Date.

For purposes of this Section 5(c), any good faith determination of "Good Reason" made by the Executive shall be conclusive.

(d) Notice of Termination. Any termination by the Company for Cause, or by the Executive for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 12(b) of this Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) 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 (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than thirty days after the giving of such notice). The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of the Executive or the Company, respectively, hereunder or preclude the Executive or the Company, respectively, from asserting such fact or circumstance in enforcing the Executive's or the Company's rights hereunder.

(e) Date of Termination. "Date of Termination" means (i) if the Executive's employment is terminated by the Company for Cause, or by the Executive for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein, as the case may be, (ii) 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 (iii) 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.

6. Obligations of the Company upon Termination.

(a) By the Executive for Good Reason; or by the Company Other Than for Cause, Death or Disability. If, during the Employment Period, the Company shall terminate the Executive's employment other than for Cause or Disability or the Executive shall terminate employment for Good Reason:

(i) the Company shall pay to the Executive in a lump sum in cash within 30 days after the Date of Termination 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) the product of (x) the Target Annual Bonus and (y) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365 and (3) any compensation previously deferred by the Executive (together with any accrued interest or earnings thereon) and any accrued vacation pay, in each case to the extent not theretofore paid and in full satisfaction of the rights of the Executive thereto (the sum of the amounts described in clauses (1), (2), and (3) shall be hereinafter referred to as the "Accrued Obligations"); and

B. the amount equal to the product of (1) and (2) the sum of (x) the Executive's Annual Base Salary and (y) the Target Annual Bonus; and

C. 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 the 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 before the termination or, if higher, on the Effective Date, 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 of Control);

(ii) for the Separation Period, the Company shall continue benefits to the Executive and/or the Executive's family at least equal to those which would have been provided to them in accordance with the plans, programs, practices and policies described in Section 4(b)(iv) of this Agreement 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); provided, however, that if the Executive becomes reemployed with another employer and is eligible to receive medical or other welfare benefits under another employer-provided plan, the medical and other welfare benefits described herein shall be secondary to those provided under such other plan during such applicable period of eligibility, and 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, the Executive shall be considered to have remained employed during the Separation Period and to have retired on the last day of such period;

(iii) if the Executive was 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); and

(iv) the Executive shall be entitled to purchase the Company-leased automobile, if any, being used by the Executive prior to termination at the "buyout amount" specified by the vehicle's lessor.

(v) to the extent not theretofore paid or provided, the Company shall timely pay or provide to the Executive any other amounts or benefits required to be paid or provided or which the Executive is eligible to receive under any plan, program, policy or practice or contract or agreement of the Company and its affiliated companies (such other amounts and benefits shall be hereinafter referred to as the "Other Benefits"). To the extent any benefits described in Section 6(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 (including without limitation tax cost) to the Executive.

(b) Death. If the Executive's employment is terminated by reason of the Executive's death during the Employment Period, this Agreement shall terminate without further obligations to the Executive's legal representatives under this Agreement, other than for payment of Accrued Obligations and the timely payment or provision of Other Benefits. Accrued Obligations shall be paid to the Executive's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination.

(c) Disability. If the Executive's employment is terminated by reason of the Executive's Disability during the Employment Period, this Agreement shall terminate without further obligations to the Executive, other than for payment of Accrued Obligations and the timely payment or provision of Other Benefits. Accrued Obligations shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination.

(d) Cause; Other than for Good Reason. If the Executive's employment shall be terminated for Cause during the Employment Period, this Agreement shall terminate without further obligations to the Executive other than the obligation to pay to the Executive (x) the Annual Base Salary through the Date of Termination, (y) the amount of any compensation previously deferred by the Executive, and (z) Other Benefits, in each case to the extent theretofore unpaid. If the Executive voluntarily terminates employment during the Employment Period, excluding a

termination for Good Reason, this Agreement shall terminate without further obligations to the Executive, other than for Accrued Obligations and the timely payment or provision of Other Benefits. In such case, all Accrued Obligations shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination.

7. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any plan, program, policy or practice provided by the Company or any of its affiliated companies and for which the Executive may qualify, nor, subject to

Section 3(a), shall anything herein limit or otherwise affect such rights as the Executive may have under any 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 plan, policy, practice or program of or any contract or agreement with the Company or any of its affiliated companies at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

8. Full Settlement. The Company's obligation to make the payments provided for in this Agreement 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 this Agreement and except as specifically provided in Section 6(a)(ii), such amounts shall not be reduced whether or not the Executive obtains other employment.

9. Certain Additional Payments by the Company.

(a) Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that any payment or distribution by the Company to or for the benefit of the Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section 9) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), or any interest or penalties are incurred by the Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes

(and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

(b) Subject to the provisions of Section 9(c), all determinations required to be made under this Section 9, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by Deloitte & Touche LLP or such other certified public accounting firm as may be designated by the Executive (the "Accounting Firm"), which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment, or such earlier time as is requested by the Company. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change of Control, the Executive shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any Gross-Up Payment, as determined pursuant to this Section 9, shall be paid by the Company to the Executive within five days of the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon the Company and the Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the Company should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Company exhausts its remedies pursuant to

Section 9(c) and the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to or for the benefit of the Executive.

(c) The Executive shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten business days after the Executive is informed in writing of such claim and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. The Executive shall not pay such claim prior to the expiration of the 30-day period following the date on which it gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies the Executive in writing prior to the expiration of such period that it desires to contest such claim, the Executive shall:

(i) give the Company any information reasonably requested by the Company relating to such claim,

(ii) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company,

(iii) cooperate with the Company in good faith in order effectively to contest such claim, and

(iv) permit the Company to participate in any proceedings relating to such claim;

provided, however, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in

connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 9(c), the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided, however, that if the Company directs the Executive to pay such claim and sue for a refund, the Company shall advance the amount of such payment to the Executive, on an interest-free basis and shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after the receipt by the Executive of an amount advanced by the Company pursuant to Section 9(c), the Executive becomes entitled to receive any refund with respect to such claim, the Executive shall (subject to the Company's complying with the requirements of Section 9(c)) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Executive of an amount advanced by the Company pursuant to Section 9(c), a determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Company does not notify the Executive in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

10. 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 Affiliated Company, 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 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.** The Executive 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 Agreement, and (ii) after termination of his employment as specifically authorized in writing by the Board.

(c) **Non-Solicitation and Non-Raiding.** To forestall the disclosure or use of Proprietary Information in breach of Section 10(b), and in consideration of this Agreement, 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 (i) divert or attempt to divert from the Company (or any Affiliated Company) 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 Affiliated Company, 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, the Executive 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 Public Relations Department.

(e) **Remedies.** Nothing in this Section 10 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.

(f) In no event shall an asserted violation of the provisions of this Section 10 constitute a basis for deferring or withholding any amounts otherwise payable to the Executive pursuant to this Agreement.

11. Successors.

(a) This Agreement is personal to the Executive and without the prior written consent of the Company shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) This Agreement 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 perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "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 this Agreement by operation of law, or otherwise.

12. Miscellaneous.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of California, without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(b) All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive:

To the address written below the Executive's signature on the last page of this Agreement.

If to the Company:

The Clorox Company
1221 Broadway
Oakland, California 94612

Attention: General Counsel

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

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

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

(e) This Agreement may not be modified, amended, or terminated except by an instrument in writing, signed by the Executive and by a duly authorized representative of the Company other than Executive. By an instrument in writing similarly executed, either party may waive compliance by the other party with any provision of this Agreement 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) Together with the Employment Agreement dated , 1996 between the Executive and the Company, the terms of this Agreement are intended by the parties to be the final expression of their agreement with respect to the employment of Executive by the Company and may not be contradicted by evidence of any prior or contemporaneous agreement. The parties further intend that this Agreement and said Employment Agreement shall constitute the complete and exclusive statement of their terms and that no extrinsic evidence whatsoever may be introduced in any judicial, administrative, or other legal proceeding involving either Agreement. The Employment Agreement and this Agreement supersede any prior Agreements, written or oral, between the Company and the Executive concerning the terms of his employment.

13. Executive Acknowledgment. Executive acknowledges

(a) that he has consulted with or has had the opportunity to consult with independent counsel of his own choice concerning this Agreement and has been advised to do so by the Company, and (b) that he has read and understands the Agreement, is fully aware of its legal effect, and has entered into it freely based on his own judgment.

14. Arbitration. Any controversy between the Executive or the Executive's heirs or estate and the Company or any employee of the Company, including but not limited to, those involving the construction or application of any of the terms, provisions or conditions of this Agreement or otherwise arising out of or related to this Agreement, shall be settled by 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. The location of the arbitration shall be San Francisco, California if the Executive's current or most recent location of employment with the Company is or was located at the Company's Technical Center or General Offices. If it is or was elsewhere,

the arbitration shall be held at the city nearest to the Executive's last location of employment with the Company which has an office of the American Arbitration Association. The arbitrator may in the arbitrator's discretion award attorney's fees to the Executive.

The parties have duly executed this Agreement as of the effective date which appears at the beginning of this Agreement.

THE CLOROX COMPANY
The Company

By: -----
E. A. Cutter
Its Senior Vice President

(Executive)

(Address)

THE CLOROX COMPANY
NONQUALIFIED DEFERRED COMPENSATION PLAN
(January 1, 1996)

Amended and Restated through April 8, 1996

ARTICLE I.
PURPOSE

This Plan is designed to restore to selected employees of The Clorox Company and its affiliates certain benefits that cannot be provided under The Clorox Company's tax-qualified retirement plans. In addition, this Plan permits selected employees to defer bonuses and regular pay.

This Plan is intended to be a plan that is unfunded and that is maintained by The Clorox Company primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees within the meaning of the Employee Retirement Income Security Act.

ARTICLE II.
DEFINITIONS

In this Plan, the following terms have the meanings indicated below.

2.01 "Account" means a bookkeeping entry used to record deferrals and contributions made on a Participant's behalf under Article III of the Plan and gains and losses credited to these deferrals and contributions under Article IV of the Plan.

2.02 "Affiliate" means an entity other than the Company whose employees participate in the Profit Sharing Plan and/or the Pension Plan.

2.03 "Beneficiary" means the beneficiary or beneficiaries designated by a Participant, in writing, to receive amounts (if any) payable from that Participant's Account after the Participant's death. If a Participant fails to properly designate a beneficiary or if a beneficiary predeceases the Participant, the portion of the Participant's Account that was to be paid to the improperly designated beneficiary or to the beneficiary that predeceased the Participant will be paid to the Participant's estate.

2.04 "Bonus" means one or more cash bonuses designated from time to time by the Committee as eligible for deferral under this Plan. As of January 1, 1996, the term Bonus includes the following bonuses payable (but for any deferral election) after July 1, 1996: Cash-or-Deferred Profit Sharing Bonus, and/or an award under The Clorox Management Incentive Compensation Plan and/or a Sales Added Compensation Bonus and/or a Mid Level Incentive Bonus.

2.05 "Committee" means the Company's Employee Benefits Committee or another group appointed by the Employee Benefits and Management Compensation Committee of the Company's Board of Directors. The Committee has full discretionary authority to administer and interpret the Plan, to determine eligibility for Plan benefits, to select employees for Plan participation, and to correct errors. The Committee may delegate its duties and responsibilities and, unless the Committee expressly provides to the contrary, any such delegation will carry with it the Committee's full discretionary authority to accomplish the delegation. Decisions of the Committee and its delegate will be final and binding on all persons.

2.06 "Company" means The Clorox Company.

2.07 "Eligible Employee" means an employee of the Company or of an Affiliate who has been selected by the Committee for Plan participation and who, except as provided in Section 3.01(c), has confirmed his or her participation in writing with the Committee before the calendar year in which deferrals and/or restoration contributions under this Plan are made on that employee's behalf.

o An individual will cease to be an Eligible Employee on the earliest of (i) the date the individual ceases to be employed by the Company and all Affiliates, (ii) the date the Plan is terminated, or (iii) the date the individual is notified by the Committee that he or she is no longer an Eligible Employee.

o For purposes of the restoration contributions described in Section 3.02 of this Plan, an employee who terminates employment with the Company and all Affiliates before July 1, 1996 will not be an Eligible Employee, unless and until he or she is rehired by the Company or an Affiliate and designated by the Committee as an Eligible Employee.

o For purposes of the deferrals described in Section 3.01 of this Plan, an employee who terminates employment with the Company and all Affiliates before January 1, 1996 will not be an Eligible Employee, unless and until he or she is rehired by the Company or an Affiliate and redesignated by the Committee as an Eligible Employee.

2.08 "\$150,000 Limit" means the \$150,000 (indexed) limit of Internal Revenue Code Section 401(a)(17), which limits the compensation that can be taken into account when determining benefits under a tax-qualified retirement plan.

2.09 "Participant" means a current or former Eligible Employee who retains an Account.

2.10 "Pension Plan" means The Clorox Company Pension Plan, as amended from time to time. "Pension Plan Year" means the plan year defined in the Pension Plan and "Cash Balance Contribution" means a cash balance contribution as defined in the Pension Plan.

2.11 "Plan" means The Clorox Company Nonqualified Deferred Compensation Plan, as amended from time to time.

2.12 "Profit Sharing Plan" means The Clorox Company Profit Sharing Plan, as amended from time to time. "Profit Sharing Plan Year" means the plan year defined in the Profit Sharing Plan and "Profit Sharing Contribution" means a profit sharing contribution (including forfeitures) as described in the Profit Sharing Plan.

2.13 "Regular Pay" means the pre-tax amount of an Eligible Employee's base salary. Regular Pay is determined on a "paycheck by paycheck" basis and does not include amounts paid before January 1, 1997.

2.14 "Termination of Employment" means termination of employment with the Company and all Affiliates, other than by reason of death.

ARTICLE III. DEFERRALS AND CONTRIBUTIONS

3.01 Deferrals. An Eligible Employee may defer up to 50% of his or her Regular Pay and up to 100% of each Bonus for which he or she is eligible by submitting a written election to the Committee that satisfies such requirements, including such minimum deferral amounts, as the Committee may determine. Participants will be 100% vested in these deferrals.

(a) Elections. For each calendar year, an Eligible Employee may make three separate deferral elections: an election to defer Regular Pay, an election to defer his or her Cash-or-Deferred Profit Sharing Bonus (if any), and an election to defer all other types of Bonus (if any). Each such election must be made before the calendar year in which the Regular Pay and/or Bonus is scheduled to be paid and, with respect to a Bonus, no less than 6 months before scheduled payment of the Bonus. Elections will remain in effect for one calendar year.

(b) Late Election. If an Eligible Employee does not make a timely election for an upcoming calendar year, no deferral will be made on behalf of that Eligible Employee with regard to that election for that upcoming calendar year.

(c) Initial Election. Notwithstanding the timing provisions in paragraphs (a) and (b) above, within 30 days after the date that an Eligible Employee is first notified that he or she is eligible to participate in the Plan or within 30 days after the initial effective date of the Plan, an Eligible Employee may elect to defer (i) Regular Pay for services to be performed subsequent to the election and (ii) any Bonus that is scheduled to be paid at least 6 months after the date of the election. These elections will remain in effect until the end of the calendar year for which they were made.

3.02 Restoration Contributions. Subject to paragraphs (d), (e), and (f) below, Eligible Employees' Accounts will be credited with restoration contributions as described below.

(a) Profit Sharing. The amount of an Eligible Employee's profit sharing restoration contribution for a Profit Sharing Plan Year beginning on or after July 1, 1995 will be equal to the amount by which that Eligible Employee's Profit Sharing Contribution (including any Cash-or-Deferred Profit Sharing) for that Profit Sharing Plan Year was reduced due to (i) the \$150,000 Limit and (ii) amounts (excluding any Cash-or-Deferred Profit Sharing) voluntarily deferred under this Plan.

(b) Pension. The amount of an Eligible Employee's pension restoration contribution for a Pension Plan Year beginning on or after July 1, 1995 will be equal to the amount by which the Eligible Employee's Cash Balance Contribution for that Pension Plan Year was reduced due to (i) the \$150,000 Limit and (ii) amounts voluntarily deferred under this Plan.

(c) Special Restoration Contributions. Accounts of individuals who are Eligible Employees on July 1, 1996 will be credited with the following special restoration contributions:

(i) 1994-95 Profit Sharing Plan Contribution. A special contribution equal to the amount by which the Eligible Employee's Profit Sharing Contribution for the Profit Sharing Plan Year beginning July 1, 1994 was actually reduced due to the \$150,000 Limit.

(ii) 1994-95 Pension Plan Accrual. A special contribution, which is the lump sum equivalent of the amount by which the Eligible Employee's Pension Plan accrual for the Pension Plan year beginning July 1, 1994 was actually reduced due to the \$150,000 Limit. This lump sum equivalent amount will be the lump sum present value, as of June 30, 1996, of the pension accrual described in the preceding sentence (expressed as a single life annuity commencing as of the later of: the Eligible Employee's age, as of June 30, 1996 or age 65), where the present value is determined using: the annual rate of interest on 30-year Treasury securities for January, 1996, the applicable mortality table that is specified for use in January 1996 in accordance with Section 417(e)(3)(A)(ii)(I) of the Internal Revenue Code, and the Eligible Employee's age as of June 30, 1996, rounded to years and completed months.

(d) Crediting. Restoration contributions will be credited to Eligible Employees' Accounts as of the date that the Profit Sharing Contributions or the Cash Balance Contributions to which the restoration contributions relate are credited to the Profit Sharing Plan or the Pension Plan, as the case may be. Notwithstanding the foregoing, the special restoration contributions described in the preceding paragraph (c) will be credited as of July 1, 1996.

(e) Vesting. Participants will vest in their restoration contributions at the same percentage rate that they vest in the Profit Sharing Contributions or the Pension Plan allocations to which the restoration contributions relate. Amounts not vested upon the earlier of Termination of Employment or death will be forfeited.

(f) Restrictions.

(i) Participation. If an Eligible Employee is not credited with an actual Pension Plan accrual for a given Pension Plan Year, that Eligible Employee will not receive a pension restoration contribution under this Plan for that year. Similarly, if an Eligible Employee does not receive an actual Profit Sharing Contribution for a given Profit Sharing Plan Year, that Eligible Employee will not receive a profit sharing restoration contribution under this Plan for that year.

(ii) Eligible Employee. In order to receive a restoration contribution under this Plan with respect to a given Profit Sharing Year or Pension Plan Year, an individual must have been an Eligible Employee during that year; provided, however, that this requirement will be satisfied with respect to the special restoration contributions described in (c) above if an individual is an Eligible Employee on July 1, 1996.

ARTICLE IV. EARNINGS

4.01 Elections. The Committee may permit Participants to request that earnings on their Accounts be credited as though the Accounts were invested in one or more investments approved by the Committee.

4.02 Interest. To the extent that earnings are not credited as described above, the Committee will credit interest to each Account. Interest will be credited quarterly in accordance with procedures approved by the Committee. The interest rate used will be the annual rate of interest on 30-year Treasury securities, as determined in accordance with Section 417(e)(3)(A)(ii)(II) of the Internal Revenue Code, for the second month preceding the Company's fiscal year for which the interest is credited. The first quarter for which interest will be credited is the calendar quarter beginning July 1, 1996.

ARTICLE V. DISTRIBUTIONS

5.01 Distribution Elections. Eligible Employees will elect the form in which Plan benefits will be paid to them upon Termination of Employment by following the procedures described below and by satisfying such additional requirements as the Committee may determine.

(a) Restoration Contributions. When an Eligible Employee confirms his or her Plan participation, as provided in Section 2.07 of the Plan, the Eligible Employee will irrevocably elect, in writing, one of the distribution forms described in Section 5.02, below, as the form in which the Eligible Employee's vested restoration contributions (if any) described in Section 3.02 (and associated earnings) will be paid upon the Eligible Employee's Termination of Employment.

(b) Deferrals. Each time an Eligible Employee authorizes deferrals for a calendar year under Section 3.01(a) or Section 3.01(c) of the Plan, the Eligible Employee will irrevocably elect one of the distribution forms described in Section 5.02, below, as the form in which all amounts to be deferred for that calendar year (and associated earnings) will be paid upon the Eligible Employee's Termination of Employment. The election must be submitted to the Committee, in writing, before the calendar year in which the deferrals governed by the election are scheduled to be paid (or, if applicable, when elections are made under Section 3.01(c)) and no less than 6 months before scheduled payment of any Bonus governed by the election. If a distribution election for a calendar year is not valid because it is not made in a timely manner, the Eligible Employee's most recent effective distribution election under this Section 5.01(b) or, if there is no such election, the Eligible Employee's distribution election under Section 5.01(a), will govern deferrals (if any) for that calendar year.

5.02 Termination of Employment. The vested portion of a Participant's Account will be distributed to the Participant following the Participant's Termination of Employment in one or more of the following forms elected pursuant to Section 5.01, above.

(a) Lump Sum. Payment in one lump sum as soon as administratively practicable (as determined by the Committee) after the Participant's Termination of Employment, but in no event later than 60 days after the Participant's Termination of Employment or, if the Participant so elected, as soon as administratively practicable (as determined by the Committee) after the end of the calendar year of the Participant's Termination of Employment, but in no event later than 60 days after the end of the calendar year of the Participant's Termination of Employment.

(b) Installments. Annual installment payments, not in excess of 10, to begin as soon as administratively practicable (as determined by the Committee) after the Participant's Termination of Employment, but in no event later than 60 days after the Participant's Termination of

Employment or, if the Participant so elected, as soon as administratively practicable (as determined by the Committee) after the end of the calendar year of the Participant's Termination of Employment, but in no event later than 60 days after the end of the calendar year of the Participant's Termination of Employment. The amount of each installment will be equal to the Participant's entire remaining Account balance as of the beginning of the calendar quarter of payment divided by the number of remaining installments to be paid.

(c) Rehire. If a Participant's entire Account has not been distributed and/or the Participant was not 100% vested in his or her Account upon Termination of Employment and the Participant again becomes an Eligible Employee, distributions to the Participant under paragraph (a) and/or (b) above will cease, amounts forfeited (if any) from the Participant's Account will be restored, and the Participant's distribution election under Section 5.01(a) will remain in effect. If a former Participant's entire Account has been distributed and the former Participant was 100% vested in his or her Account upon Termination of Employment, the former Participant will make a new distribution election under Section 5.01 (a) if he or she again becomes an Eligible Employee.

5.03 Death. If a Participant dies with a vested amount in his or her Account, whether or not the Participant was receiving payouts from that Account at the time of his or her death, the Participant's Beneficiary will receive the entire vested amount in the Participant's Account as soon as administratively practicable (as determined by the Committee) but in no event later than 60 days after the Committee learns of the Participant's death.

5.04 Withholding. The Company will deduct from Plan payouts, or from other compensation payable to a Participant or Beneficiary, amounts required by law to be withheld for taxes with respect to benefits under this Plan.

ARTICLE VI. MISCELLANEOUS

6.01 Limitation of Rights. Participation in this Plan does not give any individual the right to be retained in the service of the Company or of any related entity.

6.02 Satisfaction of Claims. Payments to a Participant, the Participant's legal representative, or Beneficiary in accordance with the terms of this Plan will, to the extent thereof, be in full satisfaction of all claims that person may have hereunder against the Committee, the Company, and all Affiliates, any of which may require, as a condition to payment, that the recipient execute a receipt and release in a form determined by the Committee, the Company, or an Affiliate.

6.03 Indemnification. The Company and the Affiliates will indemnify the Committee, the Company's Board of Directors, and employees of the Company and the Affiliates to whom responsibilities have been delegated under the Plan for all liabilities and expenses arising from an act or omission in the management of the Plan if the person to be indemnified did not act dishonestly or otherwise in willful violation of the law under which the liability or expense arises.

6.04 Assignment. To the fullest extent permitted by law, rights to benefits under the Plan are not subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment, or garnishment by creditors of a Participant or a Beneficiary.

6.05 Lost Recipients. If the Committee cannot locate a person entitled to payment of a Plan benefit after a reasonable search, the Committee may at any time thereafter treat that person's Account as forfeited and amounts credited to that Account will revert to the Company. If the lost person subsequently presents the Committee with a valid claim for the forfeited benefit amount, the Company will pay that person the amount forfeited.

6.06 Amendment and Termination. The Company's Board of Directors may, at any time, amend the Plan in writing or terminate the Plan. In addition, the Committee may amend the Plan (other than this Section 6.06) in writing, provided that the amendment will not cause any substantial increase in cost to the Company or to any Affiliate. No amendment may, without the consent of an affected Participant (or, if the Participant is deceased, the Participant's Beneficiary), adversely affect the Participant's or the Beneficiary's rights and obligations under the Plan with respect to amounts already credited to a Participant's Account. Notwithstanding the foregoing, if the Plan is terminated, the Company's Board of Directors may determine that all Accounts will be paid out.

6.07 Applicable Law. To the extent not governed by Federal law, the Plan is governed by the laws of the State of California without choice of law rules. If any provision of the Plan is held to be invalid or unenforceable, the remaining provisions of the Plan will continue to be fully effective.

6.08 No Funding. The Plan constitutes a mere promise by the Company and the Affiliates to make payments in the future in accordance with the terms of the Plan. Participants and Beneficiaries have the status of general unsecured creditors of the Company and the Affiliates. Plan benefits will be paid from the general assets of the Company and the Affiliates and nothing in the Plan will be construed to give any Participant or any other person rights to any specific assets of the Company or the Affiliates. In all events, it is the intention of the Company, all Affiliates and all Participants that the Plan be treated as unfunded for tax purposes and for purposes of Title I of the Employee Retirement Income Security Act.

IN WITNESS WHEREOF, The Clorox Company has caused this Plan to be executed by its duly authorized representative on the date indicated below.

/s/ Edward A. Cutter

April 8, 1996

DATE

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THE CLOROX COMPANY 1995 PERFORMANCE UNIT PLAN

The Clorox Company 1995 Performance Unit Plan (the "Plan") is adopted pursuant to the Performance Unit Plan component of The Clorox Company 1987 Long Term Compensation Program (the "Program") effective December 15, 1995. In addition to the terms and conditions set forth below, the Plan is subject to the provisions of the Program, which are incorporated herein by this reference.

ARTICLE I

DEFINITIONS

1.1 Definitions.

Except as defined in this Article I, terms used in this Plan have the definitions of the terms as set forth in Article II of the Program:

- a) Deferred Stock Units - Performance Units for which Performance Shares have been exchanged pursuant to the terms of this Plan.
- b) Incentive Units - additional Performance Units equal to ten percent of Deferred Stock Units which a Participant receives upon making an Election to Exchange pursuant to Section 2.1.
- c) Participant - an officer of the Company who has been awarded Performance Shares and elects to exchange them for Deferred Stock Units pursuant to the terms of this Plan.
- d) Performance Shares - means shares of the Company's restricted stock which have been awarded under the Program's Restricted Stock Plan with a vesting date of October 1, 2000, but with the opportunity for accelerated vesting on either October 1, 1996 or October 1, 1998 provided certain specified total shareholder return goals are achieved by June 30, 1996 or June 30, 1998, respectively.
- e) Stock Withholding Arrangement - means a procedure whereby a Participant satisfies a tax withholding requirement by directing the Company to apply shares of stock to which the Participant is entitled as a result of the redemption of Deferred Stock Units to satisfy such requirements.

1.2 Value of Performance Unit.

Each Performance Unit shall have a value equal to one share of Stock (subject to adjustment as provided in Section 3.2), plus the right to receive amounts equal to dividends paid by the Company on a share of Stock (as adjusted).

1.3 Performance Period.

The Performance Period shall be the period from January 1, 1996, to October 1, 2000, provided that (i) if the Performance Goal is first achieved by June 30, 1996, the Performance Period shall end on December 31, 1997, and (ii) if the Performance Goal is first achieved after June 30, 1996, but on or before June 30, 1998, the Performance Period shall end on October 1, 1998.

1.4 Performance Goal.

The Performance Goal shall be the shareholder return goals specified with respect to the award of Performance Shares.

ARTICLE II

TERMS OF PERFORMANCE UNITS

2.1 Participant Elections.

- a) Election to Surrender Performance Shares and Grant of Performance Units. Officers of the Company who have been awarded Performance Shares may, on or before December 31, 1995, make an irrevocable written election to surrender some or all of their Performance Shares, effective December 31, 1995. Officers who elect to surrender Performance Shares will be granted one Deferred Stock Unit for each Performance Share surrendered and one Incentive Unit for each ten Performance Shares surrendered.
- b) Election Regarding Redemption Upon Retirement in Installments. At the time the election under Section 2.1(a) is made, a Participant must further make an irrevocable written election to have his/her vested Performance Units redeemed in a lump sum or in not less than three nor more than five equal annual installments, without interest, following his/her Retirement. Except in the case of Retirement, vested Performance Units will be redeemed in a lump sum.

c) Election Regarding Payment of Dividend Equivalents. At the time the election under Section 2.1(a) is made, a Participant may make an irrevocable written election to have dividend equivalent amounts payable pursuant to Section 2.5 of the Plan deferred and invested in additional Performance Units based upon the number of whole and fractional Units which the dollar dividend amount would purchase using the average between the high and low price value of the Stock on the New York Stock Exchange on each dividend payment date.

2.2 Vesting of Performance Units.

a) Except as provided in this Section 2.2, or in Article 12 of the Program (relating to Change of Control), Performance Units granted pursuant to Section 2.1(a) will vest on the last day of the Performance Period.

b) Performance Units purchased pursuant to a Participant election under Section 2.1(c) shall be fully vested at the time of purchase.

c) In the case of death, Disability or Retirement prior to the last day of the Performance Period, Performance Units which are Deferred Stock Units shall be fully vested, but payment of such Performance Units shall not commence prior to the last day of the Performance Period.

d) If the Performance Goal is met on or before June 30, 1996, then after October 1, 1996, in the case of a Participant's involuntary termination by the Company other than a Termination for Cause, Performance Units which are Deferred Stock Units shall be fully vested, but payment of such Performance Units shall not commence prior to the last day of the Performance Period.

e) Except in the event of a Change of Control, Performance Units which are Incentive Units will not vest prior to December 31, 1997.

f) Performance Units which are not vested pursuant to this

Section 2.2 on a Participant's termination of employment, whether by death, Disability, Retirement, voluntary or involuntary termination of employment, with or without Cause, shall be forfeited. In the event of a Participant's involuntary termination by the Company other than a Termination for Cause, the Committee in its sole discretion may waive the automatic forfeiture provisions.

2.3 Redemption of Performance Units.

a) Company's Right to Defer Redemption. A Participant's Performance Units will be redeemed at the time and in the manner set forth below; provided, however, that no redemption under Section 2.3(c) shall be permitted prior to the ninetieth day of the Company's fiscal year following the Participant's termination of employment to the extent that the Company determines that an earlier redemption would result in the payment of compensation which would not be deductible by the Company under Section 162(m) of the Internal Revenue Code of 1986, as amended. If a Participant's election to redeem Performance Units is deferred by reason of this Section 2.3(a), any reduction in the value of the Stock from the day the Performance Units would otherwise have been redeemed to the day the Performance Units are actually redeemed will be made up to the Participant in the form of additional shares of the Stock based on the average between the high and low price of the Stock on the New York Stock Exchange on the day of the actual redemption, or, if the Stock is not traded on that day, on the next trading day.

b) Redemption Upon a Change of Control. Immediately following a Change of Control, all Performance Units will be redeemed in cash. The cash amount per Performance Unit will equal the average between the high and low price of the Stock on the New York Stock Exchange on the date the Change of Control occurs or, if the Stock is not traded on that day, on the trading day immediately preceding the Change of Control.

c) Redemption Upon Termination of Employment. On the first business day following a Participant's termination of employment or as soon as practicable thereafter, the Participant's vested Performance Units or, in the case of an installment redemption election the appropriate proportion of the Participant's vested Performance Units, will be redeemed unless the Company exercises its deferral rights pursuant to Section 2.3(a).

If a Participant has elected redemption in installments, his/her Performance Units will be redeemed in the number of installments elected by the Participant pursuant to Section 2.1(b) beginning on the first business day following his/her Retirement and annually thereafter, unless the Company exercises its deferral right with regard to any such installments pursuant to Section 2.3(a).

In no event will Performance Units be redeemed prior to the last day of the Performance Period.

2.4 Performance Units Will be Redeemed Only in Stock Except Following a Change of Control.

Except in the case of redemptions made as a result of a Change of Control, Performance Units will be redeemed one for one for shares of Stock. If the Participant owns a fractional number of Units, the number of Units will be rounded up or down to the next whole Unit for purposes of calculating the number of shares of Stock to be exchanged in the redemption. If Performance Units are settled in Stock, a Stock Withholding Arrangement may be used to meet the Participant's withholding tax obligation. If a redemption is as a result of a Change of Control, Performance Units will be settled in cash.

2.5 Dividends on Performance Units.

The Company shall pay in cash to each Participant on the dividend payment date an amount equal to the number of the Participant's

Performance Units multiplied by the per share dividend rate for each declaration of a dividend (other than a Stock dividend) on the Stock from January 1, 1996, until the date on which the Performance Units are redeemed. In the case of dividend distributions on Stock which are paid in the form of property (other than Stock), the Committee shall determine the cash equivalent amount to be paid pursuant to this Section 2.5.

ARTICLE III

MISCELLANEOUS PROVISIONS

3.1 Accelerated Redemption of Performance Units in Case of an Unforeseeable Emergency.

The Committee may, upon written application to it, agree to an accelerated redemption of some or all of a Participant's vested Performance Units upon the showing of severe financial hardship to the Participant resulting from (a) a sudden and unexpected illness or accident of the Participant or a dependent of the Participant; (b) loss of the Participant's property due to casualty; or (c) other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. Acceleration will not be granted if the hardship may be relieved through (i) reimbursement or compensation by insurance or otherwise; or (ii) by liquidation of the Participant's assets, to the extent such liquidation will not itself cause severe financial hardship.

3.2 Adjustment of Performance Units.

In the event of any change in the outstanding shares of the Stock, by reason of a stock dividend or split, recapitalization, merger, consolidation, combination, exchange of shares, or other similar corporate change, the number of Performance Units shall be adjusted appropriately by the Committee, whose determination shall be conclusive.

3.3 No Funding.

The Plan constitutes a mere promise by the Company to make redemptions or payments in the future in accordance with the terms of the Plan. Participants and beneficiaries have the status of general unsecured creditors of the Company. Any cash payments will be paid from the general assets of the Company and nothing in the Plan will be construed to give any Participant or any other person rights to any specific assets of the Company. In all events, it is the intention of the Company and all Participants that the Plan be treated as unfunded for tax purposes and for purposes of Title I of the Employee Retirement Income Security Act.

IN WITNESS WHEREOF, The Clorox Company has caused this Plan to be executed by its duly authorized representative on the date indicated below.

/s/ Edward A. Cutter

December 15, 1995

Date

THE CLOROX COMPANY
1996 STOCK INCENTIVE PLAN

1. Purposes of the Plan. The purposes of this Stock Incentive Plan are to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to Employees of the Company and its Subsidiaries and to promote the success of the Company's business. Definitions of capitalized terms used in the Plan are contained in the attached Glossary which is an integral part of the Plan.

2. Stock Subject to the Plan.

(a) Subject to the provisions of Section 9, below, the maximum aggregate number of Shares which may be issued pursuant to Awards shall be 3.5 million Shares. Notwithstanding the foregoing, (i) no more than ten percent (10%) of the total number of Shares available for grant under the Plan in any fiscal year of the Company may be issued as restricted stock and (ii) any Shares issued pursuant to awards under the Company's Executive Incentive Compensation Plan granted after the date of the Board's adoption of the Plan shall reduce on a Share for Share basis the number of Shares otherwise available under the Plan. The Shares to be issued pursuant to Awards may be authorized, but unissued, or reacquired Common Stock.

(b) If an Award expires or becomes unexercisable without having been exercised in full, or is surrendered pursuant to an Award exchange program, or if any unissued Shares are retained by the Company upon exercise of an Award in order to satisfy the exercise price for such Award or any withholding taxes due with respect to such Award, such unissued or retained Shares shall become available for future grant or sale under the Plan (unless the Plan has terminated). Shares that actually have been issued under the Plan pursuant to an Award shall not be returned to the Plan and shall not become available for future distribution under the Plan, except that if unvested Shares are forfeited, or repurchased by the Company at their original purchase price, such Shares shall become available for future grant under the Plan.

3. Administration of the Plan.

(a) Plan Administrator.

(i) Administration with Respect to Employees who are Directors and Officers. With respect to grants of Awards to Employees who are also Officers or Directors of the Company, the Plan shall be administered by (A) the Board or (B) a Committee designated by the Board, which Committee shall be constituted in such a manner as to satisfy Applicable Laws and to permit such grants and related transactions under the Plan to be exempt from Section 16(b) of the Exchange Act in accordance with Rule 16b-3. Once appointed, such Committee shall continue to serve in its designated capacity until otherwise directed by the Board.

(ii) Administration With Respect to Other Employees. With respect to grants of Awards to Employees who are neither Directors nor Officers of the Company, the Plan shall be administered by (A) the Board or (B) a Committee designated by the Board, which Committee shall be constituted in such a manner as to satisfy the Applicable Laws.

(iii) Administration With Respect to Covered Employees. Notwithstanding the foregoing, grants of Awards to any Covered Employee intended to qualify as Performance-Based Compensation shall be made only by a Committee (or subcommittee of a Committee) which is composed solely of two or more Directors eligible under the Code to serve on a committee making Awards qualifying as Performance-Based Compensation. In the case of such Awards granted to Covered Employees, references to the "Administrator" or to a "Committee" shall be deemed to be references to such Committee or subcommittee.

(b) Powers of the Administrator. Subject to Applicable Laws, the provisions of the Plan (including any other powers given to the Administrator hereunder) and except as otherwise provided by the Board, the Administrator shall have the authority, in its discretion:

(i) to select the Employees to whom Awards may from time to time be granted hereunder;

(ii) to determine whether and to what extent Awards are granted hereunder;

(iii) to determine the number of Shares to be covered by each Award granted hereunder;

(iv) to approve forms of Award Agreement for use under the Plan;

(v) to determine the terms and conditions of any Award granted hereunder;

(vi) to amend the terms of any outstanding Award granted under the Plan, provided that any amendment that would adversely affect the Grantee's rights under an outstanding Award shall not be made without the Grantee's written consent;

(vii) to construe and interpret the terms of the Plan and Awards granted pursuant to the Plan; and

(viii) to take such other action, not inconsistent with the terms of the Plan, as the Administrator deems appropriate.

(c) Effect of Administrator's Decision. All decisions, determinations and interpretations of the Administrator shall be final and binding on the Grantees and any other holders of Awards intended by the Administrator to be affected thereby.

4. Eligibility. Awards other than Incentive Stock Options may be granted to Employees. Incentive Stock Options may be granted only to Employees. An Employee who has been granted an Award may, if otherwise eligible, be granted additional Awards. Awards may be granted to such Employees of the Company and its subsidiaries who are residing in foreign jurisdictions as the Administrator in its sole discretion may determine from time to time. The Administrator may establish additional terms, conditions, rules or procedures to accommodate the rules or laws of applicable foreign jurisdictions and to afford Grantees favorable treatment under such laws; provided, however, that no Award shall be granted under any such additional terms, conditions, rules or procedures with terms or conditions which are inconsistent with the provisions of the Plan.

5. Terms and Conditions of Awards.

(a) Type of Awards. The Administrator is authorized under the Plan to award any type of arrangement to an Employee that is not inconsistent with the provisions of the Plan and that by its terms involves or might involve the issuance of (i) Shares, (ii) an Option, a SAR or similar right with an exercise or conversion privilege at a fixed or variable price related to the Common Stock and/or the passage of time, the occurrence of one or more events, or the satisfaction of performance criteria or other conditions, or (iii) any other security with the value derived from the value of the Common Stock. Such awards include, without limitation, Options, SARs, sales or bonuses of Restricted Stock, Dividend Equivalent Rights, Performance Units or Performance Shares, and an Award may consist of one such security or benefit, or two or more of them in any combination or alternative.

(b) Designation of Award. Each Award shall be designated in the Award Agreement. In the case of an Option, the Option shall be designated as either an Incentive Stock Option or a Non-Qualified Stock Option. However, notwithstanding such designation, to the extent that the aggregate Fair Market Value of Shares subject to Options designated as Incentive Stock Options which become exercisable for the first time by a Grantee during any calendar year (under all plans of the Company or any Parent or Subsidiary) exceeds \$100,000, such excess Options, to the extent of

the Shares covered thereby in excess of the foregoing limitation, shall be treated as Non-Qualified Stock Options. For this purpose, Incentive Stock Options shall be taken into account in the order in which they were granted, and the Fair Market Value of the Shares shall be determined as of the date the Option with respect to such Shares is granted.

(c) Conditions of Award. Subject to the terms of the Plan, the Administrator shall determine the provisions, terms, and conditions of each Award including, but not limited to, the Award vesting schedule, repurchase provisions, rights of first refusal, forfeiture provisions, form of payment (cash, Shares, or other consideration) upon settlement of the Award, and payment contingencies. In the case of an Award (other than an Option or SAR) intended to qualify as Performance-Based Compensation, the grant, exercise and/or settlement of such Award shall be contingent upon achievement of preestablished performance goals, which shall consist of one or more of the following performance criteria: total shareholder return, stock price, Clorox Value Measure, cash value added, economic value added, operating margin, asset turnover, sales growth, asset growth, return on investment, earnings per share, return on equity, return on assets, return on capital, operating cash flow, cost of capital, net income, customer satisfaction, employee satisfaction, and personal management objectives. Performance goals shall be objective and shall otherwise meet the requirements of Code Section 162(m) and the regulations thereunder. Performance goals may differ for Awards granted to any one Employee or to different Employees. Achievement of performance goals in respect of Awards intended to qualify as Performance-Based Compensation shall be measured over a performance period specified in the Award of up to ten years, and the goals shall be established not later than 90 days after the beginning of the performance period applicable to the Award, or at such other date as may be required or permitted for Performance-Based Compensation. The Award may provide that partial achievement of the performance goal will result in a payment or vesting corresponding to the degree of achievement as specified in the Award. The Administrator may, in its discretion, reduce the amount of a settlement otherwise to be made in connection with an Award intended to qualify as Performance-Based Compensation, but may not exercise discretion to increase the award.

(d) Deferral of Award Payment. The Administrator may establish one or more programs under the Plan to permit selected Grantees the opportunity to elect to defer receipt of consideration upon exercise of an Award, satisfaction of performance criteria, or other event that absent the election would entitle the Grantee to payment or receipt of Shares or other consideration under an Award. The Administrator may establish the election procedures, the timing of such elections, the mechanisms for payments of, and accrual of interest or other earnings, if any, on amounts or Shares so deferred, and such other terms, conditions, rules and procedures that the Administrator deems advisable for the administration of any such deferral program.

(e) Award Exchange Programs. The Administrator may establish one or more programs under the Plan to permit selected Grantees to exchange an Award under the Plan for one or more other types of Awards under the Plan on such terms and conditions as established by the Administrator from time to time.

(f) Term of Award. The term of each Award shall be the term stated in the Award Agreement, provided, however, that the term of an Incentive Stock Option shall be no more than ten (10) years from the date of grant thereof. However, in the case of an Incentive Stock Option granted to a Grantee who, at the time the Option is granted, owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary, the term of the Incentive Stock Option shall be five (5) years from the date of grant thereof or such shorter term as may be provided in the Award Agreement.

(g) Individual Option, SAR Limit. The maximum aggregate number of Shares with respect to which Options and SAR may be granted to any Employee in any fiscal year of the Company shall be five hundred thousand (500,000) Shares. The foregoing limitation shall be adjusted proportionately in connection with any change in the Company's capitalization pursuant to Section 9, below. This Section 5(g) is intended to comply with the requirements for the award of Performance-Based Compensation applicable to stock options and stock appreciation rights and shall be construed in accordance with the requirements of Section 162(m) of the Code and the regulations thereunder.

(h) Individual Performance-Based Compensation Limit for Awards Other than Options and SARs. The maximum value of any Award (other than an Option or SAR) granted to any Employee in any fiscal year of the Company and intended to qualify as Performance-Based Compensation shall be two million dollars (\$2,000,000), calculated based upon the value of the Award assuming the performance goal was met on the date of the grant of the Award. This Section 5(h) is intended to comply with the requirements for the award of Performance-Based Compensation applicable to awards other than stock options and stock appreciation rights and shall be construed in accordance with the requirements of Section 162(m) of the Code and the regulations thereunder.

(i) Transferability of Awards. Incentive Stock Options may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the Grantee, only by the Grantee. Other Awards shall be transferable to the extent provided in the Award Agreement.

(j) Time of Granting Awards. The date of grant of an Award shall for all purposes be the date on which the Administrator makes the determination to grant such Award, or such other date as is determined by the Administrator. Notice of the grant determination shall be given to each Employee to whom an Award is so granted within a reasonable time after the date of such grant.

6. Award Exercise or Purchase Price, Consideration, and Taxes.

(a) Exercise or Purchase Price. The exercise or purchase price, if any, for an Award shall be as follows:

(i) In the case of an Incentive Stock Option:

(A) granted to an Employee who, at the time of the grant of such Incentive Stock Option owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary, the per Share exercise price shall be not less than one hundred ten percent (110%) of the Fair Market Value per Share on the date of grant. (B) granted to any Employee other than an Employee described in the preceding clause, the per Share exercise price shall be not less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(ii) In the case of a Non-Qualified Stock Option, the per Share exercise price shall be not less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant unless otherwise determined by the Administrator.

(iii) In the case of any other Award, including Restricted Stock, such price, if any, as determined by the Administrator.

(b) Consideration. Subject to Applicable Laws, the consideration to be paid for the Shares to be issued upon exercise or purchase of an Award including the method of payment, shall be determined by the Administrator (and, in the case of an Incentive Stock Option, shall be determined at the time of grant). In addition to any other types of consideration the Administrator may determine, the Administrator is authorized to accept as consideration for Shares under the Plan the following:

(i) cash;

(ii) check;

(iii) delivery of Grantee's promissory note with such recourse, interest, security, and redemption provisions as the Administrator in its

discretion determines as appropriate;

(iv) surrender of Shares (including withholding of Shares otherwise deliverable upon exercise of the Award) which have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which said Award shall be exercised (but only to the extent that such exercise of the Award would not result in an accounting compensation charge with respect to the Shares used to pay the exercise price unless otherwise determined by the Administrator);

(v) delivery of a properly executed exercise notice together with such other documentation as the Administrator and the broker, if applicable, shall require to effect an exercise of the Award and delivery to the Company of the sale or loan proceeds required to pay the exercise price and/or related withholding taxes; or

(vi) any combination of the foregoing methods of payment.

(c) Taxes. No Shares shall be delivered under the Plan to any Grantee or other person until such Grantee or other person has made arrangements acceptable to the Administrator for the satisfaction of federal, state, and local income and employment tax withholding obligations, including, without limitation, obligations incident to the receipt of Shares or the disqualifying disposition of Shares received on exercise of an Incentive Stock Option. Upon exercise of an Award, the Company shall withhold from Grantee an amount sufficient to satisfy such tax obligations.

7. Exercise of Award.

(a) Procedure for Exercise; Rights as a Stockholder.

(i) Any Award granted hereunder shall be exercisable at such times and under such conditions as determined by the Administrator under the terms of the Plan and specified in the Award Agreement.

(ii) An Award shall be deemed to be exercised when written notice of such exercise has been given to the Company in accordance with the terms of the Award by the person entitled to exercise the Award and full payment for the Shares with respect to which the Award is exercised has been received by the Company. Until the issuance (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company) of the stock certificate evidencing such Shares, no right to vote or receive dividends or any other rights as a stockholder shall exist with respect to Shares subject to an Award, notwithstanding the exercise of an Option or other Award. The Company shall issue (or cause to be issued) such stock certificate promptly upon exercise of the Award. No adjustment will be made for a dividend or other right for which the record date is prior to the date the stock certificate is issued, except as provided in the Award Agreement or Section 9, below.

(b) Exercise of Award Following Termination of Employment Relationship.

(i) An Award may not be exercised after the termination date of such Award set forth in the Award Agreement and may be exercised following the termination of a Grantee's Continuous Status as an Employee only to the extent provided in the Award Agreement.

(ii) Where the Award Agreement permits a Grantee to exercise an Award following the termination of the Grantee's Continuous Status as an Employee for a specified period, the Award shall terminate to the extent not exercised on the last day of the specified period or the last day of the original term of the Award whichever occurs first.

(iii) Any Award designated as an Incentive Stock Option to the extent not exercised within the time permitted by law for the exercise of Incentive Stock Options following the termination of a Grantee's Continuous Status as an Employee shall convert automatically to a Non-Qualified Stock Option and thereafter shall be exercisable as such to the extent exercisable by its terms for the period specified in the Award Agreement.

8. Conditions Upon Issuance of Shares.

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

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

9. Adjustments Upon Changes in Capitalization. Subject to any required action by the stockholders of the Company, the number of Shares covered by each outstanding Award, and the number of Shares which have been authorized for issuance under the Plan but as to which no Awards have yet been granted or which have been returned to the Plan, as well as the price per share of Common Stock covered by each such outstanding Award, shall be proportionately adjusted for any increase or decrease in the number of issued shares of Common Stock resulting from a stock split, reverse stock split, stock dividend, combination or reclassification of the Common Stock, or any other similar event resulting in an increase or decrease in the number of issued shares of Common Stock. Such adjustment shall be made by the Administrator, and its determination in that respect shall be final, binding and conclusive. Except as expressly provided herein, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason hereof shall be made with respect to, the number or price of Shares subject to an Award.

10. Corporate Transactions/Changes of Control/Subsidiary Dispositions.

(a) In the event of a Corporate Transaction, each Award which is at the time outstanding under the Plan automatically shall become fully vested and exercisable and be released from any restrictions on transfer and repurchase or forfeiture rights, immediately prior to the specified effective date of such Corporate Transaction, for all of the Shares at the time represented by such Award. Effective upon the consummation of the Corporate Transaction, all outstanding Awards under the Plan shall terminate unless assumed by the successor company or its Parent.

(b) In the event of a Change of Control (other than a Change of Control which also is a Corporate Transaction), each Award which is at the time outstanding under the Plan automatically shall become fully vested and exercisable and be released from any restrictions on transfer and repurchase or forfeiture rights, immediately prior to the specified effective date of such Change of Control, for all of the Shares at the time represented by such Award. Each such Award shall remain so exercisable until the expiration or sooner termination of the applicable Award term.

(c) The Administrator shall have the authority, exercisable either in advance of any actual or anticipated Subsidiary Disposition or at the time of an actual Subsidiary Disposition and either at the time of the grant of an Award or at any time while an Award remains outstanding, to provide for the automatic full vesting and exercisability of one or more outstanding unvested Awards under the Plan and the termination of restrictions on transfer and repurchase or forfeiture rights on such Awards, in connection with a Subsidiary Disposition, but only with respect to those Grantees who are at the time engaged primarily in Continuous Service as an Employee with the subsidiary corporation involved in such Subsidiary Disposition. The Administrator also shall have the authority to condition any such Award vesting and exercisability or release from

such limitations upon the subsequent termination of the affected Grantee's Continuous Service as an Employee with that subsidiary corporation within a specified period following the effective date of the Subsidiary Disposition. The Administrator may provide that any Awards so vested or released from such limitations in connection with a Subsidiary Disposition, shall remain fully exercisable until the expiration or sooner termination of the Award.

(d) The portion of any Incentive Stock Option accelerated under this Section 10 in connection with a Corporate Transaction, Change of Control or Subsidiary Disposition shall remain exercisable as an Incentive Stock Option under the Code only to the extent the \$100,000 dollar limitation of Section 422(d) of the Code is not exceeded. To the extent such dollar limitation is exceeded, the accelerated excess portion of such Option shall be exercisable as a Non-Qualified Stock Option.

(e) In the event of termination of a Grantee's Continuous Status as an Employee as a result of his or her Retirement, unless otherwise provided in the Award Agreement, each outstanding Award held by such Grantee shall become fully vested and exercisable and be released from any restrictions on transfer and repurchase or forfeiture rights for all of the Shares at the time represented by such Award.

11. Term of Plan. The Plan shall become effective upon the earlier to occur of its adoption by the Board or its approval by the stockholders of the Company. It shall continue in effect for a term of ten (10) years unless sooner terminated.

12. Amendment, Suspension or Termination of the Plan.

(a) The Board may at any time amend, suspend or terminate the Plan. To the extent necessary and desirable to comply with Applicable Laws, the Company shall obtain stockholder approval of any Plan amendment in such a manner and to such a degree as required.

(b) No Award may be granted during any suspension or after termination of the Plan.

(c) Any amendment, suspension or termination of the Plan shall not affect Awards already granted, and such Awards shall remain in full force and effect as if the Plan had not been amended, suspended or terminated, unless mutually agreed otherwise between the Grantee and the Administrator, which agreement must be in writing and signed by the Grantee and the Company.

13. Amendment to Prior Plans. No Awards shall be granted under the Company's 1977 Stock Option and Restricted Stock Plans and 1987 Long Term Compensation Program on or after stockholder approval of the Plan.

14. Reservation of Shares.

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

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

15. No Effect on Terms of Employment. The Plan shall not confer upon any Grantee any right with respect to continuation of employment or consulting relationship with the Company, nor shall it interfere in any way with his or her right or the Company's right to terminate his or her employment or consulting relationship at any time, with or without cause.

16. Stockholder Approval. Continuance of the Plan with respect to the grant of Incentive Stock Options and grants to Covered Employees shall be subject to approval by the stockholders of the Company within twelve (12) months before or after the date the Plan is adopted, and such stockholder approval shall be a condition to the right of a Covered Employee to receive Performance-Based Compensation hereunder. Such stockholder approval shall be obtained in the degree and manner required under Applicable Laws.

GLOSSARY OF DEFINED TERMS

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

{ "Administrator" means the Board or any of the Committees appointed to administer the Plan.

{ "Affiliate" and "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 promulgated under the Exchange Act.

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

{ "Award" means the grant of an Option, SAR, Dividend Equivalent Right, Restricted Stock, Performance Unit, Performance Share, or other right or benefit under the Plan. { "Award Agreement" means the written agreement evidencing the grant of an Award executed by the Company and the Grantee, including any amendments thereto.

{ "Board" means the Board of Directors of the Company. { "Business Combination" means 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 or entity, in each case, unless, immediately following such Business Combination,

(i) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the outstanding Common Stock and outstanding Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than fifty percent (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) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the outstanding Common Stock and outstanding 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, twenty percent (20%) or more (or, in the case of Henkel, more than the percentage limit of the Company's issued common stock agreed to in paragraph 4(a) of the June 18, 1981 agreement between the Company and Henkel, as amended), of 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.

{ {"Change of Control" means a change in ownership or control of the Company effected through either of the following transactions:

(i) The acquisition by any Person of beneficial ownership (within the meaning of Rule 13(d)(3) promulgated under the Exchange Act) of twenty percent (20%) or more (or, in the case of Henkel, more than the percentage limit of the Company's issued common stock agreed to in paragraph 4(a) of the June 18, 1981 agreement between the Company and Henkel, as amended) of either (A) the then outstanding shares of Common Stock or (B) the combined voting power of the then outstanding Voting Securities; provided, however, that for purposes of this paragraph, the following acquisitions shall not constitute a Change of Control: (W) any acquisition directly from the Company, (X) 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 or by Henkel to more than the applicable percentage set forth above, (Y) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company or (Z) any acquisition pursuant to a Business Combination which complies with clauses (i), (ii) and (iii) of the definition of "Business Combination" above; or (ii) Directors constituting the Incumbent Board cease for any reason to constitute at least a majority of the Directors. "Clorox Value Measure" means an economic value added model the calculation of which links profit to investment by including a capital charge for assets employed in the business. { {"Code" means the Internal Revenue Code of 1986, as amended. { {"Committee" means any committee appointed by the Board to administer the Plan. { "Common Stock" means the common stock of the Company, as adjusted in accordance with the provisions of Section 9, below.

{ {"Company" means The Clorox Company.

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

{ {"Corporate Transaction" means any of the following stockholder-approved transactions to which the Company is a party:

(i) a Business Combination, or
(ii) a complete liquidation or dissolution of the Company.

{ {"Covered Employee" means an Employee who is a "covered employee" under Section 162(m)(3) of the Code at the time of an Award under the Plan.

{ {"Director" means a member of the Board. { {"Disability" means disability as defined in subsection 4.1(a) of The Clorox Company Disability Plan for twelve (12) consecutive months.

{ "Dividend Equivalent Right" means a right entitling the Grantee to compensation measured by dividends paid with respect to Common Stock.

{ {"Employee" means any person, including Officers and Directors, employed by the Company or any Parent or Subsidiary of the Company. The payment of a director's fee by the Company shall not be sufficient to constitute "employment" by the Company.

{ {"Exchange Act" means the Securities Exchange Act of 1934, as amended.

{ {"Fair Market Value" means, as of any date, the value of Common Stock determined as follows:

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

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

{ {"Grantee" means an Employee who receives an Award under the Plan.

"Henkel" means Henkel KGaA and any person controlled by Henkel KGaA.

{ {"Incentive Stock Option" means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code.

{ {"Incumbent Board" means Directors who (i) are Directors as of the date of Board adoption of the Plan, (ii) were elected or nominated for election as Directors by at least a majority of the Directors described in clause (i) who were still in office at the time such election or nomination was approved by the Board, or (iii) have been nominated as a representative of Henkel KGaA pursuant to the agreement between Henkel KGaA and the Company dated July 16, 1986; provided that a person shall not be deemed an Incumbent Board member if his or her initial assumption of office as a Director was the 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 stockholder consents, by or on behalf of a Person other than the Board.

{ {"Non-Qualified Stock Option" means an Option not intended to qualify as an Incentive Stock Option.

{ {"Officer" means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder. { {"Option" means a stock option granted pursuant to the Plan.

{ {"Parent" means a "parent corporation," whether now or hereafter existing, as defined in Section 424(e) of the Code. { "Performance - Based Compensation" means compensation qualifying as "performance-based compensation" under Section 162(m) of the Code.

{ {"Performance Shares" means Shares or an Award denominated in Shares which may be earned in whole or in part upon attainment of

performance criteria established by the Administrator and which may be settled for cash, securities, or a combination of cash and securities as determined by the Administrator. { {"Performance Units" means awards which may be earned in whole or in part upon attainment of performance criteria established by the Administrator and which may be settled for cash, securities or a combination of cash and securities as determined by the Administrator.

{ {"Person" means any individual, entity or group within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act. { {"Plan" means this 1996 Stock Incentive Plan. { {"Restricted Stock" means an award of Shares under the Plan to the Grantee for such consideration, if any, and subject to such restrictions on transfer, rights of first refusal, repurchase provisions, forfeiture provisions, and other terms and conditions as established by the Administrator. { {"Retirement" means termination of Continuous Status as an Employee after attaining age fifty-five (55) with ten (10) or more years of "vesting service" as defined in The Clorox Company Pension Plan.

{ {"Rule 16b-3" means Rule 16b-3 promulgated under the Exchange Act or any successor thereto.

{ {"SAR" means a stock appreciation right entitling the Grantee to Shares or cash compensation measured by appreciation in the value of Common Stock.

{ {"Share" means a share of the Common Stock.

{ {"Subsidiary" means a "subsidiary corporation," whether now or hereafter existing, as defined in Section 424(f) of the Code. { {"Subsidiary Disposition" means the disposition by the Company of its equity holdings in any subsidiary corporation effected by a merger or consolidation involving that subsidiary corporation, the sale of all or substantially all of the assets of that subsidiary corporation or the Company's sale or distribution of substantially all of the outstanding capital stock of such subsidiary corporation.

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

THE CLOROX COMPANY
EXECUTIVE INCENTIVE COMPENSATION PLAN

1. Purpose

The purpose of The Clorox Company Executive Incentive Compensation Plan (the "Plan") is to provide an incentive for corporate officers and to recognize and reward those officers.

2. Definitions

The following terms will have the following meaning for purposes of the Plan:

"Award" means a bonus paid in cash, Stock and/or restricted Stock.
"Board" means the Board of Directors of the Company.

"Clorox Value Measure" means an economic value-added model the calculation of which links profit to investment by including a capital charge for assets employed in the business. "Code" means the Internal Revenue Code of 1986, as amended. "Committee" means the Employee Benefits and Management Compensation Committee of the Board, or such other Committee designated by the Board to administer the Plan provided that the Committee shall consist of two or more persons, each of whom is an "outside director" within the meaning of Section 162(m) of the Code.

"Company" means The Clorox Company.

"Participant" means a corporate officer of the Company or a Subsidiary selected by the Committee to participate in the Plan. "Performance Criteria" means the following measures of performance:

total shareholder return, Stock price, Clorox Value Measure, cash value added, economic value added, operating margin, asset turnover, sales growth, asset growth, return on investment, earnings per share, return on equity, return on assets, return on capital, operating cash flow, cost of capital, net income, customer satisfaction, and employee satisfaction. A Performance Criterion may be applied by the Committee as a measure of the performance of any, all, or any combination of the following: the Company, a Subsidiary, a division, group or other unit of the Company or a Subsidiary, or a particular product category or categories of the Company or a Subsidiary. "Performance Goal(s)" means the goal or goals established for a Participant by the Committee in accordance with Section 4(a). "Stock" means common stock of the Company.

"Subsidiary" means any corporation in which the Company, directly or indirectly, controls 50 percent or more of the total combined voting power of all classes of stock.

"Target Award" means the amount of the target award established for each Participant by the Committee in accordance with Section 4(a).

3. Term

The Plan shall be effective as of July 1, 1996, subject to stockholders approval, and shall continue until June 30, 2001 unless reapproved by the Company's stockholders or unless amended or terminated pursuant to Section 9 hereof.

4. Awards

Within 90 days after the beginning of each fiscal year of the Company (a "year"), the Committee will select Participants for the year and establish in writing (i) an objective Performance Goal or Goals for each Participant for that year based on one or more of the Performance Criteria, (ii) the specific Award amounts that will be paid to each Participant if his or her Performance Goal or Goals are achieved (the "Target Award") and (iii) the method by which such amounts will be calculated. The Committee may specify as to each Target Award the form of payment of the Award (cash, Stock, restricted Stock, and/or other property), provided that if restricted Stock is offered as an incentive to Participants to take some or all of their Award in Stock the amount of the restricted Stock shall be specified and the Target Award, including such restricted Stock, shall not exceed the maximum Award permitted under Section 4(b). The Target Award may provide for payment of all or part of the Target Award in the case of retirement, death, disability or change of ownership of control of the Company or a Subsidiary during the year.

The maximum Award that may be paid to any Participant under the Plan for any year will be \$2 million.

The Committee may reduce or eliminate, but may not increase, any Award calculated under the methodology established in accordance with paragraph (a) in order to reflect additional considerations relating to performance.

As soon as practicable following each year while the Plan is in effect, the Committee shall determine and certify, for each Participant, the extent to which the Performance Goal or Goals have been met and the amount of the Award, if any, to be made. Awards will be paid to the Participants following such certification by the Committee and no later than ninety (90) days following the close of the year with respect to which the Awards are made. The Company shall withhold from the payment of any Award hereunder any amount required to be withheld for taxes.

5. Termination of Employment

Except as may be specifically provided in an Award pursuant to Section 4(a), a Participant shall have no right to an Award under the Plan for any year in which the Participant is not actively employed by the Company or its Subsidiaries on June 30 of such year. In establishing Target Awards, the Committee may also provide that in the event a

Participant is not employed by the Company or its Subsidiaries on the date on which the Award is paid, the Participant may forfeit his or her right to the Award paid under the Plan.

6. Administration

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

7. Unfunded Plan

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

8. Code Section 162(m)

It is the intent of the Company that all Awards under the Plan qualify as performance-based compensation for purposes of Code Section 162(m)(4)(C) so that the Company's tax deduction for such Awards is not disallowed in whole or in part under Code Section 162(m). The Plan is to be applied and interpreted accordingly.

9. Amendment or Termination of the Plan

The Committee may from time to time suspend, revise, amend or terminate the Plan; PROVIDED, that any such amendment or revision which requires approval of the Company's shareholders in order to maintain the qualification of Awards as performance-based compensation pursuant to Code Section 162(m) (4) (C) shall not be made without such approval.

10. Applicable Law

The Plan will be governed by the laws of California.

11. No Rights to Employment

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

12. No Assignment

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

13. Stockholder Approval

This Plan shall be subject to approval by a vote of the stockholders of the Company at the 1996 Annual Meeting, and such stockholder approval shall be a condition to the right of any Participant to receive any benefits hereunder.

End of Filing

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