PROCTER & GAMBLE Co
Form DEF 14A
August 29, 2014
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a)

of the Securities Exchange Act of 1934

(Amendment No. __)

Filed by the Registrant x

Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12

The Procter & Gamble Company

(Name of Registrant as Specified In Its Charter)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

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(1) Amount Previously Paid:

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THE PROCTER & GAMBLE COMPANY

P.O. Box 599

Cincinnati, Ohio 45201-0599

August 29, 2014

Fellow Procter & Gamble Shareholders:

It is my pleasure to invite you to this year s annual meeting of shareholders, which will be held on Tuesday, October 14, 2014, at 9:00 a.m. Eastern Daylight Time.

At last year s annual meeting, I mentioned that we were investigating alternative venues to host this very important event. I am delighted to inform you of some changes for this year:

The meeting will be held at **The Duke Energy Convention Center,** Grand Ballroom A, 525 Elm Street, Cincinnati, OH 45202. A map and directions are printed on the inside back cover page, including parking options.

We also have new admission procedures. If you would like to attend the meeting in person, you should pre-register. Please carefully review the Notice of Annual Meeting to Shareholders information on the following page for detailed instructions on how to register for admission. Instructions on how to vote your proxy can be found on page 1.

The meeting will begin at 9:00 a.m. For those attending in person, the doors will open at 8:00 a.m.

We appreciate your continued confidence in our Company and look forward to seeing you at the Duke Energy Convention Center on October 14.

Sincerely,
A.G. LAFLEY

CHAIRMAN OF THE BOARD, PRESIDENT

AND CHIEF EXECUTIVE OFFICER

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THE PROCTER & GAMBLE COMPANY

P.O. Box 599

Cincinnati, Ohio 45201-0599

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

August 29, 2014

Date:	Tuesday, October 14, 2014
Time:	9:00 a.m. Eastern Daylight Time
Place:	Duke Energy Convention Center, Grand Ballroom A 525 Elm Street, Cincinnati, Ohio

Purposes of the Meeting:

- To review the minutes of the 2013 annual meeting of shareholders;
- To receive officer reports;
- To elect as members of the Board of Directors (Board) the 11 persons named in the accompanying proxy statement;
- To vote on a Board proposal to ratify appointment of the independent registered public accounting firm;
- To vote on a Board proposal to approve The Procter & Gamble 2014 Stock and Incentive Compensation Plan;
- To provide an advisory vote on a Board proposal to approve the Company s executive compensation (the Say on Pay vote);
- To vote on two shareholder proposals; and
- To consider any other matters properly brought before the meeting.

New Procedures for Attending the Annual Meeting in Person:

If you plan to attend the meeting, you must be a shareholder of The Procter & Gamble Company as of August 15, 2014, the record date. In order to expedite your admission process, **we encourage you to register for admission** before 11:59 p.m. on Monday, October 13. You may register for admission for yourself and one guest by:

Visiting www.proxyvote.com and following the instructions provided, or calling 1-888-796-3713 . You will need the control number included on your proxy card, voter instruction form, or notice.

At the entrance to the meeting, we will verify your registration and request to see a valid form of photo identification, such as a driver s license or passport.

If you do not register for admission in advance of the meeting, we will request to see your photo identification at the entrance to the meeting. We will then determine if you owned common stock on the record date by:

Verifying your name and stock ownership against our list of registered stockholders; or

Asking to review evidence of your stock ownership as of August 15, 2014, such as your brokerage statement. **You must bring such evidence with you in order to be admitted to the meeting.** If you are acting as a proxy, we will need to review a valid written legal proxy signed by the owner of the common stock granting you the required authority to vote the owner s shares.

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Audiocast of the Annual Meeting:

If you are not able to attend the meeting in person, you may join a live audiocast of the meeting on the Internet by visiting www.pginvestor.com at 9:00 a.m. Eastern Daylight Time on October 14, 2014.

Record Date:

August 15, 2014 is the record date for the meeting. This means that owners of Procter & Gamble stock at the close of business on that date are entitled to:

- receive notice of the meeting; and
- vote at the meeting and any adjournments or postponements of the meeting.

Information About the Notice of Internet Availability of Proxy Materials:

On August 29, 2014, we began mailing a Notice of Internet Availability of Proxy Materials (the Notice) to shareholders of record as of August 15, 2014, and we posted our proxy materials on the website referenced in the Notice (www.proxyvote.com). As more fully described in the Notice, shareholders may choose to access our proxy materials at www.proxyvote.com or may request a printed set of our proxy materials. In addition, the Notice and website provide information regarding how you may request to receive proxy materials in printed form by mail or electronically by email on an ongoing basis. For those who previously requested printed proxy materials or electronic materials on an ongoing basis, you will receive those materials as you requested.

Householding Information:

Shareholders of record who have the same address and last name and have not previously requested electronic delivery of proxy materials will receive a single envelope containing the Notices for all shareholders having that address. The Notice for each shareholder will include that shareholder s unique control number needed to vote his or her shares. This procedure reduces our printing costs and postage fees. If, in the future, you do not wish to participate in householding and prefer to receive your Notice in a separate envelope, please call us toll-free at 1-800-742-6253 in the U.S., or inform us in writing at: The Procter & Gamble Company Shareholder Services, c/o Computershare, Inc., P.O. Box 43078, Providence, RI 02940, or by email at P&G@computershare.com. We will respond promptly to such requests.

For those shareholders who have the same address and last name and who request to receive a printed copy of the proxy materials by mail, we will send only one copy of such materials to each address unless one or more of those shareholders notifies us, in the same manner described above, that they wish to receive a printed copy for each shareholder at that address.

Beneficial shareholders can request information about householding from their banks, brokers, or other holders of record.

Proxy Voting:

Your vote is important. Please vote your proxy promptly so your shares can be represented, even if you plan to attend the annual meeting. You can vote by Internet, by telephone, or by requesting a printed copy of the proxy materials and using the enclosed proxy card.

Our proxy tabulator, Broadridge Financial Solutions, must receive any proxy that will not be delivered in person to the annual meeting by 11:59 p.m., Eastern Daylight Time on Monday, October 13, 2014.

By order of the Board of Directors,

DEBORAH P. MAJORAS

Chief Legal Officer and Secretary

2014 Annual Meeting of Shareholders

Date:	Tuesday, October 14, 2014
Time:	9:00 a.m. Eastern Daylight Time
Place:	Duke Energy Convention Center, Grand Ballroom A 525 Elm Street, Cincinnati, Ohio
Meeting Audiocast:	www.pginvestor.com

Voting Matter	Board Vote Recommendation	See Page Number for more information
Item 1 - Election of Directors	FOR each nominee	5
Item 2 - Ratification of Independent Registered Public Accounting Firm	FOR	56
Item 3 - Proposal to Adopt The Procter & Gamble 2014 Stock and Incentive Compensation Plan	FOR	56
Item 4 - Advisory Approval of Executive Compensation	FOR	63
Item 5 - Shareholder Proposal for Report on Unrecyclable Packaging	AGAINST	64
Item 6 - Shareholder Proposal for Report on Alignment Between Corporate Values and Political Contributions	AGAINST	65

This summary contains highlights of certain information in this proxy statement. However, because it is only a summary, it does not contain all the information that you may wish to consider prior to voting. Please review the complete proxy statement and the Company s Annual Report on Form 10-K for more detailed information.

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Our Director Nominees

You are being asked to vote on the election of these 11 Directors. Additional information about each Director s background, skills, and experience can be found on pages 5-9.

Name	Age	Board Tenure	Position	Independent	Committee Memberships*
Angela F. Braly	53	4 years	Former Chair of the Board, President and Chief Executive Officer of Wellpoint, Inc.	Yes	Audit G&PR
Kenneth I. Chenault	63	6 years	Chairman and Chief Executive Officer of the American Express Company	Yes	Audit C&LD
Scott D. Cook	62	13 years	Chairman of the Executive Committee of the Board of Intuit Inc.	Yes	C&LD+ I&T
Susan Desmond-Hellmann	57	3 years	Chief Executive Officer of the Bill & Melinda Gates Foundation	Yes	Audit I&T
A.G. Lafley	67	1 year	Chairman of the Board, President and Chief Executive Officer of the Company	No	
Terry J. Lundgren	62	1 year	Chairman and Chief Executive Officer of Macy s, Inc.	Yes	G&PR I&T
W. James McNerney, Jr. (Presiding Director)	65	11 years	Chairman of the Board and Chief Executive Officer of The Boeing Company	Yes	C&LD+ G&PR
Margaret C. Whitman	58	3 years	President & Chief Executive Officer of Hewlett-Packard	Yes	C&LD I&T
Mary Agnes Wilderotter	59	5 years	Chairman of the Board and Chief Executive Officer of Frontier Communications	Yes	Audit C&LD I&T
Patricia A. Woertz	61	6 years	Chairman and Chief Executive Officer, of Archer Daniels Midland Company	Yes	Audit+ G&PR
Ernesto Zedillo	62	13 years	Director of the Center for the Study of Globalization and Professor in the field of International Economics and Politics at Yale University and former President of Mexico	Yes	G&PR+ I&T

* C&LD = Compensation & Leadership Development

G&PR = Governance & Public Responsibility

I&T = Innovation & Technology

+ Indicates Committee Chair

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Governance Highlights

Board Composition

11 Director nominees; 10 are independent

7 of 11 nominees are women or ethnically diverse

Average age of Director nominees is 61

5 new Directors in the last 5 years

Highly qualified Directors with a diversity of skills and experiences:

Member	Leadership, Strategy & Risk Management	Consumer Industry	International	Marketing	Finance & Financial Reporting	Government	Technology & Innovation
Angela F. Braly	ü	ü		ü	ü	ü	
Kenneth I. Chenault	ü	ü	ü	ü	ü		ü
Scott D. Cook	ü	ü		ü	ü		ü
Susan Desmond-Hellmann	ü				ü		ü
A.G. Lafley	ü	ü	ü	ü	ü	ü	ü
Terry J. Lundgren	ü	ü		ü	ü		ü
W. James McNerney Jr.	ü		ü	ü	ü	ü	ü
Margaret C. Whitman	ü	ü		ü	ü		ü
Mary Agnes Wilderotter	ü	ü		ü	ü		ü
Patricia A. Woertz	ü		ü	ü	ü	ü	ü
Ernesto Zedillo	ü		ü		ü	ü	ü

Corporate Governance

4 fully independent Committees of the Board: Audit, Compensation & Leadership Development, Governance & Public Responsibility, and Innovation & Technology

Specified retirement age and term limits

Independent Directors met in Executive Session 6 times

Directors attended > 96% of Board and committee meetings in FY 2013-14

Annual Board and Committee self-assessments

Annual independent Director evaluation of Chairman and CEO

Annual assessment and determination of Board leadership structure

Annual election of independent Presiding Director (when Chair/CEO roles are combined)

Presiding Director has strong role and significant governance duties

Board policy limits Director membership on other public company boards

Declassified Board annual election of all Directors

Majority voting standard for uncontested Director elections

Shareholder right to call special meeting

Clawback and no-hedging policies

Significant share ownership requirements for senior executives

Annual advisory vote on executive compensation

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Executive Compensation Highlights

We Emphasize Pay for Performance by aligning incentives with business strategies to reward executives who achieve or exceed Company, business unit and individual goals, while discouraging excessive risk-taking by removing any incentive to focus on a single performance goal to the detriment of others.

Average Mix of Key Components of NEO Compensation by Type, Length, and Form

We Pay Competitively by setting target compensation opportunities to be competitive with other multinational corporations of similar size, value, and complexity.

We Focus on Long-Term Success by including equity as a cornerstone of our executive pay programs and by using a combination of short-term and long-term incentives to ensure a strong connection between Company performance and actual compensation realized.

NEO Compensation for FY 2013-14

Compensation Element	% of Total	Description	Cash	Equity
Salary	12.0	Annual Base Pay	ü	
STAR Bonus[1]	17.7	Annual Performance-Based Bonus Based on 1-year Results	ü	
Performance Stock Program	30.6	Performance-Based Stock Program Based on 3-year Results		ü
Key Manager Stock Grant	27.1	Annual Long-Term Equity Award		ü
Retirement, Expatriate Allowances & Other	12.6	Retirement Plan Value, Expatriate Costs, and Benefits	ü	

[1] The STAR Bonus is considered a cash program. However, participants may elect to receive their bonus in equity instead of cash.

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In connection with The Procter & Gamble Company s (the Company) 2014 annual meeting of shareholders, which will take place on October 14, 2014, the Board of Directors has provided these materials to you, either over the Internet or via mail. The Notice was mailed to Company shareholders beginning August 29, 2014, and our proxy materials were posted on the website referenced in the Notice on that same date. The Company, on behalf of its Board, is soliciting your proxy to vote your shares at the 2014 annual meeting of shareholders. We solicit proxies to give shareholders of record an opportunity to vote on matters that will be presented at the annual meeting. In this proxy statement, you will find information on these matters, which is provided to assist you in voting your shares.

Who can vote?

You can vote if, as of the close of business on Friday, August 15, 2014, you were a shareholder of record of the Company s:

- Common Stock (Common Stock);
- Series A ESOP Convertible Class A Preferred Stock; or
- Series B ESOP Convertible Class A Preferred Stock.

Each share of Company stock gets one vote. On August 15, 2014, there were issued and outstanding:

- 2,706,984,263 shares of Common Stock;
- 52,508,017 shares of Series A ESOP Convertible Class A Preferred Stock; and
- 57,838,477 shares of Series B ESOP Convertible Class A Preferred Stock.

For participants in The Procter & Gamble Profit Sharing Trust and Employee Stock Ownership Plan and/or The Procter & Gamble Savings Plan:

If you are a participant in The Procter & Gamble Profit Sharing Trust and Employee Stock Ownership Plan and/or The Procter & Gamble Savings Plan, you can instruct the Trustees how to vote the shares of stock that are allocated to your account. If you do not vote your shares, the Trustees will vote them in proportion to those shares for which they have received voting instructions. Likewise, the Trustees will vote shares held by the trust that have not been allocated to any account in the same manner.

For participants in The Procter & Gamble Shareholder Investment Program and/or The Procter & Gamble International Stock Ownership Program:

If you are a participant in The Procter & Gamble Shareholder Investment Program and/or The Procter & Gamble International Stock Ownership Program, you can vote the shares of common stock held for your account through one of the proxy voting options set forth under How do I vote by proxy? below.

How do I vote by proxy?

Most shareholders can vote by proxy in three ways:

- By Internet You can vote via the Internet by following the instructions in the Notice or by accessing the Internet at www.proxyvote.com and following the instructions contained on that website;

- By Telephone In the United States and Canada, you can vote by telephone by following the instructions in the Notice or by calling 1-800-690-6903 (toll-free) and following the instructions; or

- By Mail You can vote by mail by requesting a full packet of proxy materials be sent to your home address. Upon receipt of the materials, you may fill out the enclosed proxy card and return it per the instructions on the card.

Please see the Notice or the information your bank, broker, or other holder of record provided you for more information on these options.

If you authorize a proxy to vote your shares over the Internet or by telephone, you should not return a proxy card by mail (unless you are revoking your proxy).

If you vote by proxy, your shares will be voted at the annual meeting in the manner you indicate on your proxy card. If you sign your proxy card but do not specify how you want your shares to be voted, they will be voted as the Board recommends.

Can I change or revoke my vote after I return my proxy card?

Yes. You can change or revoke your proxy by Internet, telephone, or mail prior to 11:59 p.m. Eastern Daylight Time on Monday, October 13, 2014, or by attending the annual meeting and voting in person.

Can I vote in person at the annual meeting instead of voting by proxy?

Yes. However, we encourage you to vote your proxy by Internet, telephone, or mail prior to the meeting.

Voting Procedures

Election of Directors As provided in the Company sAmended Articles of Incorporation, each of the 11 nominees for Director who receives a majority of votes cast will be elected as a member of the Board. A majority of votes cast means that the number of shares cast for a nominee must exceed the number of votes cast against that nominee. Abstentions and broker non-votes will have no effect. Pursuant to the By Laws of the Board of Directors, if a non-incumbent nominee for Director receives a greater number of votes cast against than votes cast for, such nominee shall not be elected as a member of the Board. Any incumbent nominee for Director who receives a greater number of votes cast against than votes cast for shall continue to serve on the Board pursuant to Ohio law, but shall immediately tender his or her resignation as a Director to the Board. Within 90 days, the Board will decide, after taking into account the recommendation of the Governance & Public Responsibility Committee (in each case excluding the nominee in question), whether to accept the resignation. Absent a compelling reason for the Director to remain on the Board, the Board shall accept the resignation. The Board s explanation of its decision shall be promptly disclosed on a Form 8-K submitted to the Securities and Exchange Commission (SEC).

The proposal to adopt The Procter & Gamble 2014 Stock and Incentive Compensation Plan and all other proposals require the affirmative vote of a majority of shares participating in the voting on each proposal for approval. Abstentions and broker non-votes will not be counted as participating in the voting and will therefore have no effect.

Who pays for this proxy solicitation?

The Company does. We have hired Phoenix Advisory Partners, a proxy solicitation firm, to assist us in soliciting proxies for a fee of $17,500 plus reasonable expenses. In addition, Phoenix Advisory Partners and the Company s Directors, officers, and employees may also solicit proxies by mail, telephone, personal contact, email, or other online methods. We will reimburse their expenses for doing this.

We will also reimburse brokers, fiduciaries, and custodians for their costs in forwarding proxy materials to beneficial owners of Company stock. Other proxy solicitation expenses that we will pay include those for preparing, mailing, returning, and tabulating the proxies.

Director Experiences, Skills, and Qualifications

The composition of the Board is intended to reflect an appropriate mix of skill sets, experience, and qualifications that are relevant to the business and governance of the Company over time. Each individual Director should epitomize the Company s Purpose, Values and Principles, possess the highest ethics and integrity, and demonstrate commitment to representing the long-term interests of the Company s shareholders. Each Director should also have an inquisitive and objective mind and individual experiences that provide practical wisdom and foster mature judgment. These experiences, at policy-making levels, may include business, government, technology, international, marketing, and other areas that are relevant to the Company s global operations. In addition, the evaluation of Director nominees by the Governance & Public Responsibility Committee takes into account diversity, including with respect to age, gender, international background, and race.

Below we identify and describe specific experiences, skills, and qualifications our Directors bring to the Board. Each of our current Directors is a highly qualified, recognized leader in his or her respective industry or field. Each of the Director s specific experiences, skills, and qualifications considered by the Board in their re-nomination are included in their individual biographies and the accompanying table on page 9 of this proxy statement. The fact that we do not list a particular experience, skill, or qualification for a Director does not mean that Director does not possess that particular experience, skill, or qualification.

Leadership, strategy, and risk management experience. Directors with significant leadership experience over an extended period, including current and former chief executive officers, provide the Company with special insights. These individuals demonstrate a practical understanding of how large organizations operate, including the importance of talent management and how employee and executive compensation are set. They understand strategy and risk management, and how these factors impact the Company s operations and controls. They possess extraordinary leadership qualities and are able to identify and develop leadership qualities in others. And, through their various leadership positions, they have access to important information and relationships that benefit the Company.

Consumer industry experience. Directors with experience in dealing with consumers, particularly in the areas of marketing and selling products or services to consumers, provide valuable insights to the Company. They understand consumer needs, recognize products and marketing campaigns that might resonate with consumers, and identify potential changes in consumer trends and buying habits.

International experience. Directors with experience in markets outside of the United States bring valuable knowledge to the Company, including exposure to different cultural perspectives and practices. Because we do business in over 180 countries, and business in international markets accounts for approximately 65% of the Company s revenue, having Directors on our Board with this experience is critical.

Marketing experience. Directors with experience identifying, developing, and marketing new products, as well as identifying new areas for existing products, can add significant positive impact to the Company s operational results. As one of the world s largest advertisers, this is a particularly important attribute.

Finance experience. Directors with an understanding of accounting and financial reporting processes, particularly as they relate to a large, complex, global business, provide an important oversight role. The Company employs a number of financial targets to measure its performance, and accurate financial reporting is critical to the Company s success. Directors with financial experience are essential for ensuring effective oversight of the Company s financial measures and processes.

Government experience. Directors with government experience, whether as members of the government or through extensive interactions with government and government agencies, are able to recognize, identify, and understand the key issues that the Company faces in an economy increasingly affected by the role of governments around the world.

Technology and innovation experience. Directors with an understanding of technology and innovation help the Company focus its efforts in these important areas, as well as track progress against strategic goals and benchmarks. As one of the few companies with an Innovation & Technology Committee of the Board, this is particularly important to the Company s overall success.

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Director Diversity

The Board considers diversity to be an important criterion in the selection and nomination of candidates for Director. As a global company, the Board seeks Directors with international backgrounds and global experience, among other factors. This is reflected in the Corporate Governance Guidelines, which set forth the minimum qualifications for Board members and note that the Board seeks to achieve a mix of Board members that represents a diversity of background and experience, including with respect to age, gender, international background, race, and specialized experience.

Although the Board does not establish specific goals with respect to diversity, the Board s overall diversity is a significant consideration in the Director nomination process. For this year s election, the Board has nominated 11 individuals; all are incumbent nominees who currently bring tremendous diversity to the Board. Each nominee is a strategic thinker and has varying, specialized experience in areas that are relevant to the Company and its businesses. Moreover, their collective experience covers a wide range of countries, geographies, and industries, including consumer products, technology, financial services, national retail, agriculture, aerospace, and health care, as well as roles in consulting and government. These 11 Director nominees range in age from 53 to 67, and five of these 11 Directors, or 45% of our current Board, are women; one is African-American; and one is Mexican. The Board views this diversity as a clear strength.

The Board assesses the effectiveness of its diversity policy every year as part of the nomination process for the annual election of Directors by the Company s shareholders. The Board s Governance & Public Responsibility Committee, responsible for making recommendations for Director nominations to the full Board, reviews the Director nominees (including shareholder nominees) and ascertains whether, as a whole, the group meets the Board s policy in this regard. Having reviewed the collective background and experience of the 11 nominees, the Board has concluded that they provide significant diversity and clearly meet the Board s policy.

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All of the Board s nominees for Director are incumbent nominees who will be elected for a one-year term. Angela F. Braly, Kenneth I. Chenault, Scott D. Cook, Susan Desmond-Hellmann, A.G. Lafley, Terry J. Lundgren, W. James McNerney, Jr., Margaret C. Whitman, Mary Agnes Wilderotter, Patricia A. Woertz, and Ernesto Zedillo were elected for one-year terms at the 2013 annual meeting. The current terms of all nominees for Director will expire at the 2014 annual meeting. The Board has nominated each of these individuals for a new term that will expire at the 2015 annual meeting.

Each of the nominees for Director has accepted the nomination and agreed to serve as a Director if elected by the Company s shareholders. If any nominee becomes unable or unwilling to serve between the date of the proxy statement and the annual meeting, the Board may designate a new nominee, and the persons named as proxies will vote on that substitute nominee.

The Board of Directors recommends a vote FOR Angela F. Braly, Kenneth I. Chenault, Scott D. Cook, Susan Desmond-Hellmann, A.G. Lafley, Terry J. Lundgren, W. James McNerney, Jr., Margaret C. Whitman, Mary Agnes Wilderotter, Patricia A. Woertz, and Ernesto Zedillo as Directors to hold office until the 2015 annual meeting of shareholders and until their successors are elected.

Nominees for Election as Directors with Terms Expiring in 2015

Angela F. Braly Director since 2009, Age 53

Ms. Braly is the former Chair of the Board, President and Chief Executive Officer of WellPoint, Inc. (a healthcare insurance company). She served as Chair of the Board from March 2010 until August 2012 and President and Chief Executive Officer from 2007 through August 2012. She previously served as Executive Vice President, General Counsel, and Chief Public Affairs Officer of WellPoint from 2005 to 2007, and President and Chief Executive Officer of Blue Cross Blue Shield of Missouri from 2003 to 2005. Ms. Braly has been a Director of Lowe s Companies, Inc. since November 2013.

As the former Chief Executive Officer of a major health benefits company that interacts directly with consumers, Ms. Braly has a vast amount of leadership, consumer industry, and marketing experience. Ms. Braly also brings a significant amount of government experience, given her prior role as General Counsel and Chief Public Affairs Officer for WellPoint, where she was responsible for the company s government relations efforts, among other areas.

Member of the Audit and Governance & Public Responsibility Committees.

Kenneth I. Chenault Director since 2008, Age 63

Mr. Chenault is Chairman and Chief Executive Officer of the American Express Company (a global services, payments, and travel company), where he has served in various roles of increasing responsibility since joining the company in 1981. Mr. Chenault assumed his current responsibilities as Chairman and Chief Executive Officer in 2001. He has been a Director of International Business Machines Corporation since 1998.

As Chairman and Chief Executive Officer of American Express, Mr. Chenault has significant leadership and financial experience. With more than 30 years of experience delivering products and services to consumers and businesses all across the world, Mr. Chenault brings consumer and business insights, marketing and digital expertise, as well as a global perspective to the Board.

Member of the Audit and Compensation & Leadership Development Committees.

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Scott D. Cook Director since 2000, Age 62

Mr. Cook is Chairman of the Executive Committee of the Board of Intuit Inc. (a software and web services company), which he co-founded in 1983. He served as President and Chief Executive Officer of Intuit from 1983 to 1994 and as Chairman of the Board of Intuit from 1993 through 1998. He has been a Director of eBay Inc. since 1998.

As a co-founder and former Chief Executive Officer of Intuit, whose software is marketed and sold directly to consumers, and a current Director of eBay, Mr. Cook has a wealth of leadership, technology, consumer industry, and marketing experience that he brings to the Board.

Chair of the Innovation & Technology Committee and member of the Compensation & Leadership Development Committee.

Susan Desmond-Hellmann Director since 2010, Age 57

Dr. Desmond-Hellmann is the Chief Executive Officer of the Bill & Melinda Gates Foundation (a private foundation supporting U.S. education, global health and development, and community giving in the Pacific Northwest), a position she has held since May 1, 2014. Prior to this role, she served as Chancellor and Arthur and Toni Rembe Rock Distinguished Professor, University of California, San Francisco (UCSF), from August 2009 to March 2014. From 2004 through 2009, Dr. Desmond-Hellmann served as president of product development at Genentech (a biotechnology company), where she was responsible for pre-clinical and clinical development, business development, and product portfolio management. Prior to joining Genentech in 1995, Dr. Desmond-Hellmann was associate director of clinical cancer research at Bristol-Myers Squibb Pharmaceutical Research Institute. She has been a Director of Facebook Inc. since March 2013.

As Chief Executive Officer of the Bill & Melinda Gates Foundation, Dr. Desmond-Hellmann brings leadership experience and global perspectives on important social responsibility issues. As Facebook Director, prior Chancellor of UCSF, and past president of product development at Genentech, Dr. Desmond-Hellmann has extensive leadership and technology experience. As a former member of the Federal Reserve Bank of San Francisco s Economic Advisory Council, she also brings finance experience to the Board.

Member of the Audit and Innovation & Technology Committees.

A.G. Lafley Director since 2013, Age 67

Mr. Lafley is Chairman of the Board, President and Chief Executive Officer of the Company and was appointed to this position on May 23, 2013. Mr. Lafley originally joined the Company in 1977 and held positions of increasing responsibility, in the U.S. and internationally, until he was elected President and Chief Executive Officer in 2000, a position he held until June 30, 2009. On July 1, 2002, Mr. Lafley was elected Chairman of the Board, a position he held until January 2010. During the past five years, in addition to his roles as a Company employee, Mr. Lafley served as a consultant to the Company and as a member of the boards of directors of public companies Dell, Inc. and General Electric Company. He no longer serves on these boards. Since his retirement from the Company, he served as a Senior Advisor at Clayton, Dubilier & Rice, LLC, a private equity partnership, and was appointed by President Obama to serve on The President s Council on Jobs and Competitiveness. Mr. Lafley consulted with a number of Fortune 50 companies on business and innovation strategy. He also advised on CEO succession and executive leadership development, and coached experienced, new and potential CEOs. He currently serves on the board of directors of Legendary Pictures, LLC (a film production company).

As a long-tenured employee, Director and previous Chairman of the Board, President and Chief Executive Officer, Mr. Lafley brings extensive leadership experience and a vast understanding of the Company to the Board. In addition, Mr. Lafley s experiences outside of the Company provide him with new perspective. Mr. Lafley has significant leadership, strategy, risk management, consumer industry, marketing and international experience.

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Terry J. Lundgren Director since 2013, Age 62

Mr. Lundgren is Chairman and Chief Executive Officer of Macy s, Inc. (a national retailer), where he has served in various roles of increasing responsibility since joining Federated Department Stores in 1975. Mr. Lundgren held the title of President of Macy s until April 2014. Mr. Lundgren assumed his current responsibilities as Chairman in 2004 and Chief Executive Officer in 2003. He has been a Director of Kraft Foods Group since 2012.

As Chairman and Chief Executive Officer of Macy s, Inc. and a director on the board of the Federal Reserve Bank of New York, Mr. Lundgren brings extensive leadership, strategy, and risk management experience to the Board. With over thirty years in the retail industry, Mr. Lundgren contributes his deep knowledge of the consumer industry and dynamic marketing practices, including digital marketing, to the Board.

Member of the Governance & Public Responsibility and Innovation & Technology Committees.

W. James McNerney, Jr. Director since 2003, Age 65

Mr. McNerney is Chairman of the Board and Chief Executive Officer of The Boeing Company (an aerospace, commercial jetliners, and military defense systems company), a position he has held since 2005. Mr. McNerney held the title of President of Boeing from July 2005 until December 2013. From 2001 to 2005, Mr. McNerney was CEO of 3M Company (a global technology company). Prior to his appointment as CEO of 3M Company, Mr. McNerney was employed by General Electric for nearly twenty years, where he held positions of increasing importance. He has been a Director of International Business Machines Corporation since 2009.

As the Chief Executive Officer of Boeing, former Chief Executive Officer of 3M, and former executive of General Electric, Mr. McNerney brings a wealth of leadership, global, and technology experience. His extensive experience managing large, global manufacturing companies, as well as his insight into government affairs, enable him to advise the Board on a variety of strategic and business matters.

Presiding Director, Chair of the Compensation & Leadership Development Committee, and member of the Governance & Public Responsibility Committee.

Margaret C. Whitman Director since 2011, Age 58

Ms. Whitman was elected President & Chief Executive Officer of Hewlett-Packard (a computer software, hardware, and IT services company) in September 2011. She served as President and Chief Executive Officer of eBay Inc. from 1998 to March 2008. Prior to joining eBay, Ms. Whitman held executive level positions at Hasbro Inc., FTD, Inc., The Stride Rite Corporation, The Walt Disney Company, and Bain & Company. She also served as a Director of the Company from 2003 to 2008, having resigned in preparation for her 2010 California gubernatorial bid. She served as a Director of Zipcar, Inc. from 2011 to March 2013.

As the President & Chief Executive Officer of Hewlett-Packard, former President and Chief Executive Officer of eBay, and previously as a senior officer of a number of consumer products companies, Ms. Whitman has extensive leadership and consumer industry experience. Her current and prior management roles also provide her with significant marketing and technology experience.

Member of the Compensation & Leadership Development and Innovation & Technology Committees.

Mary Agnes Wilderotter Director since 2009, Age 59

Mrs. Wilderotter is Chairman of the Board and Chief Executive Officer of Frontier Communications Corporation (a communications company specializing in providing services to rural areas and small and medium-sized towns and cities), which she joined as President and Chief Executive Officer in 2004. Mrs. Wilderotter held the title of President of Frontier until April 2012. Mrs. Wilderotter previously held positions as Senior Vice President of Worldwide Public Sector at Microsoft, President and Chief Executive Officer of Wink Communications, Inc., and Executive Vice President of National Operations for AT&T s Wireless Service, Inc. She has been a Director of Xerox Corporation since 2006. Mrs. Wilderotter was a Director of The McClatchy Company from 2001 to 2007, and she was a Director of Yahoo! Inc. from 2007 to 2009.

As Chief Executive Officer of Frontier Communications, and previously as Chief Executive Officer of Wink Communications, Mrs. Wilderotter has significant leadership experience. Her current role, along with her prior roles at Microsoft, Wink Communications, and AT&T, also give her a vast amount of consumer industry, marketing, and technology experience.

Member of the Audit, Compensation & Leadership Development and Innovation & Technology Committees.

Patricia A. Woertz Director since 2008, Age 61

Ms. Woertz is Chairman and Chief Executive Officer of Archer Daniels Midland Company (agricultural processors of oilseeds, corn, wheat, and cocoa, etc.), a company she joined in 2006. Ms. Woertz was named Chief Executive Officer in 2006 and Chairman in 2007. Ms. Woertz held the title of President of Archer Daniels Midland Company from 2006 until February 2014. Prior to joining Archer Daniels Midland, Ms. Woertz held positions of increasing importance at Chevron Corporation and its predecessor companies. She began her career as a certified public accountant with Ernst & Ernst. Ms. Woertz has been a Director of Royal Dutch Shell plc since June 2014.

As Chief Executive Officer of Archer Daniels Midland, Ms. Woertz has significant leadership experience. Having started her career as a certified public accountant, and with a broad range of executive roles at Chevron Corporation and its predecessor companies, Ms. Woertz also brings a significant amount of international, marketing, government relations, and finance experience.

Chair of the Audit Committee and member of the Governance & Public Responsibility Committee.

Ernesto Zedillo Director since 2001, Age 62

Dr. Zedillo served as President of Mexico from 1994 to 2000 and currently serves as Director of the Center for the Study of Globalization and Professor in the field of International Economics and Politics at Yale University. He has been a Director of Alcoa, Inc. since 2002 and Citigroup, Inc. and Promotora de Informaciones S.A. since 2010. Dr. Zedillo was also a Director of Union Pacific Corporation from 2001 to 2006.

Dr. Zedillo s prior service as President of Mexico provides him with significant government and leadership experience. His current role as Director of the Center for the Study of Globalization and Professor in the field of International Economics and Politics at Yale University provides him with a wealth of international experience. He also has significant financial experience, having previously served on the Audit Committee of Union Pacific and as the Secretary of Economic Programming and the Budget for Mexico, as well as having held various positions at the Banco de Mexico.

Chair of the Governance & Public Responsibility Committee and member of the Innovation & Technology Committee.

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Director Nominees Experience

As described on pages 5-8 of this proxy statement, our Board is highly qualified and each Director brings a diversity of skills and experiences to the Board. The list below is a summary; it does not include all of the skills, experiences, qualifications, and diversity that each Director nominee offers, and the fact that a particular experience, skill, or qualification is not listed does not mean that a Director does not possess it.

Member	Leadership, Strategy & Risk Management	Consumer Industry	International	Marketing	Finance & Financial Reporting	Government	Technology & Innovation
Angela F. Braly	ü	ü		ü	ü	ü	
Kenneth I. Chenault	ü	ü	ü	ü	ü		ü
Scott D. Cook	ü	ü		ü	ü		ü
Susan Desmond-Hellmann	ü				ü		ü
A.G. Lafley	ü	ü	ü	ü	ü	ü	ü
Terry J. Lundgren	ü	ü		ü	ü		ü
W. James McNerney, Jr.	ü		ü	ü	ü	ü	ü
Margaret C. Whitman	ü	ü		ü	ü		ü
Mary Agnes Wilderotter	ü	ü		ü	ü		ü
Patricia A. Woertz	ü		ü	ü	ü	ü	ü
Ernesto Zedillo	ü		ü		ü	ü	ü

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The Board s Purpose

The Board has general oversight responsibility for the Company s affairs pursuant to Ohio s General Corporation Law, the Company s Amended Articles of Incorporation, the Code of Regulations, and the By Laws of the Board of Directors. In exercising its fiduciary duties, the Board represents and acts on behalf of the Company s shareholders and is committed to strong corporate governance, as revealed through its policies and practices. Although the Board does not have responsibility for the day-to-day management of the Company, it stays informed about the Company s business and provides guidance to Company management through periodic meetings, site visits, and other interactions. The Board is deeply involved in the Company s strategic planning process, leadership development, succession planning, and oversight of risk management. The Board has established committees to assist in fulfilling its oversight responsibilities. Additional details concerning the Board s commitments and principles guiding its overall governance practices are contained in the Corporate Governance Guidelines, which can be found in the corporate governance section of the Company s website at www.pginvestor.com.

The Board s Leadership Structure

The Board regularly considers the appropriate leadership structure for the Company and has concluded that the Company and its shareholders are best served by the Board retaining discretion to determine whether the same individual should serve as both Chief Executive Officer (CEO) and Chairman of the Board, or whether the roles should be separated. The Board believes that it is important to retain the flexibility to make this determination at any given point in time based on what it believes will provide the best leadership structure for the Company. This approach allows the Board to utilize its considerable experience and knowledge to elect the most qualified Director as Chairman of the Board, while maintaining the ability to separate the Chairman of the Board and CEO roles when necessary. Accordingly, at some points in the Company s history, the CEO and Chairman of the Board roles were held by the same person. At other times, the roles were held by different individuals. In each instance, the decision on whether to combine or separate the roles was made in the best interests of the Company s shareholders, based on the circumstances at the time.

Further, in the event that the Board determines that the same individual should hold the positions of CEO and Chairman of the Board, the independent Directors of the Board annually elect a Presiding Director from among the independent Directors. The Presiding Director role is a significant one, with responsibilities consistent with accepted best practices, including:

- preside at all meetings of the Board in the absence of, or upon the request of, the Chairman of the Board, including executive sessions of the independent members of the Board;
- approve meeting agendas for the Board and information sent to the Board;
- approve meeting schedules to assure that there is sufficient time for discussion of all agenda items;
- advise the Chairman of the Board and/or the Secretary regarding the agendas for the Board meetings;
- call meetings of the non-employee and/or independent members of the Board, with appropriate notice;
- advise the Governance & Public Responsibility Committee and the Chairman of the Board on the membership of the various Board committees and the selection of committee chairpersons;
- advise the Chairman of the Board on the retention of advisors and consultants who report directly to the Board;
- advise the Chairman of the Board and Chief Executive Officer, as appropriate, on issues discussed at executive sessions of non-employee and/or independent members;
- with the Chair of the Compensation & Leadership Development Committee, review with the Chief Executive Officer the non-employee members annual evaluation of his performance;
- serve as principal liaison between the non-employee and/or independent members, as a group, and the Chairman of the Board, as necessary;
- serve when necessary and appropriate, after consultation with the Chief Executive Officer, as the liaison between the Board and the Company s shareholders; and
- select an interim Presiding Director to preside over meetings at which he or she cannot be present.

Mr. McNerney serves as the Board s current Presiding Director and has been annually re-elected to that role since August 14, 2007. Mr. McNerney is a strong, independent Presiding Director, who fulfilled each of these duties during the past year. As the current Chairman of the Board and Chief Executive Officer of The Boeing Company, and former CEO of 3M Company, he brings a wealth of diverse experiences and outside perspective to his role as Presiding Director. In FY 2013-14, the independent Directors met 6 times in regularly scheduled executive sessions, without Mr. Lafley present. Mr.

McNerney led those sessions and following each, he advised Mr. Lafley on the Board s discussions, including performance feedback.

During the Board s annual evaluation of its leadership structure, and upon recommendation of the Governance & Public Responsibility Committee, the non-employee Directors of the Board concluded that the current leadership structure continues to be the right leadership structure for the Company at this time, and it is not in the best interests of the shareholders to separate the role of Chairman of the Board and CEO and require an independent Chairman. The non-employee Directors then reappointed Mr. McNerney to serve as Presiding Director for FY 2014-15.

The Board reached this decision because the current leadership structure, with Mr. Lafley serving as both Chairman of the Board and CEO, provides unified leadership and direction for the Company and gives clear focus for management to execute the Company s strategy, business plans and productivity efforts. Mr. Lafley s proven leadership and extensive knowledge of the Company, its people and its business are key attributes for the Chairman of the Board. Mr. Lafley as Chairman and CEO, and Mr. McNerney work well together, and the Board is confident that the appropriate balance of power will be maintained. The Board will continue to periodically evaluate the Company s leadership structure to ensure that the Board s structure is right and appropriate at all times.

The Board s Oversight of Risk

It is the responsibility of the Company s senior management to develop and implement the Company s strategic plans, and to identify, evaluate, manage, and mitigate the risks inherent in those plans. It is the responsibility of the Board to understand and oversee the Company s strategic plans, the associated risks, and the steps that senior management is taking to manage and mitigate those risks. The Board takes an active approach to its role in overseeing the development and execution of the Company s business strategies as well as its risk oversight role. This approach is bolstered by the Board s leadership and committee structure, which ensures proper consideration and evaluation of potential enterprise risks by the full Board under the auspices of the Chairman of the Board and Presiding Director, and further consideration and evaluation of discrete risks at the committee level.

To ensure proper oversight of the Company s management and the potential risks that the Company faces, at any time when the Chairman of the Board and CEO roles are held by the same individual, the non-employee members of the Board annually elect a Presiding Director from the Board s independent Directors. The Presiding Director s duties include helping to ensure that the Board s agenda and executive sessions are appropriately focused on risk. In addition, the Board is comprised of all independent Directors, except for Mr. Lafley, the Chairman and CEO; all members of the key committees of the Board (Audit, Compensation & Leadership Development, and Governance & Public Responsibility) are independent. This system ensures that key decisions made by the Company s most senior management, up to and including the CEO, are reviewed and overseen by the non-employee Directors of the Board, each of whom is independent.

Risk management oversight by the full Board includes a comprehensive annual review of the Company s overall strategic plan, typically conducted in June. The Board also devotes significant time to reviewing the strategic plans for each of the Company s business sectors, including the risks associated with these strategic plans, at Board meetings during the year. The Board also conducts reviews of other strategic focus areas for the Company. The Board annually reviews the conclusions and recommendations generated by management s enterprise risk management process. This process involves a cross-functional group of the Company s senior management which, on a continual basis, identifies current and future potential risks facing the Company and ensures that actions are taken to manage and mitigate those potential risks. The Board also has overall responsibility for leadership succession for the Company s most senior officers, including the CEO, and reviews succession plans on an ongoing basis.

In addition, the Board has delegated certain risk management oversight responsibilities to specific Board committees, each of which reports regularly to the full Board. In performing these oversight responsibilities, each committee has full access to management, as well as the ability to engage independent advisors. The Audit Committee oversees the Company s compliance with legal and regulatory requirements and its overall risk management process. It also regularly receives reports regarding the Company s most significant internal controls, compliance risks, and potential legal and regulatory risks, along with management s plans for managing and mitigating those risks, and processes for maintaining compliance within a strong internal controls environment. Representatives from the Company s independent auditor attend Audit Committee meetings, regularly make presentations to the Audit Committee, and comment on management presentations. In addition, the Company s Chief Financial Officer (CFO), Chief Legal Officer, chief audit executive, and representatives of the Company s

independent auditor individually meet in private session with the Audit Committee to raise any concerns they might have with the Company s risk management practices.

The Board s C&LD Committee employs an independent compensation consultant, Frederic W. Cook & Co., Inc., who does not work for management and, among other tasks, reviews, and reports on all of the Company s executive compensation programs, including the potential risks and other impacts of incentives created by the programs. For more details on the arrangement with Frederic W. Cook & Co., Inc., please see the section entitled Engagement of Independent Adviser found on page 33 of this proxy statement.

The independent compensation consultant s review included an analysis of the Company s short-, medium-, and long-term compensation programs covering key program details, performance factors for each program, target award ranges, maximum funding levels, and plan administrative oversight and control requirements. Key program elements assessed relating to potential compensation risks were pay mix, performance metrics, performance goals and payout curves, payment timing and adjustments, severance packages, equity incentives, stock ownership requirements, and trading policies. Simultaneously, members of management performed a similar review of the Company s other compensation programs. The results of the consultant s analysis of the Company s executive compensation programs, as well as management s review of the Company s other compensation programs, were shared with the C&LD Committee, which concluded that the Company s compensation policies and practices are not reasonably likely to have a material adverse effect on the Company as a whole.

In reaching its conclusion, the C&LD Committee noted that the Company s compensation programs include a mix of cash and equity, as well as annual, medium-term, and long-term incentives. This mix of compensation, the design features of these programs, and the Company s respective oversight and control requirements mitigate the potential of any individual inclination toward taking unnecessary risks. The C&LD Committee also acknowledged various other features of the Company s compensation programs, policies, and practices designed to mitigate unwarranted risk. For example, the Company s annual cash bonus program, the Short-Term Achievement Reward (STAR), provides the C&LD Committee with discretion to reduce or eliminate any award that would otherwise be payable. In addition, the performance metrics under STAR include both quantitative measures (e.g., top-line growth, bottom-line profits, free cash flow, etc.) and qualitative measures (e.g., relative performance, internal collaboration, strategic strength, innovation, etc.). These non-metric features mitigate the risk of an executive focusing too much on the specific financial metrics under STAR. Moreover, the performance metrics associated with the STAR Company Factor (core earnings per share growth and organic sales growth) are aligned with the Company s business plans and strategic objectives.

Further, the C&LD Committee recognized that the Company s longer-term incentives include a balanced portfolio of options, restricted stock units, and performance-vested stock (under the Performance Stock Plan). These longer-term incentives incorporate a variety of payout horizons that focus executives on long-term performance: 10-year terms with three-year cliff vesting for stock options, restricted stock units with five-year cliff vesting, and a three-year performance period for performance-vested stock. The C&LD Committee also noted that the design of the Performance Stock Plan reduces the likelihood that an executive will focus too much on a single performance measure by including four different performance categories, each of which is equally weighted: organic sales growth, before-tax operating profit growth, core earnings per share growth, and free cash flow productivity. In addition, each of these factors range from a minimum of 0% to a maximum of 200%. Using this sliding scale approach, versus an all-or-nothing approach, discourages participants from taking unnecessary risks. Each of the financial measures are defined and further explained on page 31 of this proxy statement.

Finally, the C&LD Committee acknowledged that the Company has adopted several policies intended to mitigate inappropriate risk taking, including stock ownership guidelines for senior executives, a recoupment policy that can be applied in the event of any significant financial restatement, and an insider trading policy that prohibits margin and hedging transactions by senior executives.

Committees of the Board

To facilitate deeper penetration into certain key areas of oversight, the Board has established four committees. Membership on these Committees, as of August 15, 2014, is shown in the following chart:

Audit	Compensation & Leadership Development	Governance & Public Responsibility	Innovation & Technology
Ms. Woertz+	Mr. McNerney+	Dr. Zedillo+	Mr. Cook+
Ms. Braly	Mr. Chenault	Ms. Braly	Dr. Desmond-Hellmann
Mr. Chenault	Mr. Cook	Mr. Lundgren	Mr. Lundgren
Dr. Desmond-Hellmann	Ms. Whitman	Mr. McNerney	Ms. Whitman
Mrs. Wilderotter	Mrs. Wilderotter	Ms. Woertz	Mrs. Wilderotter
			Dr. Zedillo

+ Committee Chair

All Directors served on the respective committees listed above, including committee chairs for the Company s entire fiscal year.

The **Audit Committee** met 8 times during the fiscal year ended June 30, 2014, to carry out its responsibilities under its charter. At each meeting, representatives of Deloitte & Touche LLP, the Company s independent registered public accounting firm, and financial management were present to review accounting, control, auditing, and financial reporting matters. During certain of these meetings, the Audit Committee also held private sessions with the Company s CFO, Chief Legal Officer, chief audit executive, and representatives of Deloitte & Touche LLP. All members of this Committee are independent under the New York Stock Exchange (NYSE) listing standards and the Board of Directors Guidelines for Determining the Independence of its Members (the Independence Guidelines), which can be found in the corporate governance section of the Company s website at www.pginvestor.com. The Audit Committee has the responsibilities set forth in its charter with respect to accounting, financial reporting and disclosure processes, and adequacy of systems of disclosure and internal control established by management; the quality and integrity of the Company s financial statements; the Company s compliance with legal and regulatory requirements; the Company s overall risk management profile; the independent registered public accounting firm s qualifications and independence; the performance of the Company s internal audit function and the independent registered public accounting firm; the performance of the Company s ethics and compliance function; and preparing the annual Report of the Audit Committee to be included in the Company s proxy statement. The Audit Committee s charter can be found in the corporate governance section of the Company s website at www.pginvestor.com.

The **Compensation & Leadership Development Committee** met 5 times during the fiscal year ended June 30, 2014, during which it held 5 executive sessions with no member of management present. All members of this Committee are independent under the NYSE listing standards and the Independence Guidelines. The C&LD Committee has a charter, under which it has full authority and responsibility for the Company soverall compensation policies, including base pay, short- and long-term pay, retirement benefits, perquisites, severance arrangements, recoupment, stock ownership requirements, and stock option holding requirements, if any, and their specific application to principal officers elected by the Board and to members of the Board. This Committee assists the Board in the leadership development and evaluation of principal officers and also has the responsibility to periodically review organizational diversity. As a practical matter, the CEO makes recommendations to the C&LD Committee regarding the compensation elements of the principal officers (other than his own compensation) based on Company performance, individual performance, and input from Company management and the C&LD Committee s independent compensation consultant. All final decisions regarding compensation for principal officers are made by this Committee, and this Committee makes a recommendation to the Board regarding the shareholder votes related to executive compensation. For more details regarding principal officer compensation or this Committee s process for making decisions regarding the compensation of principal officers, please see the Compensation Discussion & Analysis section found on pages 21-35 of this proxy statement. This Committee also approves all stock-based equity grants made under The Procter & Gamble 2009 Stock and Incentive Compensation Plan, but the Committee has delegated to the CEO the authority to make certain equity grants to non-principal officers, subject to the specific terms and conditions determined by the C&LD Committee. This Committee retains an independent compensation consultant, hired directly by

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the C&LD Committee, to advise it regarding executive compensation matters. The C&LD Committee s charter can be found in the corporate governance section of the Company s website at www.pginvestor.com.

The **Governance & Public Responsibility Committee** met 5 times during the fiscal year ended June 30, 2014. All members of the Governance & Public Responsibility Committee are independent under the NYSE listing standards and the Independence Guidelines. The Governance & Public Responsibility Committee has governance responsibilities set forth in its charter with respect to identifying individuals qualified to become members of the Board; recommending when new members should be added to the Board and individuals to fill vacant Board positions; recommending to the Board the Director nominees for the next annual meeting of shareholders and whether to accept the resignation of any incumbent Director nominee who received a greater number of against votes than for votes in a non-contested election; recommending Board committees and committee assignments; periodically reviewing and recommending updates to the Corporate Governance Guidelines; educating the Board and the Company in applicable governance laws and regulations; assisting the Board and the Company in interpreting and applying the Corporate Governance Guidelines and other issues related to Board governance; and evaluating the Board and its members. The Committee also covers public responsibility topics, such as overseeing the Company s social investments and commitment to making a meaningful impact around the world, by reviewing strategies and plans for improving lives in ways that enable people to thrive and that increase their quality of living; overseeing the Company s commitment to, and efforts regarding, environmental sustainability; overseeing the Company s community and government relations; overseeing the Company s product quality and quality assurance systems; overseeing protection of the Company s corporate reputation; and other matters of importance to the Company and its stakeholders (including employees, consumers, customers, suppliers, shareholders, governments, local communities, and the general public). The Governance & Public Responsibility Committee s charter can be found in the corporate governance section of the Company s website at www.pginvestor.com.

The **Innovation & Technology Committee** met 2 times during the fiscal year ended June 30, 2014. All members of the Innovation & Technology Committee are independent under the NYSE listing standards and the Independence Guidelines. The Innovation & Technology Committee has the responsibilities set forth in its charter with respect to overseeing and providing counsel on matters of innovation and technology. Topics considered by this Committee include the Company s approach to technical and commercial innovation; the innovation and technology acquisition process; and tracking systems important to successful innovation. The Innovation & Technology Committee s charter can be found in the corporate governance section of the Company s website at www.pginvestor.com.

Board Engagement and Attendance

Our Directors are active and engaged. Board agendas are set in advance by the Chairman of the Board and Presiding Director, to ensure that appropriate subjects are covered and that there is sufficient time for discussion. Directors are provided with comprehensive materials in advance of Board and Committee meetings and are expected to review and reflect on these materials before each meeting, to ensure that time in Board and Committee meetings is focused on robust and active discussions versus lengthy presentations. During the fiscal year ended June 30, 2014, the Board held 10 meetings, and the Committees of the Board held 20 meetings, for a total of 30 meetings. Average attendance at these meetings by members of the Board during the past year exceeded 96%, and all Directors attended greater than 76% of the meetings of the Board and the Committees on which they serve. The Board expects all of its members to attend the annual meeting of shareholders; all Directors attended the October 8, 2013 annual meeting.

The non-employee members of the Board met 6 times during FY 2013-14 in executive session (without the presence of Mr. Lafley or other employees of the Company) to discuss various matters related to the oversight of the Company, the management of Board affairs, succession planning for the Company s top management (including the CEO position), and the CEO s performance.

The Board believes that service on the boards of other public companies provides valuable governance and leadership experience that ultimately benefits the Company. The Board also recognizes that outside public board service requires a significant commitment of time and attention, and therefore, in accordance with best governance practices, limits Director participation on other public boards. Under the Corporate Governance Guidelines, Directors who are active CEOs of other public companies may sit on no more than two additional outside public boards, and other non-employee Directors may sit on no more than three additional outside public boards. All Directors are in compliance with this policy. This practice helps ensure that our Directors can give appropriate levels of time and attention to the affairs of the Company. In addition, when nominating a Director for service on the Board, the Governance & Public Responsibility Committee considers whether the nominee will have adequate time to serve as a Director of the Company. Each Director demonstrates their strong engagement and high attendance, and has adequate time to devote to the affairs of the Company.

Director Independence

The Board has determined that the following Directors are independent under the NYSE listing standards and the Independence Guidelines because they have only immaterial relationships with the Company: Angela F. Braly, Kenneth I. Chenault, Scott D. Cook, Susan Desmond-Hellmann, Terry J. Lundgren, W. James McNerney, Jr., Margaret C. Whitman, Mary Agnes Wilderotter, Patricia A. Woertz, and Ernesto Zedillo. All members of the Board s Audit, Compensation & Leadership Development, Governance & Public Responsibility, and Innovation & Technology Committees are independent.

In making these independence determinations, the Board applied the NYSE listing standards and the categorical independence standards contained in the Independence Guidelines. Under the Independence Guidelines, certain relationships were considered immaterial and, therefore, were not considered by the Board in determining independence, but were reported to the Chair of the Governance & Public Responsibility Committee. Applying the NYSE listing standards and the Independence Guidelines, the Board determined that there are no transactions, relationships, or arrangements that would impair the independence or judgment of any of the Directors deemed independent by the Board.

Mr. Lafley is Chairman of the Board, President and CEO of the Company. As such, he cannot be deemed independent under the NYSE listing standards or the Independence Guidelines.

Code of Ethics

The Company has a code of ethics for its Directors, officers, and employees. The most recent version of this code of ethics, which is consistent with Securities & Exchange Commission (SEC) regulations and NYSE listing standards, is contained in the *Worldwide Business Conduct Manual*. The *Worldwide Business Conduct Manual* is reviewed each year for appropriate updates, and employees are asked to annually certify their understanding of, and compliance with, its requirements. The *Worldwide Business Conduct Manual* is firmly rooted in the Company s long-standing Purpose, Values and Principles, which is made available to employees in 28 different languages and can be found on the Company s website at www.pg.com.

Review and Approval of Transactions with Related Persons

The *Worldwide Business Conduct Manual* requires that all employees and Directors disclose all potential conflicts of interest and promptly take actions to eliminate any such conflict when the Company requests. In addition, the Company has adopted a written Related Person Transaction Policy that prohibits any of the Company s executive officers, Directors, or any of their immediate family members from entering into a transaction with the Company, except in accordance with the policy.

Under our Related Person Transaction Policy, the Chief Legal Officer is charged with primary responsibility for determining whether, based on the facts and circumstances, a related person has a direct or indirect material interest in a proposed or existing transaction. To assist the Chief Legal Officer in making this determination, the policy sets forth certain categories of transactions that are deemed not to involve a direct or indirect material interest on behalf of the related person. If, after applying these categorical standards and weighing all of the facts and circumstances, the Chief Legal Officer determines that the related person would have a direct or indirect material interest in the transaction, the Chief Legal Officer must present the transaction to the Audit Committee for review or, if impracticable under the circumstances, to the Chair of the Audit Committee. The Audit Committee must then either approve or reject the transaction in accordance with the terms of the policy. In the course of making this determination, the Audit Committee shall consider all relevant information available to it and, as appropriate, must take into consideration the following:

- whether the transaction was undertaken in the ordinary course of business of the Company;

- whether the transaction was initiated by the Company or the related person;

whether the transaction contains terms no less favorable to the Company than terms that could have been reached with an unrelated third party;

the purpose of, and the potential benefits to the Company of, the transaction;

the approximate dollar value of the transaction, particularly as it involves the related person;

the related person s interest in the transaction; and any other information regarding the related person s interest in the transaction that would be material to investors under the circumstances.

The Audit Committee may only approve the transaction if it determines that the transaction is not inconsistent with the best interests of the Company as a whole. Further, in approving any such transaction, the Audit Committee has the authority to impose any terms or conditions it deems appropriate on the Company or the related person. Absent this approval, no such transaction may be entered into by the Company with any related person.

Jon R. Moeller, the Company s CFO, is married to Lisa Sauer, a long-tenured employee of the Company who currently holds the position of Vice President Product Supply, Global Home Care. Her total compensation in the last year was approximately $855,000, consisting of salary, bonus, equity grants, and retirement benefits. Her compensation is consistent with the Company s overall compensation principles based on her years of experience, performance, and position within the Company. Prior to Mr. Moeller becoming CFO, the Audit Committee approved the continued employment of Ms. Sauer with the Company under the Company s Related Person Transaction Policy, concluding that her continued employment was not inconsistent with the best interests of the Company as a whole.

Deborah P. Majoras, the Company s Chief Legal Officer and Secretary, is married to John M. Majoras, one of over 800 partners in the law firm of Jones Day. The Company has hired Jones Day, in the ordinary course of business, to perform legal services. The Company s relationship with Jones Day dates back more than 25 years and significantly precedes Ms. Majoras joining the Company as Vice President and General Counsel in 2008 from the Federal Trade Commission, where she served as Chairman. Mr. Majoras does not receive any direct compensation from the fees paid to Jones Day by the Company, his ownership in the Jones Day law firm is significantly less than 1%, and the fees paid by the Company to Jones Day in the last fiscal year were significantly less than 1% of their annual revenues. Under the Company s Related Person Transaction Policy, the Audit Committee reviewed and approved the continued use of Jones Day as a provider of legal services to the Company, but required the Company s CEO to approve any recommendations by Ms. Majoras to hire Jones Day for a specific legal matter. In doing so, the Committee concluded that the Majorases did not have a direct or indirect material interest in the Company s hiring of Jones Day and that the relationship is not inconsistent with the best interests of the Company as a whole.

Mark Biegger, the Company s Chief Human Resources Officer (CHRO), has a brother, Brian Biegger, who is employed by the Company. Brian Biegger has been employed by the Company since 1983, well before Mark Biegger s appointment as CHRO in 2012, and is currently an Associate Director Global eBusiness in the SMO organization. Brian Biegger s total annual compensation in the last year, consisting of salary, bonus, equity grants, and retirement benefits was approximately $365,000. His compensation is consistent with the Company s overall compensation principles based on his years of experience, performance, and positions within the Company. The Committee determined that Brian has a direct material interest in his annual compensation but approved this transaction because it is not inconsistent with the best interests of the Company as a whole, and appropriate controls are in place to avoid any potential conflicts of interest.

Other than as noted above, there were no transactions, in which the Company or any of its subsidiaries was a participant, the amount involved exceeded $120,000, and any Director, Director nominee, executive officer, or any of their immediate family members had a direct or indirect material interest reportable under applicable SEC rules or that required approval of the Audit Committee under the Company s Related Person Transaction Policy, nor are there any currently proposed.

Communication with Directors and Executive Officers

Shareholders and others who wish to communicate with the Board or any particular Director, including the Presiding Director, or with any executive officer of the Company, may do so by email at boardofdirectors.im@pg.com or by writing to the following address:

[Name of Director(s)/Executive Officer or Board of Directors]

The Procter & Gamble Company

c/o The Corporate Secretary s Office

One Procter & Gamble Plaza

Cincinnati, OH 45202-3315

All such correspondence is reviewed by the Corporate Secretary s office, which logs the material for tracking purposes. The Board has asked the Corporate Secretary s office to forward to the appropriate Director(s) all correspondence, except for personal grievances, items unrelated to the functions of the Board, business solicitations, advertisements, and materials that are profane.

Shareholder Recommendations of Board Nominees and Committee Process for Recommending Board Nominees

The Governance & Public Responsibility Committee will consider shareholder recommendations for candidates for the Board, which should be submitted to:

Chair of the Governance & Public Responsibility Committee

The Procter & Gamble Company

c/o The Corporate Secretary s Office

One Procter & Gamble Plaza

Cincinnati, OH 45202-3315

The minimum qualifications and preferred specific qualities and skills required for Directors are set forth in Article II, Sections B through E of the Corporate Governance Guidelines. The Committee considers all candidates using these criteria, regardless of the source of the recommendation. The Committee s process for evaluating candidates also includes the considerations set forth in Article II, Section B of the Committee s Charter. After initial screening for minimum qualifications, the Committee determines appropriate next steps, including requests for additional information, reference checks, and interviews with potential candidates. In addition to shareholder recommendations, the Committee also relies on recommendations from current Directors, Company personnel, and others. From time to time, the Committee may engage the services of outside search firms to help identify candidates. During the fiscal year ended June 30, 2014, no such engagement existed (and none currently exists), and no funds were paid to outside parties in connection with the identification of nominees. All nominees for election as Directors who currently serve on the Board are known to the Committee and were recommended by the Committee to the Board as Director nominees.

Pursuant to the Company s Code of Regulations, a shareholder wishing to nominate a candidate for election to the Board at an annual meeting of shareholders is required to give written notice to the Secretary of the Company of his or her intention to make such nomination. The notice of nomination must be received at the Company s principal executive offices not less than 140 days nor more than 240 days prior to the one-year anniversary of the preceding year s annual shareholder meeting. Certain other notice periods apply if the date of the annual meeting is more than 30 days before or more than 60 days after such anniversary date. Based on the one-year anniversary of the 2014 annual meeting, a shareholder wishing to nominate a candidate for election to the Board at the 2015 annual meeting must provide such notice no earlier than February 16, 2015, and no later than May 27, 2015.

As set forth in the Company s Code of Regulations, the notice of nomination is required to contain information about both the nominee and the shareholder making the nomination, including information sufficient to allow the Governance & Public Responsibility Committee to determine if the candidate meets certain criteria. A nomination that does not comply with the requirements set forth in the Company s Code of Regulations will not be considered for presentation at the annual meeting.

Availability of Corporate Governance Documents

In addition to their availability on the Company s website at www.pg.com, copies of the Company s Amended Articles of Incorporation, the Company s Code of Regulations, all Committee Charters, the Corporate Governance Guidelines (including Independence Guidelines, Confidentiality Policy and Financial Literacy and Expertise Guidelines), the *Worldwide Business Conduct Manual,* the Company s Purpose, Values, and Principles and the Related Person Transaction Policy are available in print upon request by writing to the Corporate Secretary at One Procter & Gamble Plaza, Cincinnati, OH 45202-3315.

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The objective of the C&LD Committee is to provide non-employee members of the Board a compensation package consistent with the size-adjusted median of the Peer Group. Directors can elect to receive any part of their fees or retainer (other than the grant of Restricted Stock Units (RSUs)) as cash, retirement restricted stock or unrestricted stock. Consistent with the practice of the past several years, the Company did not grant any stock options to Directors in FY 2013-14. Effective October 8, 2013, non-employee members of the Board receive the following compensation:

a grant of RSUs following election to the Board at the Company s October 8, 2013 annual meeting of shareholders, with a grant date fair value of $175,000. These units are forfeited if the Director resigns during the year, do not deliver in shares until at least one year after the Director leaves the Board, and cannot be sold or traded until delivered in shares, thus encouraging alignment with the Company s long-term interests and the interests of shareholders. These RSUs will earn dividend equivalents at the same rate as dividends paid to shareholders;

an annual retainer fee of $110,000 paid in quarterly increments; and

an additional annual retainer paid to the Presiding Director and Chair of each committee as follows: Presiding Director, $30,000; Chair of the Audit Committee, $25,000; Chair of the C&LD Committee, $20,000; Chairs of the Governance & Public Responsibility and Innovation & Technology Committees, $15,000.

At its June 10, 2014 meeting, the Board of Directors, upon the recommendation of the C&LD Committee, agreed to maintain the current Director compensation package.

Non-employee members of the Board must own Company stock and/or RSUs worth six times their annual cash retainer. A number of the non-employee Directors were appointed or elected to the Board within the last few years. However, all non-employee Directors either meet or are on track to meet the ownership requirements within the five-year period established by the C&LD Committee.

The following table and footnotes provide information regarding the compensation paid to the Company s non-employee Directors in FY 2013-14. Directors who are employees of the Company receive no compensation for their service as Directors.

Director Compensation Table

Name	Annual Retainer ($)	Fees Committee Chair & Presiding Director Fees ($)	Total Fees Earned or Paid in Cash[1] ($)	Stock Awards[2] ($)	All Other Compensation[3] ($)	Total ($)
Angela F. Braly	110,000	0	110,000	175,000	222	285,222
Kenneth I. Chenault	110,000	0	110,000	175,000	222	285,222
Scott D. Cook	110,000	15,000	125,000	175,000	222	300,222
Susan Desmond-Hellmann	110,000	0	110,000	175,000	222	285,222
Terry J. Lundgren	110,000	0	110,000	175,000	222	285,222
W. James McNerney, Jr.	110,000	50,000	160,000	175,000	222	335,222
Johnathan A. Rodgers	27,500	0	27,500	0	0	27,500
Margaret C. Whitman	110,000	0	110,000	175,000	222	285,222

Mary Agnes Wilderotter	110,000	0	110,000	175,000	222	285,222
Patricia A. Woertz	110,000	25,000	135,000	175,000	222	310,222
Ernesto Zedillo	110,000	15,000	125,000	175,000	222	300,222

[1] Director fees are paid quarterly. Each director may elect to take these fees in cash, unrestricted stock, retirement restricted stock or a combination of the three. Restricted stock earns cash dividends that are paid quarterly with the option of reinvesting in Company stock. Ms. Braly elected to take $5,000 in cash, and the remaining $105,000 in unrestricted stock, which had a grant date fair value of $105,110. Mr. Chenault took $57,500 of his fees in cash, and the remainder in retirement restricted stock, which had a grant date fair value of $52,531. Mr. Cook took $5,000 of his fees in cash. He took $62,500 of his fees in retirement restricted stock, which had a grant date fair value of $62,543, and he took the remainder of his fees in unrestricted stock, which had a grant date fair value of $57,549. Mr. Lundgren took $5,000 of his fees in cash. He also elected to take $55,000 of his fees in unrestricted stock, which had a grant date fair value of $55,037, and he took the remainder of his fees in retirement restricted stock, which had a grant date fair value of $50,072. Mr. McNerney took his fees in unrestricted stock, which had a grant date fair value of $160,237. The remaining Directors took their fees in cash. Mr. Rodgers retired from the Board on October 8, 2013, and his retainer was prorated accordingly.

[2] Each year, upon election at the Company s annual meeting of shareholders, every Director is awarded a grant of RSUs with a grant date fair value of $175,000. These RSUs vest after one year as long as the Director remains on the Board, and earn dividend equivalents that are subject to the same vesting provision as the underlying RSUs and are accrued in the form of additional RSUs each quarter and credited to each Director s holdings. The RSUs are ultimately deliverable in shares. Due to Mr. Rodgers impending retirement, he did not stand for election at the 2013 meeting, and was therefore not entitled to the 2013-14 award. In addition to 2,346 RSUs (representing the grant on October 8, 2013 and subsequent dividend equivalents), the following Directors have shares of retirement restricted stock outstanding as of June 30, 2014: Ms. Braly (4,992 shares); Mr. Chenault (5,093 shares); Mr. Cook (9,948 shares); Mr. Lundgren (629 shares); Mr. McNerney (3,972 shares); and Mr. Zedillo (3,883 shares). Also, Messrs. Cook, Rodgers and Zedillo have 7,790, 3,760, and 3,760 option awards outstanding, respectively.

[3] For one of the Board meetings during the year, the Company incurred cost associated with providing a minor commemorative item valued at $222. For all Board meetings throughout the fiscal year, Directors were entitled to bring a guest so long as the Director used the Company aircraft to attend the meeting and the guest s attendance did not result in any incremental aircraft costs. Directors and their guests are also covered under the same insurance policy as all Company employees for accidental death while traveling on Company business (coverage is $750,000 for each Director and $300,000 for a guest). The incremental cost to the Company for this benefit is $2,469. In addition, the Company maintains a Charitable Awards Program for current and retired Directors who were participants prior to July 1, 2003. Under this program, at their death, the Company donates $1,000,000 per Director to up to five qualifying charitable organizations selected by each Director. Directors derive no financial benefit from the program because the charitable deductions accrue solely to the Company. The Company funds this contribution from general corporate assets and made no payments during FY 2013-14. This program was discontinued for any new Director effective July 1, 2003. In FY 2013-14, the Company made a $500 donation on behalf of each Director to the Children s Safe Drinking Water Program or to a different charity of their choice. These donations were also funded from general corporate assets, and the Directors derive no financial benefit from these donations because the charitable deductions accrue solely to the Company. As an employee Director, Mr. Lafley did not receive a retainer, fees, or a stock award. Mr. Lafley attended Board meetings and activities as described above, and, in conjunction with those meetings, received the minor commemorative item.

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Report of the Compensation & Leadership Development Committee

The Compensation & Leadership Development Committee of the Board of Directors has reviewed and discussed the following section of this proxy statement entitled Compensation Discussion & Analysis with management. Based on this review and discussion, the Committee has recommended to the Board that the section entitled Compensation Discussion & Analysis, as it appears on the following pages, be included in this proxy statement and incorporated by reference into the Company s Annual Report on Form 10-K for the fiscal year ended June 30, 2014.

W. James McNerney, Jr., Chair
Kenneth I. Chenault
Scott D. Cook
Margaret C. Whitman
Mary Agnes Wilderotter

August 12, 2014

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Introduction

This compensation discussion and analysis explains the Company s compensation philosophies and programs. The focus of the analysis is on the Company s named executive officers (NEOs) for FY 2013-14: A.G. Lafley, Chairman of the Board, President and Chief Executive Officer; Jon R. Moeller, Chief Financial Officer; Werner Geissler, Vice Chairman Global Operations; Martin Riant, Group President Global Baby, Feminine and Family Care; and Giovanni Ciserani, Group President Global Fabric and Home Care.

Effective July 1, 2014, Mr. Geissler, formerly Vice Chairman Global Operations, was named Vice Chairman Advisor to the Chairman of the Board, President and Chief Executive Officer. In this capacity, he will continue to report to Mr. Lafley until his future retirement date, which is expected to occur no later than June 30, 2015 and will be based on business need and mutual agreement.

Executive Summary

Our fundamental business objective is to create value for shareholders at leadership levels, on a consistent long-term basis. Our primary compensation principle, Pay for Performance, supports this objective. We align the compensation for our senior executives with the delivery of balanced, consistent, and sustainable growth and value creation.

We use a combination of three programs that incent executives to achieve results in a balanced way over the short-, medium-, and long-term.

First, we use an annual bonus program, the Short Term Achievement Award (STAR), which rewards executives for the achievement of one-year business goals.

Second, we have a three-year Performance Stock Plan (PSP), which is tied to the achievement of four specific business metrics that are the drivers of Total Shareholder Return.

Finally, our Key Manager Program incents leaders to perform over an even longer period by tying their compensation to the Company s long-term value. This program uses Restricted Stock Units (RSUs) that vest in five years and stock options with ten-year terms.

The portion of compensation tied to each of these programs is balanced proportionately with the business goals we are trying to achieve, so that our executives remain focused on the right priorities. In total, about 75% of NEO compensation is tied to Company performance via these programs. The remainder, about 25%, is in base salary, retirement, expatriate allowances, and other benefits. This allocation ensures that executives make decisions that are appropriately focused on the long-term health and success of the Company.

NEO Compensation for FY 2013-14

Compensation Element	% of Total	Description	Cash	Equity
Salary	12.0	Annual Base Pay	ü	
STAR Bonus[1]	17.7	Annual Performance-Based Bonus Based on 1-year Results	ü	
Performance Stock Program	30.6	Performance-Based Stock Program Based on 3-year Results		ü

Key Manager Stock Grant	27.1	Annual Long-Term Equity Award		ü
Retirement, Expatriate Allowances & Other	12.6	Retirement Plan Value, Expatriate Costs, and Benefits	ü	

1 The STAR Bonus is considered a cash program. However, participants may elect to receive their bonus in equity instead of cash.

We are disciplined in implementing this compensation strategy as evidenced by our track record over many years. While we strive to deliver or over-deliver our targets each year, if results fall short of our goals, this is reflected in the compensation paid. For example, in the last 15 years, the average STAR payout has been below target 40% of the time,

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which reflected the business results versus our goals in those years. The strength of our pay-for-performance alignment is also evidenced by the payouts under our PSP program. In FY 2012-13, PSP delivered shares at only 20% of target. This year, PSP paid out at 26% of target. This is consistent with our three-year results, which are below target.

In addition to the discipline we exercise in the design and execution of compensation programs that are tightly aligned to business results, our executives exhibit strong ownership behavior, which is indicative of the culture of ownership at Procter & Gamble. Our executives are required to own shares valued at a minimum of four to eight times their salary. Each of our NEOs exceeds these requirements. We are proud of this ownership behavior and believe it further aligns the interest of our executives with the long-term interests of our shareholders. These investors typically do not invest in our stock looking for only a short-term gain, but are looking for longer-term returns. The majority of our investors hold our stock for longer periods versus our peer group, and investors in consumer goods have a tendency to hold longer than in other industries. Again, our fundamental business objective is to create value for shareholders, at leadership levels, on a consistent long-term basis.

Company Results

The Company s focus for FY 2013-14 was on the execution of four key strategic priorities to drive value creation: strengthen core developed market business, maintain developing-market momentum, build a strong innovation program, and drive cost savings and productivity improvements. We delivered at target on all key financial metrics.

	FY 2013-14 Targets	FY 2013-14 Actual
Core EPS Growth[1]	5% to 7%	5%
Organic Sales Growth	3% to 4%	3%
Adjusted Free Cash Flow Productivity	About 90%	86%

1 Please see Exhibit A for a reconciliation of non-GAAP measures, including Core EPS Growth, Organic Sales Growth, and Adjusted Free Cash Flow Productivity.

Organic Sales Growth was 3%. This was at the low end of the target range, as market growth softened. Market share was about flat versus prior year. Core EPS Growth was 5%. This was at the low end of the target range due to the negative impact of foreign exchange (-9% or -$1.0 billion), the second largest foreign exchange impact in Company history.

The Company took two broad steps to address the challenges faced from foreign exchange and slower market growth. First, where feasible, the Company increased prices. Second, the Company accelerated work on cost savings across all elements of cost cost of goods sold, non-manufacturing overhead, and marketing. The Company delivered $1.6 billion in cost of goods savings, spanning materials, logistics, and manufacturing. This exceeded the going-in plan by $200 million, and the committed target by $400 million.

The Company continued to accelerate overhead reduction. In February 2012, we announced a targeted 10% reduction of non-manufacturing enrollment by June 2016. As of July 1, 2014, we have reduced roles by 16%, more than 50% ahead of the original objective, two years sooner.

Adjusted Free Cash Flow Productivity was 86%, consistent with target. These cash results enabled a 7% increase in quarterly dividend and $6 billion in share repurchase. For the fiscal year, the Company effectively returned nearly $13 billion to shareholders.

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CEO Compensation for FY 2013-14

The Chief Executive Officer s compensation is determined by the C&LD Committee with objective input from the C&LD Committee s independent compensation consultant, Frederic W. Cook & Co. The C&LD Committee reviews and considers the following when making compensation decisions for the Chief Executive Officer:

- benchmarked data and compensation opportunities for chief executive officers in the Peer Group (defined on page 26);
- Company financial results and total shareholder returns;
- executive leadership development;
- personal contributions and leadership; and
- the total compensation package, including the cost to the Company of all retirement programs, benefits, and executive benefits.

Mr. Lafley s FY 2013-14 Compensation Highlights

The C&LD Committee set Mr. Lafley s compensation for FY 2013-14 when he was re-hired in May 2013 and has periodically reviewed those compensation decisions during the fiscal year. When setting Mr. Lafley s compensation, the C&LD Committee reviewed the total compensation opportunity for chief executive officers in the Peer Group (as defined on page 26). They determined that Mr. Lafley s total compensation opportunity for FY 2012-13 would have been $19,000,000, reflecting his considerable experience and demonstrated results as the Company s previous Chief Executive Officer, as well as the relative size and value of the Company within the Peer Group. Of that $19,000,000, $2,000,000 was allocated to annual salary, $5,000,000 to annual cash bonus opportunity, and $12,000,000 to long-term incentive opportunity.

- **Salary**. Mr. Lafley s base salary remained at $2,000,000.
- **STAR Annual Bonus Program.** Mr. Lafley s STAR Target was set at 250% of salary when he assumed his position as CEO in May 2013. His STAR payout was $4,400,000, which is 88% of Target based on the one- year company results as shown above.
- **Long-Term Incentive Programs**. The C&LD Committee approved a long-term incentive opportunity comprised of a Key Manager Stock Grant and a PSP award for Mr. Lafley, with a total grant date fair value of $12,230,582. Approximately 50% of the total long-term incentive value is in the PSP, with payout for the grant made in FY 2013-14 to be made in August 2016 and based on achievement of the performance goals described on page 31. The compensation to be realized from the Key Manager Stock Grant will depend on the Company s future stock price.

Executive Compensation Practices

Our executive compensation practices support good governance and mitigate excessive risk-taking.

What We Do:

Significant share ownership and share holding requirements are in place for senior executives.

Multiple performance metrics under STAR and PSP discourage excessive risk-taking by removing any incentive to focus on a single performance goal to the detriment of the Company.

Appropriate balance between short-term and long-term compensation discourages short-term risk taking at the expense of long-term results.

Double Trigger. Time-based equity awards do not vest solely on account of a change-in-control (requires a qualifying termination following a change-in-control).

Engagement of an Independent Advisor. Our C&LD Committee engages an independent compensation consultant, who performs no other work for the Company, to advise on executive compensation matters.

Clawback policy permits the C&LD Committee to recoup certain compensation payments in the event of a significant restatement of financial results for any reason. Additionally, the stock plan allows recovery of proceeds from stock transactions if a participant violates certain plan provisions.

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What We Do Not Do:

- No employment contracts with executives containing special severance payments such as golden parachutes.
- No special executive retirement programs and no severance programs that are specific to executive officers.
- No gross-up payments to cover personal income taxes or excise taxes that pertain to executive or severance benefits.
- No excessive perquisites for executives.
- No hedging or engaging in the following transactions that include shares of Common Stock: pledging, collars, short sales, and other derivative transactions.
- No re-pricing or backdating stock options.

2013 Say on Pay Advisory Vote Outcome

In October 2013, shareholders approved the Company s Say on Pay proposal, with 96.39% of votes cast in favor of the compensation paid to the NEOs. The Company considers this vote a positive endorsement of its executive compensation practices and decisions. The shareholders overwhelming support of the Company s executive compensation program is one factor that contributed to the C&LD Committee s decision not to make significant changes to the Company s current executive compensation programs, principles, and policies. In addition, the Company routinely engages with investors to understand their issues and perspectives on the Company, including executive compensation practices. The C&LD Committee will continue to consider results from the annual shareholder advisory votes, including the next vote on October 14, 2014, as well as other shareholder input, when reviewing executive compensation programs, principles, and policies.

We design compensation programs to motivate executives to achieve the Company s fundamental and overriding objective to create value for our shareholders at leadership levels on a consistent long-term basis. As such, we encourage shareholders to support the Company s advisory Say on Pay resolution, which can be found on page 63 of this proxy statement.

End of Executive Summary

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Our Compensation Objectives

Our fundamental and overriding objective is to create value for our shareholders at leadership levels on a consistent long-term basis. To accomplish this goal, the C&LD Committee designs executive compensation programs that:

- Emphasize Pay for Performance by aligning incentives with business strategies to reward executives who achieve or exceed Company, business unit, and individual goals, while discouraging excessive risk-taking by removing any incentive to focus on a single performance goal to the detriment of others.
- Pay Competitively by setting target compensation opportunities to be competitive with other multinational corporations of similar size, value, and complexity.
- Focus on Long-Term Success by including equity as a cornerstone of our executive pay programs and by using a combination of short-term and long-term incentives to ensure a strong connection between Company performance and actual compensation realized.

Emphasizing Pay for Performance

Our executive compensation program consists of four key components: salary, STAR, and two long-term incentive equity programs PSP and the Key Manager Stock Grant. These four components constitute approximately 87% on average of each NEO s total compensation. The remaining 13% consists of retirement and other benefits.

We design our programs so that NEO compensation varies by type (fixed versus performance-based), length of performance period (short-term versus long-term), and form (cash versus equity). We believe that such variation is necessary to: (1) strike the appropriate balance between short- and long-term business goals; (2) encourage appropriate behaviors and discourage excessive risk-taking; and (3) align the interests of the Company s executives with our shareholders.

While salary is considered fixed, salary progression over time is based on individual performance. The remaining compensation components vary based on the performance of the individual, the performance of the individual s business unit, and the performance of the Company as a whole. This mix of components is designed to incent both individual accountability and collaboration to build long-term shareholder value. The charts below show the average mix of the key components of FY 2013-14 NEO compensation by type, length, and form.

Consistent with our design principles, performance-based programs pay out at 100% when goals are achieved. Payouts below 100% occur when goals are not achieved, and payouts above 100% are possible when goals are exceeded. For example, over the previous 10 years, the average STAR payout for NEOs ranged from a low of 84% of target to a high of 147% of target, and the Company s long-term performance program payout ranged from a low of 20% of target to a high of 200% of target. These payouts were based on the results achieved as compared to the pre-established performance targets, highlighting the clear link between pay and performance that underlies our compensation programs.

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Paying Competitively

The C&LD Committee structures executive compensation so that total targeted annual cash and long-term compensation opportunities are competitive with the targets for comparable positions at 25 companies considered to be our peers, based on criteria described below (Peer Group). The C&LD Committee sets targets for each element of compensation considering the same elements of compensation paid to those holding similar jobs at companies in our Peer Group, focusing on positions with similar management and revenue responsibility. The C&LD Committee makes appropriate adjustments for differences in revenue size within the Peer Group. For the CEO s compensation analysis, the C&LD Committee considers the Company s revenue and market capitalization compared to our Peer Group.

The Peer Group is objectively determined and consists of global companies that generally meet the following criteria:

- Have revenue comparable to the Company ($84 billion in FY 2012-13) and/or market capitalization comparable to the Company (approximately $211 billion as of June 30, 2013);
  - § Peer Group revenues range from $17 billion to $467 billion with a median of $67 billion; and
  - § Peer Group market capitalization ranges from $40 billion to $442 billion with a median of $116 billion.
- Compete with the Company in the marketplace for business and investment capital;
- Compete with the Company for executive talent; and
- Have generally similar pay models. We do not compare with companies in the financial services or insurance industries, where the mix of pay elements or program structure is generally materially different.

Each year, the C&LD Committee evaluates and, if appropriate, updates the composition of the Peer Group. Changes to the Peer Group are carefully considered and made infrequently to assure continuity from year to year. For FY 2013-14, there were no changes. The Peer Group currently consists of the following companies:

3M	Colgate-Palmolive	General Electric	Kimberly-Clark	Pfizer
AT&T	ConocoPhillips	Hewlett-Packard	Lockheed Martin	Target
Boeing	Du Pont	Home Depot	Merck	United Technologies
Chevron	Exxon Mobil	IBM	Mondelez	Verizon Communications
Coca-Cola	Ford Motor Co.	Johnson & Johnson	PepsiCo	Wal-Mart Stores

While the target total compensation for our NEOs is set considering the size-adjusted median target total compensation within our Peer Group, actual compensation varies depending on the NEO s experience in the particular role, as well as total Company, business unit, and individual performance. Consistent with our principles to pay for performance and pay competitively, substantial differences may exist among NEOs pay.

Focus on Long-Term Success

To reinforce the importance of stock ownership and long-term focus for our most senior executives, including the NEOs, the C&LD Committee established the Executive Share Ownership Program and Stock Option Exercise Holding Requirement.

The Executive Share Ownership Program requires the CEO to own shares of Company stock and/or RSUs (including granted Performance Stock Units (PSUs)) valued at a minimum of eight times salary. Mr. Lafley currently holds 20 times salary. All other NEOs must own stock and/or RSUs (including granted PSUs) valued at a minimum of four or five times salary, depending on the NEO s role. The C&LD Committee annually reviews these holdings, and in 2014 each NEO exceeded these requirements.

The Stock Option Exercise Holding Requirement ensures executives remain focused on sustained shareholder value even after exercising their stock options. The holding requirement applies when an executive, including an NEO, has not met the ownership requirements of the Executive Share Ownership Program. When the holding requirement applies, the CEO is required to hold the net shares received from stock option exercises for at least two years, and the other NEOs are required to hold net shares received from option exercises for at least one year. The holding requirement does not apply to incentive plan awards that executives elect to take as stock options instead of cash or unrestricted stock.

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Elements of Our Compensation Programs

Annual Cash Compensation

The Company s annual cash compensation consists of salary and STAR. We collect and analyze data from the Peer Group on the total annual cash compensation opportunity (salary plus annual bonus target) for positions comparable to those at the Company. We consider the target median annual cash compensation opportunity for each position within our peer group, adjusted for size using a regression analysis of Peer Group revenues, to set a salary range mid-point and a target for STAR, as a percentage of salary (STAR Target).

Salary

Mr. Lafley s annualized salary remained at $2,000,000 for FY 2013-14. The salaries for Messrs. Moeller and Geissler remained unchanged at $850,000 and $1,045,000, respectively. The C&LD Committee approved a 5.7% increase to bring Mr. Riant s salary up to $920,000, and a 7.0% increase to bring Mr. Ciserani s salary up to $760,000, each in recognition of their continued strong performance and their increased sector responsibilities as Group President Global Baby, Feminine and Family Care and Group President Global Fabric and Home Care, respectively.

STAR Annual Bonus

The STAR program links a substantial portion of each NEO s annual cash compensation to the Company s performance for the fiscal year. The program focuses on the achievement of business unit results, but also includes a component that measures the performance of the Company as a whole. STAR awards are generally paid in cash, but executives can elect to receive their awards in RSUs, stock options, or deferred compensation.

STAR awards are calculated using the following formula:

The basis for each element of STAR is:

STAR Target. The C&LD Committee sets STAR Targets as a percentage of salary for NEOs, using annual bonus benchmarks for similar positions in our Peer Group.

Business Unit Performance Factor. The C&LD Committee determines Business Unit Performance Factors using a retrospective assessment of the performance of each of the 21 business units against seven metrics: operating TSR, organic sales growth, operating profit growth, adjusted free cash flow productivity, market share, productivity, and internal controls. This assessment is compared to each business unit s role in the portfolio, reflecting the different industries in which the Company s businesses compete and their growth potential. The CEO, CFO, and Chief Human Resources Officer review the assessments and recommend Business Unit Performance Factors for each business unit. None of these officers participates in discussions or recommends their own STAR awards to the C&LD Committee. The Business Unit Performance Factors can range between 53% and 167%. The Business Unit Performance Factor for global business services and corporate functions is the weighted average of all the global business units (GBU) and selling and market operations (SMO) Business Unit Performance Factors in order to align all organizations with the seven metrics.

The Business Unit Performance Factor for NEOs who lead sectors is based on the combined results of each of the smaller business units for which the NEO is ultimately responsible. For example, the Business Unit Performance Factor for the Group President Global Fabric and Home Care, consists of the weighted combination of the Business Unit Performance Factors of the individual Business Units within Global Fabric

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combination of the Business Unit Performance Factors of the individual Business Units within Global Fabric and Home Care. There are no separate performance goals for Global Fabric and Home Care for purposes of compensation.

Total Company Performance Factor. The C&LD Committee sets targets for the Company s annual Organic Sales Growth and Core EPS Growth as the basis for the Company Performance Factor to encourage a balanced focus on both top-line and bottom-line results. It also establishes performance levels and a payout matrix that determine a Company Performance Factor between a minimum of 70% and a maximum of 130% to encourage collaboration among the business units.

While the formula described above is used to calculate potential STAR awards, the C&LD Committee retains the authority to make no STAR award in a given year and the discretion to accept, modify, or reject management s recommendations for any or all employees, including the NEOs.

FY 2013-14 STAR Annual Bonus

Upon Mr. Lafley s return to the CEO position in May 2013, the C&LD Committee set Mr. Lafley s STAR Target at 250% of salary for FY 2013-14. The C&LD Committee increased the STAR Targets for the other NEOs to 120% of salary to provide total targeted annual cash compensation opportunity and mix of incentive pay in line with other officers with similar roles in the Peer Group, as well as to better incent short-term performance.

At the beginning of FY 2013-14, the C&LD Committee established Organic Sales Growth and Core EPS Growth targets of 3.5% and 6%, respectively, to be used to compute the FY 2013-14 Company Performance Factor, and established a payout matrix that would generate a Company Performance Factor between 70% and 130% depending on the actual Organic Sales and Core EPS Growth achieved. Both Organic Sales Growth and Core EPS Growth were slightly below target at 3.1% and 5%, respectively, resulting in a Total Company Performance Factor of 88%.

The C&LD Committee then reviewed the recommendations provided for the 21 different Business Unit Performance Factors and, after considering the performance of the total Company and the appropriate combination of Business Unit Performance Factors for each NEO, approved the following STAR awards:

FY 2013-14 STAR Awards

NEO	STAR Target ($)	Business Unit Performance Factor (%)	Total Company Performance Factor (%)	STAR Award ($)	STAR Award (% of Target)
A.G. Lafley	5,000,000	Committee Decision Based on Performance		4,400,000	88
Jon R. Moeller	1,020,000	Committee Decision Based on Performance		897,600	88
Werner Geissler	1,254,000	100	88	1,103,520	88
Martin Riant	1,104,000	87	88	845,222	77
Giovanni Ciserani	912,000	117	88	938,995	103

The C&LD Committee determined that a STAR award of $4,400,000 for Mr. Lafley, which was equal to 88% of his STAR Target and in line with the Company s average award, was appropriate. With input from Mr. Lafley, the C&LD Committee also determined an appropriate award for Mr. Moeller would be $897,600, which is in line with the 88% Company average.

The STAR awards recommended to the C&LD Committee for Messrs. Geissler, Riant, and Ciserani were computed using the formula described on page 27 of this proxy statement. For Mr. Geissler, the C&LD Committee determined that an award in line with the Company s average award of 88% was appropriate based on his role in managing the Company s overall results. For Messrs. Riant and Ciserani, the C&LD approved awards that were computed using Business Unit Performance Factors based on the businesses included in the sectors that they manage.

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based on a weighted average of the Family and Feminine Care results. Mr. Riant s Business Unit Performance Factor was 87% as a result of the combination of the slightly below-target Baby Care results combined with the weighted average of the Family and Feminine Care results, which was also slightly below target.

As the leader of the Fabric and Home Care sector, half of Mr. Ciserani s Business Unit Performance Factor is based on the Fabric Care business that he directly manages, while the remainder of the factor is based on the average of the other businesses in the Fabric and Home Care sector: Home Care, Power, and Professional. Based on the combination of the slightly below-target Fabric Care results and the well above-target results of the other businesses in the sector, Mr. Ciserani s Business Unit Performance Factor is 117%.

Long-Term Incentive Programs

The majority of the NEOs compensation is delivered through two long-term incentive programs tied to Company performance: the PSP and the Key Manager Stock Grant.

The C&LD Committee uses competitive market data to set total long-term compensation targets considering the median total long-term compensation of comparable positions in the Peer Group, regressed for revenue size.

The CEO recommends NEO grants to the C&LD Committee based on benchmarked long-term compensation targets, adjusted for business results and individual contributions attributable to each NEO and including that individual s leadership skills. These recommendations can be up to 50% above or 50% below the benchmarked target.

The C&LD Committee retains full authority to accept, modify, or reject these recommendations. In exceptional cases, no grant will be awarded. Approximately half of each NEO s long-term compensation is allocated to PSP via an Initial PSU Grant (as defined below). The remaining portion is a Key Manager Stock Grant. The final grant date fair value of the awards may not reflect an approximately 50/50 split between PSP and Key Manager Stock Grant due to the final accounting valuations for stock awards (PSUs and RSUs) versus stock options.

Performance Stock Program

The PSP aligns the interests of the NEOs with shareholders by encouraging NEOs to focus on the aspects of the long-term performance of the Company that create shareholder value. In the first year of each three-year performance period, the C&LD Committee grants PSUs to participants (Initial PSU Grant). The number of PSUs that vest at the end of the performance period will depend on Company results over the three-year period.

The C&LD Committee sets targets at the beginning of each performance period for the following categories (Performance Categories): Organic Sales Growth, Before-Tax Operating Profit Growth, Core EPS Growth, and Adjusted Free Cash Flow Productivity. The C&LD Committee then assigns a minimum and maximum for each Performance Category. At the end of the three-year performance period, each Performance Category will have a Performance Factor between 0% and 200%, depending on results achieved in each category. The Performance Factor will be 100% if the business results for the category are at target. Business results falling between the minimum and maximum levels are determined via linear interpolation. Using a sliding scale to reward performance, as opposed to all or nothing goals, discourages participants from taking unnecessary risks to ensure a final payment under the program. At the end of each three-year performance period, the C&LD Committee multiplies the average of the four Performance Factors by the Initial PSU Grant to determine the vested PSUs. The formula is as follows:

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The vested PSUs are delivered in shares of Common Stock to the applicable participant following the end of the Performance Period, provided the NEO was an employee on June 30th following the grant date of the PSUs. Participants may elect to defer receipt of the shares of Common Stock by choosing to instead receive RSUs.

Key Manager Stock Grant

The Key Manager Stock Grant is the second component of the Company s long-term incentive compensation for its senior executives. These awards are generally granted in stock options, but executives can elect to receive all or a portion of their grant in RSUs, with the exception of the CEO, whose grant form and amount is solely determined by the C&LD Committee. Stock options are not exercisable (do not vest) until three years from the date of grant and expire ten years from the date of grant, or earlier as related to certain termination events. Vested RSUs are delivered in shares of Common Stock five years from the date of grant. In addition, NEOs must be employed on the June 30th following the grant date to retain the awards. These awards focus executives on the long-term success of the Company, and the vesting restrictions enhance retention because employees who voluntarily resign from the Company during the specified vesting periods forfeit their grants.

FY 2013-14 Long-Term Incentive Grants

The following long-term incentive grants were made in FY 2013-14. These grants are reported using grant date fair value, but the actual compensation realized by each NEO will be determined by future Company performance.

FY 2013-14 Long-Term Incentive Grants

	PSP Grant		Key Manager Stock Grant			Total
NEO	PSUs	Grant Date Fair Value	Options	RSUs	Grant Date Fair Value	Grant Date Fair Value
	(#)	($)	(#)	(#)	($)	($)
A.G. Lafley	84,753	6,075,337	0	91,351	6,155,245	12,230,582
Jon R. Moeller	32,164	2,305,607	130,626	8,709	1,882,497	4,188,104
Werner Geissler	37,122	2,661,011	199,594	0	1,979,778	4,640,789
Martin Riant	21,740	1,558,385	58,480	11,696	1,368,143	2,926,528
Giovanni Ciserani	21,740	1,558,385	116,960	0	1,160,129	2,718,514

The C&LD Committee approved total long-term incentives for Mr. Lafley in line with the $19,000,000 total compensation opportunity determined in May 2013 when Mr. Lafley re-assumed the role of CEO. When setting Mr. Lafley s total compensation opportunity, the C&LD Committee considered his considerable experience and demonstrated results as the Company s previous Chief Executive Officer, as well as the relative size and value of the Company within the Peer Group.

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The C&LD Committee approved an increase of approximately 10% in total long-term incentives for Mr. Moeller, which is slightly above the median long-term compensation opportunity of other CFOs in the Peer Group for companies of similar size. This increase reflects Mr. Moeller s performance as CFO and his contributions to Company results.

The C&LD Committee approved an increase of approximately 5% in total long-term incentives for Mr. Geissler to maintain his position at the size-adjusted median long-term compensation opportunity of similar positions in our Peer Group. In addition, the total long-term incentives for Messrs. Riant and Ciserani were increased by approximately 19% to recognize strong performance and their increased sector responsibilities in their roles as Group Presidents.

In conjunction with deciding the amount and allocation of the NEOs long-term incentive opportunities for FY 2013-14, the C&LD Committee set the PSP Performance Factors listed below. The delivery of results against these factors will determine the ultimate payout for this portion of compensation.

PSP Goals for Performance Period July 1, 2013 - June 30, 2016

Organic Sales Growth[1] Percentile		Before Tax Operating Profit[2]		Core EPS[3]		Adjusted Free Cash Flow Productivity[4]	
Rank in Peer Group	Payout Factor	% Growth	Payout Factor	% Growth	Payout Factor	%	Payout Factor
100th	200%	³ 9.0	200%	³ 10.0	200%	³ 115	200%
86th	167%	8.0	167%	9.0	167%	107	167%
71st	133%	7.0	133%	8.0	133%	98	133%
Target 57th	100%	Target 6.0	100%	Target 7.0	100%	Target 90	100%
43rd	67%	5.0	67%	6.0	67%	82	67%
29th	33%	4.0	33%	5.0	33%	73	33%
£14th	0%	£ 3.0	0%	£ 4.0	0%	£ 65	0%

1 Organic Sales Growth will be based on the percentile rank within the corporate competitive peer group of the 3-year compound annual growth rate.

2 Before Tax Operating Profit will be based on the 3-year compound annual growth rate.

3 Core EPS Growth will be based on the 3-year compound annual growth rate.

4 Adjusted Free Cash Flow Productivity achieved will be based on the 3-year sum of Operating Cash Flow less the sum of Capital Expenditures divided by the sum of the Net Earnings.

Looking Back: Realized Pay for PSUs Granted in FY 2011-12

In addition to setting the Performance Goals for the next three years, the C&LD Committee reviewed the results for the Performance Period (July 1, 2011 to June 30, 2014). The C&LD Committee reviewed these results against the goals established at the beginning of the Performance Period to determine the realized pay.

PSP Performance for July 1, 2011-June 30, 2014

Performance Factor	Target	Actual	Payout
Organic Sales Growth Percentile Rank in Peer Group[1]	60th	21st	0%
Before Tax Operating Profit Growth[2]	7.0%	1.0%	0%
Core EPS Growth[3]	8.0%	3.2%	0%
Adjusted Free Cash Flow Productivity[4]	90%	91%	104%
PSP Payout (Average of Performance Factors)			26%

[1] Organic Sales Growth is based on the percentile rank within the corporate competitive peer group of the 3-year compound annual growth rate.

[2] Before Tax Operating Profit Growth is based on the 3-year compound annual growth rate.

[3] Core EPS Growth is based on the 3-year compound annual growth rate.

[4] Adjusted Free Cash Flow Productivity achieved is based on the 3-year sum of Operating Cash Flow less the sum of Capital Expenditures divided by the sum of the Net Earnings.

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Based on the results delivered, the NEOs, except for Mr. Lafley who did not receive a FY 2011-12 PSP grant received PSP payouts at 26% of target, which resulted in the following PSU awards for each NEO. This PSP payout reinforces the pay-for-performance design of the PSP.

[1] Mr. Lafley did not receive a PSU grant in FY 2011-12. He began participating in the PSP program in FY 2013-14.

[2] The value of PSUs granted and awarded was calculated by multiplying the number of PSUs by the Company stock price as of June 30, 2014. These PSUs will deliver in shares of Common Stock or RSUs (as elected by the participants) in August 2014.

Special Equity Awards

On rare occasions, the C&LD Committee makes special equity grants in the form of restricted stock or RSUs to senior executives to encourage retention of the talent necessary to manage the Company successfully or to recognize superior performance. At the beginning of the fiscal year, on August 13, 2013, the C&LD Committee granted Mr. Moeller a $1,000,000 retention award to be paid in RSUs. Half of this award is forfeitable until August 13, 2016, and the remainder of the award is forfeitable until August 13, 2018.

Retirement Programs

The Procter & Gamble Profit Sharing Trust and Employee Stock Ownership Plan (PST) is the Company s primary retirement program for U.S.-based employees. The PST is a qualified defined contribution plan providing retirement benefits for full-time U.S. employees, including the NEOs. Under the PST, the Company makes an annual contribution of cash, which is used to purchase Company stock that is credited to each participant s PST account, upon which dividends are earned. The amount of the stock grant varies based upon individual salaries and years of service.

Some participants in PST (including the NEOs) do not receive their full contribution due to federal tax limitations. As a result, they participate in the nonqualified PST Restoration Program. These individuals receive RSUs valued at an amount equal to the difference between the contribution made under PST and what would have otherwise been contributed under PST but for the tax limitations. Participants are vested in their PST accounts after five years, and similarly their PST Restoration RSUs become non-forfeitable after five years.

In addition, some individuals who should participate in the PST are ineligible due to their work location (including Messrs. Geissler and Ciserani). As a result, they participate in the nonqualified International Retirement Plan (IRP). These individuals receive RSUs valued at an amount equal to the contribution that would have otherwise been contributed under PST had they been eligible to participate in the PST. Participants are vested in their PST accounts after five years, and similarly their IRP RSUs become non-forfeitable after five years.

The PST, the PST Restoration Program, and the IRP have created ownership at all levels of the Company. These programs continue to serve the Company and its shareholders well by focusing employees on the long-term success of the business.

For non-U.S.-based employees, individual country plans provide retirement benefits. In addition, employees who work in multiple countries during their careers may also be eligible for supplemental benefits under the Global International Retirement Arrangement (IRA). Messrs. Geissler, Riant, and Ciserani participate in this program.

Executive Benefits

The Company provides certain other limited benefits to senior executives to fulfill particular business purposes, which are primarily for convenience and personal security. No changes were made to executive benefits over the past year, and the Company continues to manage executive benefits as a very small percentage (2%) of total compensation for the NEOs during FY 2013-14.

Benefits that safeguard senior executives, such as home security systems, secured workplace parking, and an annual physical health examination, are available to NEOs, as needed. While Company aircraft are generally used for Company business only, for security reasons the Chief Executive Officer is required by the Board to use Company aircraft for all air travel, including personal travel. To increase executive efficiency, in limited circumstances, NEOs may travel to outside board meetings on Company aircraft as part of a longer business trip. In addition, if a Company aircraft flight is already scheduled for business purposes and can accommodate additional passengers, NEOs and their spouse/guests may join flights for personal travel. To the extent any travel on Company aircraft (e.g. personal/spouse/guest travel) results in imputed income to the NEO, the NEO is responsible for paying the taxes on that income and the Company does not provide separate gross-up payments based on the NEO s personal income tax due. We also reimburse NEOs for the cost of some tax preparation and financial counseling to minimize distractions, keep NEOs attention focused on Company business, and assure accurate personal tax reporting. To remain competitive and retain our top executives, we offer executive group whole life insurance coverage (equal to annual salary rate plus STAR Target up to $5,000,000). Also, to further increase executive efficiency, we provide limited local transportation within Cincinnati. Finally, Mr. Lafley receives an allowance intended to cover costs associated with a temporary residence and other living expenses due to having his permanent residence in Florida, but needing to work in Cincinnati. The C&LD Committee reviews these arrangements regularly to assure they continue to fulfill business needs and remain reasonable versus market practice.

Other Key Compensation Program Features

This additional information may assist the reader in better understanding the Company s compensation practices and principles.

Engagement of Independent Adviser

The C&LD Committee renewed its agreement with Frederic W. Cook & Co., to advise it on various compensation matters, including Peer Group identification, competitive practices and trends, specific program design, and actions with respect to NEO and principal officer compensation. Prior to the renewal, the C&LD Committee evaluated the independence of Frederic W. Cook & Co., taking into account any relationships with the Company s directors, officers, and employees in accordance with NYSE listing standards. Based on this evaluation, the C&LD Committee concluded Frederic W. Cook & Co. is an independent advisor. Under the terms of its agreement with the C&LD Committee, Frederic W. Cook & Co. is prohibited from doing any other business for the Company or its management, and the C&LD Committee has direct responsibility for oversight and compensation of the work performed by Frederic W. Cook & Co. The C&LD Committee generally meets with its independent compensation consultant in an Executive Session at regularly scheduled C&LD Committee meetings.

Company management uses a separate compensation consultant, Meridian Compensation Partners, LLC, to provide compensation advice, competitive survey analysis, and other benchmark information related to trends and competitive practices in executive compensation.

Employment Contracts

The C&LD Committee believes employment contracts for executives are not necessary, because most executives have spent the majority of their professional careers with the Company and have developed a focus on the Company s long-term success. Moreover, the C&LD Committee does not provide special executive severance payments, such as golden parachutes, to its executives. In the event the Company encourages an NEO, or any other U.S. employee, to terminate employment with the Company (but not for cause), that individual may receive a separation allowance of up to one year s annual salary, calculated based on years of service.

Tax Gross-Ups

Generally, the Company does not increase payments to any employees, including NEOs, to cover non-business-related personal income taxes. However, certain expatriate allowances, relocation reimbursements, and tax equalization

payments are made to employees assigned to work outside their home countries, and the Company will cover the personal income taxes due on these items in accordance with expatriate policy because there is a business purpose. In addition, from time to time, the Company may be required to pay personal income taxes for certain separating executives hired through acquisitions in conjunction with pre-existing contractual obligations.

Governing Plans, Timing, Pricing, and Vesting of Stock-Based Grants

All grants of stock options, PSUs, restricted stock and/or RSUs made to employees after October 13, 2009, are made under The Procter & Gamble 2009 Stock and Incentive Compensation Plan (as amended) (2009 Plan). The 2009 Plan was approved by Company shareholders at the October 13, 2009, annual shareholder meeting. Previous grants were made under The Procter & Gamble 2001 Stock and Incentive Compensation Plan (as amended) (2001 Plan) and The Gillette Company 2004 Long-Term Incentive Plan (2004 Gillette Plan). The 2001 Plan was approved by Company shareholders. The 2004 Gillette Plan was approved by Gillette shareholders and adopted by the Company in 2005 as part of our merger with The Gillette Company.

The 2009 Plan contains a vesting provision commonly known as a second trigger, which limits accelerated vesting in the event of a change in control. Time-based awards assumed as part of a change in control would only vest for involuntary terminations of employment for reasons other than cause and for terminations of employment for good reason.

With the exception of any special equity awards discussed on page 32 of this proxy statement, the Company grants stock, PSUs, RSUs, and stock options on dates that are consistent from year to year. If the C&LD Committee changes a grant date, it is done in advance and only after careful review and discussion. The pre-established grant dates for the programs are as follows: PST Restoration and IRP, first Thursday in August; STAR, last business day on or before September 15; and PSP and Key Manager Stock Grants, last business day of February (and, if necessary for corrections, on the last business day on or before May 9).

The Company has never re-priced stock options and is not permitted to do so without prior shareholder approval. The Company does not backdate stock options. We use the closing price of the Common Stock on the date of grant to determine the grant price for executive compensation awards. However, because the PST uses the value of shares based on the average price of Common Stock for the last five days in June, the grants of RSUs made under the PST Restoration Program and IRP follow this same grant price practice.

Mitigation of Excessive Risk-Taking

Recoupment & Clawback

The C&LD Committee s Senior Executive Officer Recoupment Policy permits the C&LD Committee to recoup or clawback STAR or long-term incentive program payments made to executives in the event of a significant restatement of financial results for any reason. This authority is in addition to the C&LD Committee s authority under the 2001 Plan and the 2009 Plan to suspend or terminate any outstanding stock options if the C&LD Committee determines that the participant violated certain plan provisions. Moreover, the 2009 Plan has a clawback provision that allows the Company or the C&LD Committee to recover certain proceeds from option exercises or delivery of shares if the participant violates certain plan provisions.

Balanced Weighting of Performance Metrics in Compensation Programs

The STAR program and PSP use balanced weighting of multiple performance metrics to determine the payout. This discourages excessive risk-taking by removing any incentive to focus on one goal to the detriment of others. STAR and PSP are described on pages 27-32 of this proxy statement.

Prohibition of Use of Company Stock in Derivative Transactions

The Company s Insider Trading Policy prohibits NEOs from engaging in derivative transactions involving Company stock, including pledging, collars, short sales, hedging investments, and other derivative transactions. Purchases and sales of Company stock by NEOs can only be made during the one-month period following public earnings announcements or, if outside these window periods, with express permission from the Company s Legal Division or in accordance with a previously established trading plan that meets SEC requirements.

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Additional Information

Deferred Compensation Plan

The Procter & Gamble Company Executive Deferred Compensation Plan (EDCP) allows executives to defer receipt of up to 100% of their STAR awards and/or up to 75% of their annual salary (an increase from 50%). Executives may also elect to convert a portion of their PST Restoration RSUs into notional cash with investment choices that mirror those available to all U.S. employees who participate in the Company s 401(k) plan. No above-market or preferential interest is credited on deferred compensation, as those terms are defined by the SEC.

Tax Treatment of Certain Compensation

Section 162(m) of the Internal Revenue Code limits the Company deductibility of executive compensation paid to certain NEOs to $1,000,000 per year, but contains an exception for certain performance-based compensation. Stock options awarded under the Key Manager Stock Grant, as well as awards granted under STAR and PSP programs, satisfy the performance-based requirements for deductible compensation.

While the C&LD Committee s general policy is to preserve the deductibility of compensation paid to the NEOs, the C&LD Committee nevertheless authorizes payments that might not be deductible if it believes they are in the best interests of the Company and its shareholders. In addition, in certain years, individuals may receive non-deductible payments resulting from awards made prior to becoming an NEO.

Executive Compensation Changes for FY 2014-15

The C&LD Committee reviewed the competitiveness of total annual cash compensation for the CEO, CFO, and Vice Chairman at its June 10, 2014, meeting. As a result, the C&LD Committee made no changes to the salary or STAR Target for Messrs. Lafley, Moeller and Geissler. In addition, the C&LD Committee did not make any decisions in the June 30, 2014 meeting that impacted Messrs. Riant s or Ciserani s compensation.

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The following tables, footnotes, and narratives provide information regarding the compensation, benefits, and equity holdings in the Company for the NEOs.

Summary Compensation

The following table and footnotes provide information regarding the compensation of the NEOs, for the fiscal years shown.

Summary Compensation

FY 2013-14 Summary Compensation Table

Name and Principal Position	Year	Salary ($)	Bonus[1] ($)	Stock Awards[2] ($)	Option Awards[3] ($)	Change in Pension Value and Nonqualified Deferred Compen-sation Earnings[4] ($)	All Other Compen-sation[5] ($)	Total ($)
A.G. Lafley	2013-14	2,000,000	4,400,000	12,230,582	0	0	873,771	19,504,353
Chairman of the Board, President and	2012-13	217,391	1,632,000	0	0	0	187,264	
Chief Executive Officer								2,036,655[6]
Jon R. Moeller	2013-14	850,000	897,600	3,908,749	1,295,683	0	65,830	7,017,862
Chief Financial Officer	2012-13	850,000	1,066,257	2,792,554	1,092,006	0	67,757	5,868,574
	2011-12	825,000	762,127	2,669,053	1,029,608	0	60,815	5,346,603
Werner Geissler	2013-14	1,045,000	1,103,520	2,826,682	1,979,778	209,000	155,277	7,319,257
Vice Chairman -	2012-13	1,045,000	1,310,869	2,734,261	1,736,004	0	73,609	6,899,743
	2011-12	1,045,000	967,529	2,551,836	1,747,200	421,000	149,240	6,881,805
Global Operations								
Martin Riant	2013-14	907,500	845,222	2,475,696	580,065	914,000	1,595,401	7,317,884
Group President - Global Baby, Feminine and Family Care								
Giovanni Ciserani	2013-14	755,833	938,995	1,705,374	1,160,129	226,000	356,281	5,142,612
Group President - Global								
Fabric and Home Care								

[1] For FY 2013-14, Bonus reflects 2013-14 STAR awards that will be paid on September 15, 2014. Each NEO that participated in STAR can elect to take his STAR award in cash, deferred compensation, RSUs, or stock options. For FY 2013-14, Mr. Lafley chose to take his STAR award as deferred compensation. Messrs. Geissler and Riant elected Stock Options. The other NEOs took their awards in cash.

[2] For FY 2013-14, Stock Awards include the grant date fair value of any PST Restoration Program and International Retirement Plan awards and the PSUs granted in February 2014 under the PSP. For Messrs. Lafley, Moeller, and Riant, FY 2013-14 Stock Awards also include the grant date fair value of RSUs granted in

February 2014 under the Key Manger Stock Grant. Mr. Moeller s FY 2013-14 Stock Awards also includes the Special Equity Award described on page 32. The fair value of these awards is determined in accordance with FASB ASC Topic 718. Pursuant to SEC rules, the amounts shown exclude the impact of forfeitures related to service-based vesting conditions. Please see Note 8 to the Consolidated Financial Statements contained in the Company s 2014 Annual Report on Form 10-K for more information. For more information regarding these awards, including retention and vesting requirements and applicable performance measures, see pages 29-32 of the Compensation Discussion & Analysis.

[3] Option Awards for FY 2013-14 include the grant date fair value of each Key Manager Stock Grant, determined in accordance with FASB ASC Topic 718. Pursuant to SEC rules, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions. For additional information on the assumptions made in the valuation for the current year awards reflected in this column, please see Note 8 to the Consolidated Financial Statements contained in the Company s 2014 Annual Report on Form 10-K. For information on the valuation assumptions with respect to grants made in prior fiscal years, please see the corresponding note to the Consolidated Financial Statements contained in the Company s Annual Report for the respective fiscal year. For more information regarding these awards, including retention and vesting requirements and applicable performance measures, see page 30 of the Compensation Discussion & Analysis.

[4] This column reflects aggregate changes in the actuarial present value of Messrs. Geissler s, Riant s, and Ciserani s pension benefits under all defined benefit and actuarial pension plans. None of the other NEOs has a pension plan. None of the NEOs had above-market earnings on deferred compensation.

[5] Please see the table below for information on the numbers that comprise the All Other Compensation column.

[6] Mr. Lafley s total compensation for FY 2012-13 reflects the time worked between May 23, 2013, when he was re-hired as CEO, and June 30, 2013.

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All Other Compensation

Name and Principal Position	Year	Retirement Plan Contributions[i] ($)	Executive Group Life Insurance[ii] ($)	Flexible Compensation Program Contributions[iii] ($)	Expatriate, Relocation, and Tax Equalization Payments[iv] ($)	Executive Benefits[v] ($)	Service Agreements ($)	Total[vi] ($)
A.G. Lafley Chairman of the Board, President and Chief Executive Officer	2013-14	29,122	13,636	0	4,042	826,971	0	873,771
	2012-13	0	18,167	0	0	74,259	94,838	187,264
Jon R. Moeller Chief Financial Officer	2013-14	52,058	4,097	3,788	0	5,887	0	65,830
	2012-13	51,688	3,621	3,713	0	8,735	0	67,757
	2011-12	50,541	3,081	3,675	0	3,518	0	60,815
Werner Geissler Vice Chairman - Global Operations	2013-14	52,058	2,921	5,050	80,456	14,792	0	155,277
	2012-13	51,688	4,190	4,950	2,162	10,619	0	73,609
	2011-12	50,541	4,985	4,900	82,718	6,096	0	149,240
Martin Riant Group President - Global Baby, Feminine and Family Care	2013-14	52,058	1,667	5,050	1,535,691	935	0	1,595,401
Giovanni Ciserani Group President - Global Fabric and Home Care	2013-14	0	3,729	5,050	347,502	0	0	356,281

[i] Amounts contributed by the Company pursuant to the PST, a qualified defined contribution plan providing retirement benefits for U.S.-based employees. NEOs also receive contributions in the form of RSU grants pursuant to the PST Restoration Program, a nonqualified defined contribution plan. Mr. Ciserani receives IRP RSUs in lieu of a PST contribution. These RSU awards are included in the Stock Awards column of the Summary Compensation Table.

[ii] Under the Executive Group Life Insurance Program (EGLIP), the Company offers key executives who have substantially contributed to the success and development of the business, and upon whom the future of the Company chiefly depends, life insurance coverage equal to salary plus their STAR target up to a maximum of $5,000,000. These policies are owned by the Company. Because premium payments are returned to the Company when the benefit is paid out, we believe the annual premiums paid by the Company overstate the Company s true cost of providing this life insurance benefit. Accordingly, the amounts shown in the table are an average based on Internal Revenue Service tables used to value the term cost of such coverage for calendar year 2013 and calendar year 2014, which reflect what it would cost the executive to obtain the same coverage in a term life insurance policy. The average of the two calendar years was used because fiscal year data is not available. The average of the dollar value of the premiums actually paid by the Company in calendar years 2013 and 2014 under these policies were as follows: Mr. Lafley, $0, Mr. Moeller, $44,671, Mr. Geissler, $80,558, Mr. Riant, $41,598, and Mr. Ciserani, $33,557. This program is in addition to any other Company-provided group life insurance in which an NEO may enroll that is also available to all employees on the same basis.

[iii] Flexible Compensation Program Contributions are given to U.S.-based employees in the form of credits to pay for coverage in a number of benefit plans including, but not limited to, medical insurance and additional life insurance. Employees may also receive unused credits as cash. Credits are earned based on PST years of service.

[iv] The amounts shown are for fees paid by the Company for services provided to assist these executives with issues related to tax equalization payments and storage and delivery associated with past expatriate assignments, and for tax equalization payments made by the Company to cover incremental taxes required in connection with the NEO s prior expatriate assignments. Mr. Lafley s tax equalization payments resulted from his previous assignment in Japan. Mr. Geissler s tax equalization payments resulted from his previous assignments in Japan and Switzerland. Mr. Riant s payments for tax equalization and expatriate assignment expenses resulted from his current assignment in Singapore. Mr. Ciserani s payments for expatriate assignment expenses resulted from his current assignment in Switzerland.

v In addition, all NEOs are entitled to the following personal benefits: financial counseling (including tax preparation), an annual physical examination, occasional use of a Company car, secure workplace parking, and home security and monitoring. While Company aircraft is generally used for Company business only, the CEO is required to use Company aircraft for all air travel, including travel to outside board meetings and personal travel, pursuant to the Company s executive security program established by the Board of Directors. While traveling on Company aircraft, the CEO may bring a limited number of guests (spouse, family member, or similar guest) to accompany him. The aggregate incremental aircraft usage costs associated with Mr. Lafley s personal use of the Company aircraft during FY 2013-14, including the costs associated with travel to outside board meetings not fully reimbursed by the other company, and the costs associated with his travel between Florida and Cincinnati, due to his need to work in Cincinnati while retaining his primary residence in Florida, was $606,080. Messrs. Moeller, Geissler, Riant, and Ciserani are permitted to use the Company aircraft for travel to outside board meetings and, if the Company aircraft is already scheduled for business purposes and can accommodate additional passengers, may use it for personal travel and guest accompaniment. Mr. Geissler utilized the Company aircraft for personal travel and/or guest accompaniment when the aircraft was scheduled for business purposes, but there was no incremental cost to the Company associated with these trips. The incremental costs to the Company for these benefits, other than use of Company aircraft, are the actual costs or charges incurred by the Company for the benefits. The incremental cost to the Company for use of the Company aircraft is calculated by using an hourly rate for each flight hour. The hourly rate is based on the variable operational costs of each flight, including fuel, maintenance, flight crew travel expense, catering, communications and fees, including flight planning, ground handling and landing permits. For any flights that involved mixed personal and business usage, any personal usage hours that exceed the business usage are utilized to determine the incremental cost to the Company. Mr. Lafley also received a $200,000 payment to cover costs associated with a temporary Cincinnati residence and other living expenses due to having his primary residence in Florida.

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vi This total does not reflect a charitable donation of $10,000 made by the Company to the Children s Safe Drinking Water Program on behalf of the Company s Global Leadership Council, of which each NEO is a member. This donation was funded from general corporate assets, and the NEOs derived no financial benefits from this donation because this charitable deduction accrues solely to the Company.

Grants of Plan-Based Awards

The following table and footnotes provide information regarding grants of equity under Company plans made to the NEOs during FY 2013-14.

Grants of Plan-Based Awards

NEO/Plan Name	Grant Date[1]	Compensation & Leadership Development Committee Action Date	Estimated Future Payouts Under Equity Incentive Plan Awards: Threshold (#)	Target (#)	Maximum (#)	All Other Stock Awards: Number of Shares or Stock Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards[2] ($ per share)	Grant Date Fair Value of Stock and Option Awards[3] ($)
A.G. Lafley									
Key Manager RSUs[4]	02/28/2014	02/11/2014				91,351			6,155,245
PSUs[5]	02/28/2014	02/11/2014	0	84,753	169,506				6,075,337
Jon R. Moeller									
Key Manager Options[6]	02/28/2014	02/11/2014					130,626	78.66	1,295,683
Key Manager RSUs[7]	02/28/2014	02/11/2014				8,709			586,814
PSUs[5]	02/28/2014	02/11/2014	0	32,164	64,328				2,305,607
PST Restoration RSUs[8]	08/01/2013	06/04/2013				1,620			125,064
Special Equity Award[9]	08/13/2013	08/13/2013				12,246			891,264
Werner Geissler									
Key Manager Options[6]	02/28/2014	02/11/2014					199,594	78.66	1,979,778
PSUs[5]	02/28/2014	02/11/2014	0	37,122	74,244				2,661,011
PST Restoration RSUs[8]	08/01/2013	06/04/2013				2,146			165,671
Martin Riant									
Key Manager Options[6]	02/28/2014	02/11/2014					58,480	78.66	580,065
Key Manager RSUs[7]	02/28/2014	02/11/2014				11,696			788,078
PSUs[5]	02/28/2014	02/11/2014	0	21,740	43,480				1,558,385
PST Restoration RSUs[8]	08/01/2013	06/04/2013				1,674			129,233
STAR Stock Options[10]	09/13/2013	08/13/2013					57,767	79.05	606,429
Giovanni Ciserani									

Key Manager Options[6]	02/28/2014	02/11/2014					116,960	78.66	1,160,129
PSUs[5]	02/28/2014	02/11/2014	0	21,740	43,480				1,558,385
IRP RSUs[11]	08/01/2013	06/04/2013				1,904			146,989

[1] Grant dates for equity awards are consistent from year to year, as described on page 34 of this proxy statement.

[2] The options granted were awarded using the closing price of the Company stock on the date of the grant.

[3] This column reflects the grant date fair value of each award computed in accordance with FASB ASC Topic 718. For Stock Awards, the actual amount paid will be based on the stock price on the delivery date. For Options, the actual amount paid will be determined by multiplying the number of shares acquired by the difference between the market price of the Company s common stock upon exercise and the grant price of the options.

[4] These units will deliver in ten annual installments commencing February 28, 2019.

[5] For awards granted under the Performance Stock Plan, see page 31 of the Compensation Discussion & Analysis for applicable performance measures. These units are forfeitable until the later of retirement eligibility or June 30th after the grant date, and will deliver in shares in August 2016 unless elected otherwise by the NEO, subject to applicable tax rules and regulations.

[6] These options are forfeitable until the later of retirement eligibility or June 30th after the grant date, and will become exercisable on February 28, 2017, and expire on February 28, 2024.

[7] These units are forfeitable until the later of retirement eligibility or June 30th after the grant date, and will deliver in shares on February 28, 2019.

[8] For awards granted under the PST Restoration Program, dividend equivalents are earned at the same rate as dividends paid on Common Stock. These units will deliver in shares one year following retirement unless elected otherwise by the NEO, subject to applicable tax rules and regulations.

[9] Half of this award is forfeitable until August 13, 2016, and the remainder of the award is forfeitable until August 13, 2018.

[10] These options are nonforfeitable, and will become exercisable on September 13, 2016, and expire on September 13, 2023.

[11] For awards granted under the IRP, dividend equivalents are earned at the same rate as dividends paid on Common Stock. These units will deliver in shares one year following retirement unless elected otherwise by the NEO, subject to applicable tax rules and regulations.

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Outstanding Equity at Fiscal Year End

The following table and footnotes provide information regarding unexercised stock options and stock awards that have not yet vested as of the end of FY 2013-14.

Outstanding Equity at Fiscal Year End		Option Awards				Stock Awards			
Name	Grant Date	Number of Securities Underlying Unexercised Options Exercisable[1] (#)	Number of Securities Underlying Unexercised Options Unexercisable[1] (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock that Have Not Vested[2] (#)	Market Value of Shares or Units of Stock that Have Not Vested[3] ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested[2] (#)	Equity Incentive Plan Awards: Market Value of Unearned Shares, Units or Other Rights That Have Not Vested[3] ($)
A.G. Lafley	02/28/2005	173,229		53.5950	02/28/2015				
	02/28/2006	430,441		60.5000	02/28/2016				
	02/28/2007	579,906		63.4900	02/28/2017				
	02/29/2008	480,783		66.1800	02/28/2018				
	02/27/2009	566,177		48.1700	02/27/2019				
	02/28/2014							84,753	6,660,738(4)
Jon R. Moeller	02/28/2006	43,665		60.5000	02/28/2016				
	02/28/2007	58,720		63.4900	02/28/2017				
	02/29/2008	56,709		66.1800	02/28/2018				
	02/27/2009	97,572		48.1700	02/27/2019				

	02/26/2010	82,965		63.2800	02/26/2020				
	02/26/2010					7,902	621,018		
	02/28/2011	107,058		63.0500	02/28/2021				
	02/28/2011					7,931	623,297		
	02/29/2012					8,146	640,194		
	02/29/2012		122,187	67.5200	02/28/2022				
	02/28/2013		127,987	76.1800	02/28/2023				
	02/28/2013					8,533	670,608[1]		
	02/28/2013							30,192	2,372,789[2]
	08/13/2013					12,246	962,413		
	02/28/2014		130,626	78.6600	02/28/2024				
	02/28/2014					8,709	684,440[3]		
	02/28/2014							32,164	2,527,769[4]
Werner Geissler	07/10/2000	14,378		27.4459	07/10/2015				
	09/15/2000	116,148		31.0118	09/15/2015				
	09/24/2001	101,260		34.5688	09/24/2016				
	02/28/2005	69,970		53.5950	02/28/2015				
	02/28/2006	70,248		60.5000	02/28/2016				
	02/28/2007	94,504		63.4900	02/28/2017				
	02/29/2008	113,328		66.1800	02/28/2018				
	02/27/2009	103,800		48.1700	02/27/2019				
	02/26/2010	189,634		63.2800	02/26/2020				
	09/15/2010	70,145		61.1100	09/15/2020				
	02/28/2011	95,163		63.0500	02/28/2021				
	02/29/2012		207,346	67.5200	02/28/2022				
	09/14/2012		83,939	69.1600	09/14/2022				
	02/28/2013		203,466	76.1800	02/28/2023				
	02/28/2013							36,756	2,888,654[2]
	02/28/2014		199,594	78.6600	02/28/2024				
	02/28/2014							37,122	2,917,418[4]

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Outstanding Equity at Fiscal Year End

Name	Grant Date	Option Awards: Number of Securities Underlying Unexercised Options Exercisable[1] (#)	Number of Securities Underlying Unexercised Options Unexercisable[1] (#)	Option Exercise Price ($)	Option Expiration Date	Stock Awards: Number of Shares or Units of Stock that Have Not Vested[2] (#)	Market Value of Shares or Units of Stock that Have Not Vested[3] ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested[2] (#)	Equity Incentive Plan Awards: Market Value of Unearned Shares, Units or Other Rights That Have Not Vested[3] ($)
Martin Riant	09/24/2001	41,570		34.5688	09/24/2016				
	09/15/2005	22,383		55.4050	09/15/2015				
	02/28/2006	53,720		60.5000	02/28/2016				
	02/28/2007	47,252		63.4900	02/28/2017				
	02/29/2008	24,933		66.1800	02/28/2018				
	02/27/2009	36,330		48.1700	02/27/2019				
	02/26/2010	37,532		63.2800	02/26/2020				
	02/28/2011	47,582		63.0500	02/28/2021				
	09/15/2011		36,283	62.7800	09/15/2021				
	02/29/2012		48,134	67.5200	02/28/2022				
	09/14/2012		87,683	69.1600	09/14/2022				
	02/28/2013		52,508	76.1800	02/28/2023				
	02/28/2013							18,903	1,485,587(2)
	09/13/2013		57,767	79.0500	09/13/2023				
	02/28/2014		58,480	78.6600	02/28/2024				
	02/28/2014							21,740	1,708,547(4)
Giovanni Ciserani	09/15/2000	16,794		31.3750	09/15/2015				
	09/24/2001	18,180		36.9750	09/24/2016				
	02/28/2006	39,106		60.5000	02/28/2016				
	02/28/2007	45,166		64.5500	02/28/2017				
	02/29/2008	41,252		66.1800	02/28/2018				
	02/27/2009	57,090		48.1700	02/27/2019				
	02/26/2010	43,363		63.2800	02/26/2020				
	02/28/2011	95,163		63.0500	02/28/2021				
	02/29/2012		103,673	67.5200	02/28/2022				
	02/28/2013		105,015	76.1800	02/28/2023				
	02/28/2013							18,903	1,485,587(2)
	02/28/2014		116,960	78.6600	02/28/2024				
	02/28/2014							21,740	1,708,547(4)

[1] The following provides details regarding the vesting date for each of the option grants included in the table. The Vest Date indicates the date the options become exercisable.

Option Awards

Grant Date	Vest Date	Grant Date	Vest Date
07/10/2000	07/10/2003	02/26/2010	02/26/2013
09/15/2000	09/15/2003	09/15/2010	09/15/2013
09/24/2001	09/24/2004	02/28/2011	02/28/2014
02/28/2005	02/28/2008	09/15/2011	09/15/2014
09/15/2005	09/15/2008	02/29/2012	02/28/2015
02/28/2006	02/28/2009	09/14/2012	09/14/2015
02/28/2007	02/28/2010	02/28/2013	02/28/2016
02/29/2008	02/28/2011	09/13/2013	09/13/2016
02/27/2009	02/27/2012	02/28/2014	02/28/2017

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[2] The following provides detail regarding the vesting date for RSU and PSU holdings included in the table. The Vest Date for RSUs indicates the date such units become nonforfeitable. The Vest Date for PSUs indicates the date the award is earned. The PSU awards are delivered in shares in August following the date the award is earned.

	Stock Awards	
	Grant Date	Vest Date
	02/26/2010	02/26/2015
	02/28/2011	02/28/2016
	02/29/2012	02/28/2017
(1)	02/28/2013	02/28/2018
(2)	02/28/2013	06/30/2015
	08/13/2013	50% 08/13/2016, 50% 08/13/2018
(3)	02/28/2014	02/28/2019
(4)	02/28/2014	06/30/2016

[3] The Market Value of PSUs or RSUs that have not vested was determined by multiplying the closing market price of Company stock on June 30, 2014 ($78.59), by the number of PSUs or RSUs, respectively.

Option Exercises and Stock Vested

The following table and footnotes provide information regarding stock option exercises and stock vesting during FY 2013-14 for the NEOs.

Option Exercises and Stock Vested

	Option Awards			Stock Awards		
Name	Option Grant Date	Number of Shares Acquired on Exercise[1] (#)	Value Realized on Exercise[2] ($)	Stock Award Grant Date	Number of Shares Acquired on Vesting[3] (#)	Value Realized on Vesting[4] ($)
A.G. Lafley[5]	09/15/2004	92,896	1,995,871			
	02/28/2005	400,000	11,007,090			
				02/28/2014	91,351	7,211,705
Jon R. Moeller[6]				08/04/2005	463	37,777
				08/03/2006	586	47,849
				08/02/2007	659	53,845
				08/07/2008	815	66,528
				08/06/2009	1,511	123,388
				08/05/2010	1,711	139,682
				08/04/2011	1,836	149,943
				08/02/2012	2,097	171,210
				08/01/2013	1,632	133,230
				12/01/2005	22	1,834

				12/01/2005	273	22,309
				02/29/2012	8,665	680,982
Werner Geissler	02/26/1999	14,626	566,529			
	02/27/2004	92,388	2,918,075			
	07/09/1999	5,540	207,571			
	09/15/1999	43,786	1,345,307			
				02/29/2012	10,013	786,922

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Option Exercises and Stock Vested

	Option Awards			Stock Awards		
Name	Option Grant Date	Number of Shares Acquired on Exercise[1] (#)	Value Realized on Exercise[2] ($)	Stock Award Grant Date	Number of Shares Acquired on Vesting[3] (#)	Value Realized on Vesting[4] ($)
Martin Riant[7]	09/15/1999	14,638	523,076			
	07/09/1999	3,368	118,308			
	09/15/2000	12,860	602,468			
	02/28/2005	51,311	1,492,965			
				02/27/2009	10,380	813,792
				12/01/2005	715	58,371
				08/04/2005	1,239	101,149
				08/03/2006	1,301	106,231
				08/02/2007	1,271	103,759
				08/07/2008	1,373	112,098
				08/06/2009	1,845	150,693
				08/05/2010	1,691	138,054
				08/04/2011	1,836	149,943
				02/29/2012	4,660	366,229
				08/02/2012	2,078	169,684
				08/01/2013	1,686	137,671
				02/26/2010	10,724	840,762
				02/28/2011	10,574	829,002
				02/29/2012	9,627	754,757
				02/28/2013	10,502	823,357
				02/28/2014	11,696	923,341
Giovanni Ciserani[8]				06/12/2009	22,244	1,774,851
				08/07/2008	932	76,142
				08/06/2009	1,212	98,958
				08/05/2010	1,121	91,554
				08/04/2011	1,236	100,926
				08/02/2012	1,446	118,041
				08/01/2013	1,238	101,074
	9/15/1999	7,528	236,534			
	2/27/2004	11,714	349,839			
	2/28/2005	35,769	1,061,723			
				02/29/2012	4,583	360,178

[1] The Number of Shares Acquired on Exercise is the gross number of shares acquired.

[2] The Value Realized on Exercise was determined by multiplying the number of shares acquired by the difference between the market price of the Company s common stock upon exercise and the grant price of the options.

[3] Numbers of Shares Acquired on Vesting is the gross number of shares acquired. Please see footnote 2 in the Outstanding Equity at Fiscal Year-End Table for the definition of vesting for Stock Awards.

[4] Value Realized on Vesting was determined by multiplying the number of shares acquired by the actual market price obtained or, in the absence of a broker transaction, value is determined by the average of the high and low price on the vesting date.

[5] Mr. Lafley s February 2014 Key Manager Stock Grant vested June 30, 2014 because he is retirement eligible.

[6] Mr. Moeller s retirement restricted RSUs vested on August 13, 2013 when the C&LD Committee changed the vesting of these awards to the individual NEO s 5-year anniversary date to mirror the vesting term of the PST. These RSUs were granted under the PST Restoration Program, described on page 32.

[7] In addition to the PST Restoration RSUs that vested in August 2013 due to the C&LD Committee action to change the vesting to the 5-year anniversary date of the NEO, Mr. Riant s outstanding Key Manager Stock Grants vested this year when he became retirement eligible.

[8] Mr. Ciserani s IRP RSUs vested on August 13, 2013 when the C&LD Committee changed the vesting of these awards to the individual NEO s 5-year anniversary date to mirror the vesting term of the PST. These RSUs were granted under the IRP, described on page 32.

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Pension Benefits

The following table and footnotes provide information regarding the Company s pension plans for Messrs. Geissler, Riant, and Ciserani as of the end of FY 2013-14. None of the other NEOs had any such arrangements with the Company.

Pension Benefits

Name	Plan Name	Number of Years of Credited Service[1]	Present Value of Accumulated Benefit ($)[2]	Payments During Last Fiscal Year ($)
Werner Geissler	The Procter & Gamble Company Global IRA[3]	21 years, 9 months	737,000	0
	The Procter & Gamble Pension Fund (Germany)	21 years, 9 months	4,649,000	0
Martin Riant	The Procter & Gamble Company Global IRA[3]	22 years, 11 months	1,992,000	0
	The Procter & Gamble Pension Fund (UK)	22 years, 11 months	4,134,000	0
Giovanni Ciserani	The Procter & Gamble Company Global IRA	20 years, 4 months	1,979,000	0

[1] Numbers in this column are computed as of the same pension plan measurement date used for financial statement reporting purposes for the Company s audited financial statements as found in Note 9 to the Consolidated Financial Statements contained in the Company s 2014 Annual Report on Form 10-K.

[2] The following provides the assumptions used in each plan to calculate present value:

Assumptions	Global IRA	German Plan	UK Plan
Retirement Age	60	65	65
Discount Rate	4.1%	2.9%	4.3%
Salary Increase Rate	4.75%	N/A	N/A
Social Security	2.00% (Italy)		
Increase Rate	2.25% (Germany)		
	3.50% (UK)		
	4.50% (Brazil)	N/A	3.5%
Pension Increase Rate	N/A	1.75%	3.25%
Pre-Retirement Decrements	None	None	None
Post-Retirement Mortality Table	RP 2000 Combined Healthy White Collar table (projected to 2020), sex distinct	Richttafeln 2005 G modified 2010	88% of CMI Self Administered Pension Schemes (SAPS) All table projected forward based on an individual s year of birth, with future mortality improvements in line with 2010 CMI Core

Projections subject to a long-term improvement rate of 1.25% pa.

The following exchange rates as of June 30, 2014, were used to calculate present value:

U.S. $1.36450: Euro 1.00

U.S. $1.70290: GBP £1.00

[3] Because Messrs. Geissler and Riant have reached age 55, they are eligible for early retirement under this plan. However, their benefits would be reduced by 5% for each year retirement precedes age 60. The earliest age at which they may retire with full benefits is age 60.

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The Procter & Gamble Global International Retirement Arrangement (Global IRA)

The Global IRA is designed to provide retirement benefits to certain employees whose benefits are frozen under their home country pension plan(s) as a result of having been transferred away from their home country on a permanent basis. The Global IRA benefit is calculated in accordance with the following formula:

The Global IRA accounts for the differences in retirement benefits attributable to a higher salary at the time of retirement than at the time of transfer out of the home country. As such, the Global IRA is reduced on a dollar-for-dollar basis by any retirement pension benefit paid by either the Company or the government, and which was earned through the employee s home country.

The Procter & Gamble Pension Fund (Germany) (German Pension Plan)

The German Pension Plan is a defined benefit plan for Germany-based employees hired before December 31, 1999. The German Pension Plan provides for post-retirement payments based on the employee s pensionable income, which for certain employees, including Mr. Geissler, includes a portion of their STAR award, and years of service at the time of retirement. The German Pension Plan benefit is calculated in accordance with the following formula:

The benefit is paid at retirement and reduced by the German social security benefit based on years of service. The normal retirement age is 65, and there is a surviving spouse benefit equal to 60% of the employee s pension benefit.

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The Procter & Gamble Pension Fund (UK) (UK Pension Plan)

The UK Pension Plan is a defined benefit plan for employees whose home country was within the United Kingdom for all or a portion of their career. The UK Pension Plan provides for post-retirement payments based on the employee s salary and years of service at the time of retirement. The UK Pension Plan benefit is calculated in accordance with the following formula:

Nonqualified Deferred Compensation

The following table and footnotes provide information regarding the Company s non-tax-qualified defined contribution and deferred compensation plans for each of the NEOs for FY 2013-14. For a complete understanding of the table and the footnotes, please read the narrative that follows the table.

Nonqualified Deferred Compensation Table

Name	Plan Name	Aggregate Balance at FYE 13 (6/30/13) ($)	Executive Contributions in Last FY ($)	Registrant Contributions in Last FY ($)	Aggregate Earnings in Last FY[1] ($)	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance at FYE 14 (6/30/14) ($)
A.G. Lafley	Executive Deferred Compensation Plan	15,658,747	1,250,000		3,464,335	2,341,672	18,031,410[2]
	Employee Stock and Incentive Compensation Plan[3]	46,897,024		7,211,705[4]	1,808,638	16,190,581[5]	39,726,786[6]
Jon R. Moeller	PST Restoration Program	756,722		125,064[7]	46,157	74,474[8]	853,469[9]
Werner Geissler	Executive Deferred Compensation Plan	514,325			96,014		610,339
	International Retirement Plan	653,665			33,318		686,983[10]
	Employee Stock and Incentive Compensation Plan[3]	11,890,561			468,245	2,163,109[11]	10,195,697[12]
	PST Restoration Program	1,463,139		165,671[7]	146,277	76,434[8]	1,698,653[13]

Martin Riant	Executive Deferred Compensation Plan	1,063,498	92,000		120,142		1,275,640
	Employee Stock and Incentive Compensation Plan[3]	2,101,727		4,032,293[14]	883,590	771,979[15]	6,245,631
	PST Restoration Program	900,475		129,233[7]	270,435	32,746[8]	1,267,397
Giovanni Ciserani	International Retirement Plan	810,377		146,989[16]	67,270	24,580[17]	1,000,056

[1] Because none of the amounts included in this column are above-market earnings under SEC reporting rules, they are not reflected in the Summary Compensation Table.

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[2] Total includes $5,500,000 previously reported in Summary Compensation Tables for prior years.

[3] Amounts shown include awards granted under the terms of either The Procter & Gamble 1992 Stock Plan, The Procter & Gamble 2001 Stock and Incentive Compensation Plan, or The Procter & Gamble 2009 Stock and Incentive Compensation Plan, depending on which plan was in effect at the time the NEO elected to defer the award.

[4] Total reflects the 2014 Key Manager Stock Grant which became nonforfeitable on June 30, 2014 because Mr. Lafley is retirement eligible. This award is also reported in the Summary Compensation Table found on page 36 of this proxy statement.

[5] Total includes delivery of a 2009 Key Manager Stock Grant that vested June 30, 2009, and the distribution of deferred compensation that Mr. Lafley elected upon his retirement in 2010.

[6] All equity awards included in this total have been reported in Summary Compensation Tables between FY 1997-98 and FY 2013-14, during the years when Mr. Lafley was an NEO.

[7] Total reflects registrant contributions in the form of RSUs pursuant to the PST Restoration Program, 100% of which are also reported in the Stock Awards column on the Summary Compensation Table found on page 36 of this proxy statement.

[8] Total reflects shares withdrawn to pay taxes due when PST Restoration RSUs vested according to the change in vesting provisions in 2013, described in footnote 6 on page 42 of this proxy statement.

[9] Total includes $389,629 previously reported in Summary Compensation Tables for prior years.

[10] Total includes $98,066 previously reported in Summary Compensation Tables for prior years.

[11] Total reflects the delivery of a 2009 Key Manager Stock Grant that vested on June 30, 2009.

[12] Total includes $1,903,969 previously reported in Summary Compensation Tables for prior years.

[13] Total includes $584,179 previously reported in Summary Compensation Tables for prior years.

[14] Total reflects the 2010, 2011, 2012, and 2013 Key Manager Stock Grants which became nonforfeitable this year when Mr. Riant became retirement eligible, and the 2014 Key Manager RSU grant which became nonforfeitable on June 30, 2014. The 2014 award is also reported in the Summary Compensation Table found on page 36 of this proxy statement.

[15] Total reflects the delivery of a 2009 Key Manager Stock Grant that vested during this fiscal year.

[16] Total reflects registrant contributions in the form of RSUs pursuant to the International Retirement Plan, 100% of which are also reported in the Stock Awards column on the Summary Compensation Table found on page 36 of this proxy statement.

[17] Total reflects shares withdrawn to pay taxes due when IRP RSUs vested according to the change in vesting provisions in 2013, described in footnote 8 on page 42 of this proxy statement.

The NEOs are eligible to participate in The Procter & Gamble Company Executive Deferred Compensation Plan (EDCP). Under EDCP, a participant may defer up to 75% of base salary (an increase from 50% in prior years) and up to 100% of the STAR award. Amounts may be deferred for a minimum of one year or until termination of employment. Payments that commence upon retirement, death, or disability may be taken in a lump sum or installments (over a maximum period of ten years). All other payments under the plan are paid as a lump sum.

Amounts deferred under EDCP are credited with market earnings based on the same fund choices available to all employees under the Company s tax-qualified plan, with the exception of P&G stock, which is not offered as an investment option in the EDCP. Participants may change fund choices on a daily basis.

Key Manager Stock Grants made in the form of RSUs that vest prior to delivery due to the NEO being retirement eligible are included in the aggregate balance as deferred compensation awards under an employee stock and incentive compensation plan. Participants may also defer delivery of incentive awards earned under the current STAR and PSP programs and their predecessors, including the Business Growth Program, which terminated on June 30, 2010, by electing to receive RSUs with deferred delivery. The RSUs are governed by the employee stock and incentive compensation plan that was in effect at the time the award was granted. Similarly, other special equity awards that were deferred by an NEO are included in the aggregate balance for amounts deferred under an employee stock and incentive compensation plan.

As described on page 32 of this proxy statement, federal tax rules limit the size of contributions that can be made to individuals pursuant to tax-qualified defined contribution plans like the PST. To account for these limitations, the Company utilizes the PST Restoration Program to make an additional annual contribution in the form of RSUs.

Similar to the PST, these RSUs become non-forfeitable once an executive has at least five years of service. The default form of payment is a lump sum distribution one year after retirement, or the executive can elect to defer the lump sum to six or eleven years after retirement or to commence ten annual installments at six or eleven years after retirement. Generally, executives have until retirement to change a previous deferral election, with any such deferral elections or changes to deferral elections made in compliance with Section 409A of the Internal Revenue Code. These RSUs earn dividend equivalents at the same rate as dividends on Common Stock and are accrued in the form of additional RSUs each quarter and credited to the executive s holdings. The value of each RSU may increase or decrease over time as the value is tied to the price of the Common Stock. Finally, NEOs may convert certain of their PST Restoration Program RSUs into notional cash with the same investment choices as those available under the EDCP.

The Company s IRP is designed to provide retirement benefits for employees whose participation in retirement plans in their home countries has been suspended because they are on assignments outside of that country. Under the IRP, the

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Company makes an annual contribution for each participant equal to the contribution that would have been made under the participant s home country retirement plan had the participant remained in that country and eligible to participate in that plan.

Historically, Company contributions to IRP were placed into one of several investment vehicles available within the IRP, at each participant s election. Participants in the U.S. receive their contributions in RSUs. These contributions vest according to the terms and conditions of the participant s home country retirement plan. Upon retirement from the Company, participants must elect to receive distributions from their IRP accounts in one of four ways: (1) fixed-income annuity, (2) variable annuity, (3) lump sum, or (4) annual installments (over a maximum of 15 years).

Amounts the NEOs defer under any of the above-mentioned plans that are scheduled to be paid after termination of employment must be held by the Company for a minimum of six months in order to comply with Section 409A of the Internal Revenue Code.

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Payments upon Termination or Change in Control

The Company does not have any employment contracts with its NEOs that require severance payments upon termination of their employment. The only situation in which a separation allowance may be paid is if an employee is encouraged to separate from the Company. Certain elements of compensation are, however, treated differently depending upon the specific circumstances of an NEO s separation.

Key Compensation Programs

The following table describes the general treatment of compensation under the Company s key programs under various separation scenarios for all Company employees, including the NEOs.

Compensation Element	Voluntary Separation or Termination for Cause	Company Encouraged Separation	Retirement or Disability	Change in Control	Death
Separation Allowance	None	Company has discretion to pay up to 1 times salary.	None	None	None
STAR	No acceleration of awards. Eligible for award only if worked the entire year.	No acceleration of awards. Pro-rated payment based on time worked.	No acceleration of awards. Pro-rated payment based on time worked.	No acceleration of awards. Pro-rated payment based on time worked.	No acceleration of awards. Pro-rated payment based on time worked.
Key Manager Stock Grant	All outstanding awards forfeited at separation.	No acceleration of option vesting or RSU delivery. All awards are retained subject to original terms, except for the current year grant if separation occurs before June 30.	No acceleration of option vesting or RSU delivery. All awards are retained subject to original terms, except for the current year grant if separation occurs before June 30.	Vesting accelerated for awards granted under the 2001 plan. For awards granted under the 2009 plan, vesting only accelerated if awards not assumed, unless termination without cause or resignation with good reason.	Vesting accelerated for all awards.
PSP Grant	All outstanding awards forfeited at separation.	No acceleration of payment. All awards are retained subject to original terms, except for the current year grant if separation occurs before June 30.	No acceleration of payment. All awards are retained subject to original terms, except for the current year grant if separation occurs before June 30.	Awards paid out at target at time of the Change in Control.	No acceleration of payment. All awards are retained subject to original terms, except for the current year grant if separation occurs before June 30.
Special Equity Awards	Unvested awards are forfeited at separation unless otherwise determined by C&LD Committee.	Unvested awards are forfeited at separation unless otherwise determined by C&LD Committee.	Unvested awards are forfeited at separation unless otherwise determined by C&LD Committee.	Vesting accelerated and award paid at time of the Change in Control.	Vesting accelerated and award paid at time of death.

All equity awards listed above are governed by the employee stock plan under which the award was granted. The scenarios described above assume that former employees comply with the terms and conditions of the applicable employee stock plan, including compliance with the Company s Purpose, Values and Principles and restrictions on competing with the Company following termination of employment. Failure to comply with either of these provisions can result in forfeiture and/or cancellation of outstanding equity awards.

Retirement Plans and Other Deferred Compensation

The retirement plans in which the NEOs participate do not discriminate in scope, terms, or operation for NEOs versus all other participants. All NEOs are fully vested in PST and will retain all shares upon termination of employment regardless of reason. PST Restoration RSUs vest at the NEO s fifth anniversary date. All NEOs are beyond their fifth anniversary date. Because Messrs. Geissler and Riant are retirement eligible, they are both entitled to a Global IRA benefit value upon separation from the Company. Additionally, Mr. Geissler is fully vested in his IRP and country pension plan account balances and therefore, would retain those balances upon termination for any reason. Mr. Riant is also vested in his U.K. pension.

Salary and STAR bonuses deferred under EDCP, have been earned and therefore are retained upon termination for any reason. Similarly, amounts deferred under the Business Growth Program and PSP have been earned and are retained upon termination for any reason. Vested amounts related to deferred compensation plans are not included in the following table because they are reported in the Nonqualified Deferred Compensation Table on page 45 of this proxy statement.

Executive Benefits

Executive Group Life Insurance Benefits are retained if employee is eligible for early retirement.

Financial Counseling Employee may use the remaining balance until the end of the current calendar year for reimbursable charges under the program.

Unused Vacation Employee is entitled to lump sum payment equal to value of accrued, but unused, vacation days.

Other Programs In most cases, participation ends on the last day worked, unless otherwise agreed to by the C&LD Committee.

Expatriate and Relocation Program

If an employee s expatriate assignment terminates for any reason, the Company would pay for relocation to the home country and would cover future taxes due related to the expatriate assignment.

Estimated Post-Employment Treatment of Compensation and Benefits

The following table and footnotes quantify the treatment of compensation or value of benefits that each NEO would receive under the Company s compensation programs upon various scenarios for termination of employment or a change in control of the Company. The amounts shown assume the event that triggered the treatment occurred on June 30, 2014.

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Payments upon Termination or Change in Control

Name	Voluntary Separation or Termination for Cause ($)	Company Encouraged Separation ($)	Retirement or Disability ($)	Change in Control ($)	Death ($)
A. G. Lafley					
Separation Allowance	0	2,000,000	0	0	0
STAR[1]	0	0	0	0	0
Key Manager Stock Grant[2]	0	0	0	0	0
PSP[3]	0	6,660,738	6,660,738	6,660,738	6,660,738
Executive Group Life Insurance	0	0	0	0	5,000,000
Jon R. Moeller					
Separation Allowance	0	850,000	0	0	0
STAR[1]	0	0	0	0	0
Key Manager Stock Grant[2]	0	4,900,616	4,900,616	4,900,616	4,900,616
PSP[3]	0	4,900,558	4,900,558	4,900,558	4,900,558
Executive Group Life Insurance	0	0	0	0	1,870,000
Werner Geissler[4]					
Separation Allowance	0	1,045,000	0	0	0
STAR[1]	0	0	0	0	791,545
Key Manager Stock Grant[2]	0	2,785,673	2,785,673	2,785,673	2,785,673
PSP[3]	0	5,806,072	5,806,072	5,806,072	5,806,072
Executive Group Life Insurance	0	0	0	0	2,299,000
Martin Riant					
Separation Allowance	0	920,000	0	0	0
STAR[1]	0	0	0	0	1,400,485
Key Manager Stock Grant[2]	0	659,387	659,387	659,387	659,387
PSP[3]	0	3,194,134	3,194,134	3,194,134	3,194,134
Executive Group Life Insurance	0	0	0	0	2,024,000
Giovanni Ciserani					
Separation Allowance	0	760,000	0	0	0
STAR[1]	0	0	0	0	0
Key Manager Stock Grant[2]	0	1,400,746	1,400,746	1,400,746	1,400,746
PSP[3]	0	3,194,134	3,194,134	3,194,134	3,194,134
Executive Group Life Insurance	0	0	0	0	1,672,000

[1] STAR awards previously elected in stock options that would vest and become exercisable immediately upon death. No other amounts are included for STAR because the NEO would be entitled to the same payment whether or not separation occurred on June 30, 2014.

[2] Upon voluntary separation or termination, all outstanding awards would be forfeited. While all unvested awards are retained (except for the current year grant if separation occurs before June 30) in the event of Company encouraged separation, retirement, or disability, these events do not trigger any change in the original payment terms of the awards. The amounts shown for the Key Manager Stock Grant in the event of Company-encouraged separation, retirement or disability represents the value of the unexercisable stock options and undelivered RSUs as of June 30, 2014 that would be retained at separation and payout according to the original terms and timing of the grants. Awards vest and become immediately exercisable in the event of death or change in control.

[3] Upon voluntary separation or termination, all outstanding awards would be forfeited. While all unvested awards are retained (except for the current year grant if separation occurs before June 30) in the event of Company-encouraged separation, retirement or disability, or death, these events do not trigger any change in the original payment terms of the awards. In the event of change in control, PSP will pay out at target on the date of the change in control. The amounts shown for the PSP Grants represent the value of the unvested PSUs as of June 30, 2014 that would be retained on the triggering event and pay out according to the original terms

and timing of the grants.

[4] As part of the Company s overall restructuring and productivity effort, Mr. Geissler, formerly Vice Chairman Global Operations, was named Vice Chairman Advisor to the Chairman and Chief Executive Officer effective July 1, 2014. In this capacity, he will report to Mr. Lafley until his future retirement date, which is expected to occur no later than June 30, 2015 and will be determined based on business need and mutual agreement. Because Mr. Geissler s role was eliminated as part of the Company s restructuring, he will receive a lump sum payment equal to one year s salary upon his retirement. In exchange for this compensation, Mr. Geissler will be subject to certain non-compete, non-solicitation, and non-disparagement obligations.

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Security Ownership of Management and Certain Beneficial Owners

The following table shows all entities that are the beneficial owners of more than 5% of any class of the Company s voting securities:

Title of Class	Name and Address of Beneficial Owner	Amount and Nature	Percent of Class
Common	BlackRock, Inc. 40 East 52nd Street New York, NY 10022	147,073,998[1]	5.40%
Common	The Vanguard Group 100 Vanguard Blvd. Malvern, PA 19355	144,499,854[2]	5.31%

[1] Based on information as of December 31, 2013 contained in a Schedule 13G/A filed with the SEC on February 12, 2014 by BlackRock, Inc. The Schedule 13G/A indicates that BlackRock, Inc. has sole voting and dispositive power with respect to these shares.

[2] Based on information as of December 31, 2013 contained in a Schedule 13G filed with the SEC on February 6, 2014 by The Vanguard Group. The Schedule 13G indicates that The Vanguard Group has (i) sole power to vote or direct to vote with respect to 4,447,593 shares, (ii) sole dispositive power with respect to 140,354,004 shares, and (iii) shared dispositive power with respect to 4,145,850 shares.

The following tables and footnotes provide information regarding the ownership of the Company s Common Stock and Series A and B ESOP Convertible Class A Preferred Stock by all Directors and nominees, each NEO, and all Directors and executive officers as a group on August 15, 2014:

Common Stock

Number of shares/options

	Amount and Nature of Beneficial Ownership					
Name	Direct[1] and Profit Sharing Plan[2]	Right to Acquire[3]	Trusteeships and Family Holdings[4]	Total	Percent of Class	Restricted Stock Units [5]
Angela F. Braly	7,546	0	0	7,546	[6]	10,490
Kenneth I. Chenault	6,093	0	0	6,093	[6]	15,392
Giovanni Ciserani						