PROCTER & GAMBLE Co
Form DEFC14A
August 01, 2017
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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

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))

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):

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:

(2) Aggregate number of securities to which the transaction applies:

(3) Per unit price or other underlying value of the transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

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NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

August 1, 2017

Fellow Procter & Gamble Shareholders:

It is our pleasure to invite you to this year s annual meeting of shareholders. The meeting will take place on Tuesday, October 10, 2017 at 9:00 a.m. Eastern Daylight Time at The Procter & Gamble Company General Offices, 1 Procter & Gamble Plaza, Cincinnati, Ohio 45202. At the meeting, our shareholders will be asked to:

- Elect the 11 Director nominees listed in the accompanying proxy statement;
- Ratify the appointment of the independent registered public accounting firm;
- Approve, on an advisory basis, the Company s executive compensation (the Say on Pay vote);
- Vote, on an advisory basis, on the frequency of holding the Say on Pay vote;
- Vote on the shareholder proposals described in the accompanying proxy statement if properly presented at the meeting; and
- Transact such other business as may properly come before the meeting.

Trian Partners, L.P., and certain of its affiliates (together, Trian) have notified the Company of their intention to propose a Director nominee for election at the annual meeting in opposition to the nominees recommended by our Board of Directors. As a result, you may receive solicitation materials, including a white proxy card, from Trian seeking your proxy to vote for Trian s nominee. **The Board urges you not to sign or return or vote the white proxy card sent to you by Trian.**

Shareholders of record as of the close of business on August 11, 2017 (the record date) are entitled to vote at the annual meeting and any postponement or adjournment thereof. **Please see pages 2-5 for additional information regarding admission to the meeting and how to vote your shares.** This proxy statement and the accompanying BLUE proxy card are first being sent or given to shareholders on or about August 1, 2017.

Your vote is extremely important. **Even if you plan to attend the annual meeting, we request that you vote your shares by signing and dating the enclosed BLUE proxy card and returning it in the enclosed postage-paid envelope or by voting via Internet or by telephone by following the instructions provided on the enclosed BLUE proxy card, BLUE voting instruction form, or notice**. If you have already voted using a white proxy card sent to you by Trian, you can revoke it by signing and dating the enclosed **BLUE** proxy card and returning it in the enclosed postage-paid envelope or by voting via Internet or by telephone by following the instructions provided on the enclosed **BLUE** proxy card, **BLUE** voting instruction form, or notice. Only your last-dated proxy will count, and any proxy may be revoked at any time prior to its exercise at the annual meeting as described in the accompanying proxy statement.

We appreciate your continued confidence in our Company and look forward to seeing you at The Procter & Gamble General Offices on October 10, 2017.

DAVID S. TAYLOR	DEBORAH P. MAJORAS
CHAIRMAN OF THE BOARD, PRESIDENT	CHIEF LEGAL OFFICER AND SECRETARY
AND CHIEF EXECUTIVE OFFICER	

REVIEW THE PROXY STATEMENT AND VOTE IN ONE OF FOUR WAYS:

VIA THE INTERNET

Visit the website provided on your **BLUE** proxy card, **BLUE** voting instruction form, or notice.

BY MAIL

Sign, date, and return the enclosed **BLUE** proxy card or **BLUE** voting instruction form.

BY TELEPHONE

Call the telephone number on your

BLUE proxy card, **BLUE** voting instruction form, or notice.

IN PERSON

Attend the annual meeting in Cincinnati.

This Notice of Annual Meeting, the Proxy Statement, and the 2017 Annual Report are or will be available at www.pginvestor.com. If you have any questions, please contact D.F. King & Co., Inc. or Mackenzie Partners, Inc., our proxy solicitors assisting us in connection with the annual meeting, by calling toll free (877) 361-7966 or (800) 322-2885 or emailing p&g@dfking.com or P&G@mackenziepartners.com.

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Voting Matters and Board Recommendations

	Voting Matter	Vote Standard	Board Vote Recommendation	See Page
Item 1	Election of Directors	11 nominees receiving greatest number of votes cast	FOR EACH NOMINEE RECOMMENDED BY YOUR BOARD	9
Item 2	Ratification of Independent Registered Public Accounting Firm	Majority of votes cast	FOR	62
Item 3	Advisory Approval of Executive Compensation	Majority of votes cast	FOR	63
Item 4	Advisory Vote on Frequency of the Executive Compensation Vote	Majority of votes cast	1 YEAR	64
Item 5	Adopt Holy Land Principles	Majority of votes cast	AGAINST	65
Item 6	Report on Application of Company Non-Discrimination Policies in States With Pro-Discrimination Laws	Majority of votes cast	AGAINST	67
Item 7	Report on Mitigating Risks of Activities in Conflict-Affected Areas	Majority of votes cast	AGAINST	69
Item 8	Repeal Certain Amendments to Regulations	Majority of the outstanding shares entitled to vote on this item at the 2017 Annual Meeting	AGAINST	71

Our Board of Directors

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Our Director Nominees

You are being asked to vote on the election of the 11 Director nominees listed below. Additional information about each Director nominee s background and experience can be found beginning on page 9.

YOUR VOTE IS EXTREMELY IMPORTANT. THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THE ELECTION OF THESE 11 DIRECTOR NOMINEES. THE BOARD OF DIRECTORS DOES NOT ENDORSE ANY TRIAN NOMINEES AND URGES YOU NOT TO SIGN OR RETURN THE WHITE PROXY CARD SENT TO YOU BY TRIAN.

Name	Position	Age	Board Tenure	Committee Memberships
Francis S. Blake *	Former Chairman of the Board and Chief Executive Officer of The Home Depot, Inc.	68	2 years	Audit G&PR
Angela F. Braly *	Former Chair of the Board, President and Chief Executive Officer of WellPoint, Inc. (now known as Anthem)	56	7 years	Audit G&PR (Chair)
Amy L. Chang *	Founder and Chief Executive Officer of Accompany, Inc.	40	2 months	Audit I&T
Kenneth I. Chenault *	Chairman and Chief Executive Officer of American Express Company	66	9 years	Audit C&LD
Scott D. Cook *	Chairman of the Executive Committee of the Board of Intuit Inc.	65	16 years	C&LD I&T (Chair)
Terry J. Lundgren *	Executive Chairman and Chairman of the Board of Macy s, Inc.	65	4 years	C&LD I&T
W. James McNerney, Jr. * (Lead Director)	Senior Advisor at Clayton, Dubilier & Rice, LLC; Former Chairman of the Board, President and Chief Executive Officer of The Boeing Company	67	14 years	C&LD (Chair) G&PR
David S. Taylor	Chairman of the Board, President and Chief Executive Officer of the Company	59	2 years	
Margaret C. Whitman *	President and Chief Executive Officer of Hewlett Packard Enterprise	60	6 years	C&LD I&T
Patricia A. Woertz *	Retired Chairman and Chief Executive Officer of Archer Daniels Midland Company	64	9 years	Audit (Chair) G&PR
Ernesto Zedillo *	Director of the Center for the Study of Globalization and Professor of International Economics and Politics at Yale University and former President of Mexico	65	16 years	G&PR I&T

* *Independent*

C&LD	Compensation & Leadership Development
G&PR	Governance & Public Responsibility
I&T	Innovation & Technology

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Corporate Governance Highlights

Director Independence	10 of 11 Director nominees are independent
	4 fully independent Board Committees: Audit, Compensation & Leadership Development, Governance & Public Responsibility, and Innovation & Technology
Board Accountability	Declassified Board all Directors are elected annually
	Simple majority voting standard for all uncontested Director elections
	Shareholder right to call special meetings
Board Leadership	Annual assessment and determination of Board leadership structure
	Annual election of independent Lead Director if Chairman/CEO roles are combined or the Chairman is not independent
	Lead Director has strong role and significant governance duties, including chair of Executive Sessions of independent Directors
Board Evaluation and Effectiveness	Annual Board and Committee self-assessments
	Annual independent Director evaluation of Chairman and CEO
Board Refreshment &	Balance of new and experienced Directors, with tenure of current Directors averaging 8 years after adding 4 new Directors in the last 5 years

Diversity	Specified retirement age and term limit for Directors 6 of 11 Directors are women or ethnically diverse Average age of Directors is 61
Director Engagement	Directors attended 95% of Board and Committee meetings in FY 2016-17 Board policy limits Director membership on other public company boards Shareholder ability to contact Directors (as described beginning on page 24)
Director Access	Significant interaction with senior business leaders through regular business reviews Directors have access to senior management and other employees Directors have ability to hire outside experts and consultants and to conduct independent investigations
Clawback and Anti-Hedging Policies	Clawback policy permits the Company to recoup certain compensation payments in the event of a significant restatement of financial results for any reason Insider Trading Policy prohibits Directors, senior executives and other designated employees from engaging in any pledging, short sales or hedging investments involving Company stock
Share Ownership	CEO required to hold shares equivalent to 8x salary All senior executives required to hold shares equivalent to 4x or 5x salary, depending on role

	Directors required to hold shares equivalent to 6x the cash portion of their annual retainer
	Any executive who has not met the requirements of the Executive Share Ownership Program is subject to the Share Holding Requirement for any net shares resulting from stock option exercises or settlement of PSUs or RSUs
Proxy Access	Proactive adoption in 2016 of proxy access for Director nominees
	Available to a shareholder, or group of up to 20 shareholders, holding 3% of Company s common stock for at least 3 years
	May nominate candidates for the greater of two seats or 20% of Board nominees

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Executive Compensation Highlights

Key Elements of FY 2016-17 Executive Compensation Program

Strong Shareholder Support with 94.4% Say on Pay Support at the 2016 Annual Meeting. This vote is a positive endorsement of the Company s 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.

We Emphasize Pay for Performance.

¡ On average, 88% of NEO compensation was performance-based. Of this, 75% was tied to long-term performance.

¡ In each consecutive year since the Performance Stock Program (PSP) first paid out five years ago, combined performance-based pay (Short-Term Achievement Reward plus PSP) has paid out below target for each NEO. Annual payouts have ranged from a low of 54% of target to a high of 77% of target. The combined performance-based payout this year for the NEOs was 77% of target. In aggregate, performance-based pay for NEOs was 61% of target over the past five years.

¡ Multiple performance metrics under the Short-Term Achievement Reward (STAR) program and PSP discourage excessive risk-taking.

We Pay Competitively.

¡ The C&LD Committee structures executive compensation to be competitive with the targets for comparable positions at companies considered to be our peers, as described on pages 30-31.

¡ 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., taking into account peer data, financial results, personal contributions, and the total compensation package.

We Focus on Long-Term Success.

¡ The majority of the NEOs compensation is delivered through two long-term incentive programs tied to Company performance: the PSP and the Long-Term Incentive Program (LTIP).

¡ Significant share ownership and shareholding requirements.

¡ Clawback policy can result in recoupment or repayment of equity-based awards.

¡ No hedging, pledging, collars, short sales, or other derivative transactions.

CEO Compensation Highlights

Salary. Mr. Taylor s annualized base salary was unchanged at $1,600,000.

STAR Annual Bonus Program. Mr. Taylor s STAR target remained at 200% of salary. His STAR payout was $4,080,384, which is approximately 128% of target.

Long-Term Incentive Programs. The C&LD Committee approved a long-term incentive award of $12,000,000 for Mr. Taylor. Long-term incentive awards are comprised of equity grants made under the LTIP and the PSP. Half of the total value is delivered in the PSP, with payout for the FY 2016-17 grant to be made in August 2019 and based on achievement of the four performance goals described on page 37. The remaining value is in the LTIP grant, which the C&LD Committee determined will be delivered as 50% stock options and 50% RSUs.

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Commonly Used Terms in This Proxy Statement

C&LD	Compensation & Leadership Development
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CHRO	Chief Human Resources Officer
EDCP	Executive Deferred Compensation Plan
EGLIP	Executive Group Life Insurance Program
EPS	Earnings Per Share
FY	Fiscal Year

G&PR	Governance & Public Responsibility
GBU	Global Business Unit
I&T	Innovation & Technology
IRA	International Retirement Arrangement
IRP	International Retirement Plan
LTIP	Long-Term Incentive Program
NEO	Named Executive Officer
NYSE	New York Stock Exchange
PSP	Performance Stock Program
PST	Profit Sharing Trust and Employee Stock Ownership Plan

PSU	Performance Stock Unit
RSU	Restricted Stock Unit
SEC	Securities and Exchange Commission
SMO	Selling and Market Operations
STAR	Short-Term Achievement Reward
TSR	Total Shareholder Return

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In connection with the Company s 2017 annual meeting of shareholders, which will take place on October 10, 2017, the Board of Directors has provided these materials to you, either over the Internet or via mail. The Notice will be sent to certain Company shareholders beginning August 1, 2017, and our proxy materials will be 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 2017 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.

1. Who can vote?

You can vote if, as of the close of business on August 11, 2017, you were a shareholder of record of the Company s:

- 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 June 30, 2017, there were issued and outstanding:

- 2,553,296,630 shares of Common Stock;
- 41,548,488 shares of Series A ESOP Convertible Class A Preferred Stock; and
- 55,789,846 shares of Series B ESOP Convertible Class A Preferred Stock.

We are commencing our solicitation of proxies on or about August 1, 2017, which is before the record date. We will continue to solicit proxies until the date of the annual meeting. Each shareholder of record on August 11, 2017 who has not yet received a proxy statement prior to that date will receive a proxy statement and have the opportunity to vote on the matters described in the proxy statement. Proxies delivered prior to the record date will be valid and effective so long as the shareholder providing the proxy is a shareholder on the record date. If you are not a holder of record on the record date, any proxy you deliver will be ineffective. If you deliver a proxy prior to the record date and remain a holder on the record date, you do not need to deliver another proxy after the record date. If you deliver a proxy prior to the record date and do not revoke that proxy, your proxy will be deemed to cover the number of shares you own on the record date even if that number is different from the number of shares you owned when you executed and delivered your proxy. Proxies received from persons who are not holders of record on the record date will not be effective.

2. 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 on the enclosed **BLUE** proxy card or **BLUE** voting instruction form;

- **By Telephone** In the United States and Canada, you can vote by telephone by following the instructions on the **BLUE** proxy card or **BLUE** voting instruction form; or

- **By Mail** You can vote by mail by signing and dating the enclosed **BLUE** proxy card or **BLUE** voting instruction form and returning it in the postage-paid envelope provided with this proxy statement.

If you vote by telephone, via the Internet, or by signing, dating, and returning the **BLUE** proxy card, your shares will be voted at the annual meeting as you direct. If you sign your **BLUE** proxy card but do not specify how you want your shares to be voted, they will be voted as the Board recommends.

If you are a participant in The Procter & Gamble Direct Stock Purchase Plan and/or The Procter & Gamble International Stock Ownership Program, you can vote the shares of common stock held for your account through any of the proxy voting options set forth above.

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For participants in The Procter & Gamble Profit Sharing Trust and Employee Stock Ownership Plan, The Procter & Gamble Savings Plan, The Gillette Company Employee Stock Ownership Plan, The Procter & Gamble Commercial Company Employees Savings Plan and/or The Profit Sharing Plan of The Procter & Gamble Commercial Company (the Plans):

If you are a participant in the Plans, you can instruct the respective plan fiduciaries how to vote the shares of stock that are allocated to your account. If you do not vote your shares, the plan fiduciaries will vote them in proportion to those shares for which they have received voting instructions. Likewise, the plan fiduciaries will vote shares held by the trust that have not been allocated to any account in the same manner.

3. Why have I received different color proxy cards?

Trian has notified the Company that it intends to propose an alternative Director nominee for election at the annual meeting in opposition to the nominees recommended by your Board. The Company has provided you with the enclosed **BLUE** proxy card. Trian may send you a white proxy card.

Your Board of Directors unanimously recommends using the enclosed BLUE proxy card to vote FOR each of the Board s nominees for Directors. Our Board of Directors recommends that you simply DISREGARD the white proxy card.

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

Yes. You can change or revoke your proxy at any time before it is exercised at the annual meeting by Internet, telephone, or mail or by attending the annual meeting and voting in person.

If you have previously signed a white proxy card sent to you by Trian, you may change your vote and revoke your prior proxy by signing and dating the enclosed **BLUE** proxy card and returning it in the postage-paid envelope provided or by voting via the Internet or by telephone by following the instructions on the enclosed **BLUE** proxy card.

Submitting a white Trian proxy card even if you withhold your vote on the Trian nominee will revoke any vote you previously made via our BLUE proxy card. If you wish to vote pursuant to the recommendation of the Board, you should disregard any proxy card that you receive that is not a BLUE proxy card and not return any white proxy card that you may receive from Trian.

5. 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, even if you plan to attend in person.

6. What are the voting procedures and what vote is required for approval of proposals?

Election of Directors If Trian proceeds with its alternative nomination, the number of Director nominees will be 12, which exceeds the number of Directors to be elected. As provided in the Company s Amended Articles of Incorporation, in such a situation, the 11 nominees who receive the greatest number of votes cast will be elected. Abstentions and broker non-votes will have no effect.

Proposals 2 through 7 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.

Proposal 8 requires the affirmative vote of a majority of the outstanding shares entitled to vote on this proposal at the 2017 Annual Meeting. Abstentions and broker non-votes will have the effect as a vote AGAINST proposal 8.

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Additionally, if you hold your Company shares through a bank, broker, or other intermediary, the intermediary will not be able to vote your shares. Given the contested nature of the election of Directors, the New York Stock Exchange s (NYSE) rules governing broker s discretionary authority do not permit brokers to exercise discretionary authority regarding any of the proposals to be voted on at the annual meeting, including the Election of Directors.

7. Who pays for the Company s proxy solicitation?

The Company will bear the cost of the solicitation of proxies by the Company. The Company s Directors and certain of the Company s regular officers and employees in the ordinary course of their employment may solicit proxies by mail, Internet, telephone, facsimile, advertisements, 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.

As a result of the potential proxy solicitation by Trian, we will incur additional costs in connection with our solicitation of proxies. We have hired D.F. King & Co., Inc. and Mackenzie Partners, Inc., proxy solicitation firms, to assist us in soliciting proxies for a fee of $2,500,000. D.F. King and Mackenzie expect that approximately 450 of their employees will assist in the solicitation. The total amount to be spent for the Company s solicitation of proxies from shareholders for the annual meeting in excess of that normally spent for an annual meeting is estimated to be approximately $35,000,000, approximately $950,000 of which has been accrued to date.

8. What is the difference between a shareholder of record and a beneficial shareholder of shares held in street name?

You are the shareholder of record for any P&G shares that you own directly in your name in an account with P&G s stock transfer agent, Wells Fargo Shareowner Services.

You are a beneficial shareholder of shares held in street name if your P&G shares are held in an account with a broker, bank, or other nominee as custodian on your behalf. The broker, bank, or other nominee is considered the shareholder of record of these shares. As the beneficial owner, you have the right to instruct the broker, bank, or other nominee on how to vote your P&G shares.

9. How do I vote my P&G shares held in street name?

If your shares are held by a bank, broker, or other holder of record, you will receive voting instructions from the holder of record. You must follow these instructions in order for your shares to be voted. Your broker is required to vote your shares in accordance with your instructions. **Given the contested nature of the election of Directors, if you do not give instructions to your broker, your broker will not be able to vote your shares. It is important to instruct your broker how to vote your shares by following their voting instructions.**

10. Can I attend 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 11, 2017, the record date. 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. You must bring the following evidence that you are a shareholder of record:

- If you are a registered holder, you must bring a copy of your proxy card; or

- If you hold through a bank or brokerage firm, you must bring a copy of either your Voting Instruction Form or a copy of your brokerage statement as evidence of your stock ownership as of the record date. You

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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.

11. Can I listen to the Annual Meeting on-line?

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 10, 2017.

12. What is the Record Date?

August 11, 2017 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.

13. How is P&G distributing proxy materials?

On or about August 7, 2017, we will begin mailing a Notice of Internet Availability of Proxy Materials (the Notice) to certain shareholders of record as of July 28, 2017, and we will post our proxy materials on the website referenced in the Notice. We may also mail proxy materials to shareholders of record. As more fully described in the Notice, shareholders may choose to access our proxy materials at www.pginvestor.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.

14. Why were my proxy materials included in the same envelope as other people at my address?

Shareholders of record who have the same address and last name may receive a single copy of the proxy materials for all shareholders having that address. This procedure reduces our printing costs and postage fees. Each shareholder will have a unique control number needed to vote his or her shares. If you prefer to receive a separate copy of the proxy materials, please call us toll-free at (800) 742-6253 in the U.S., or inform us in writing at: The Procter & Gamble Company Shareholder Services, c/o Wells Fargo Shareowner Services, P.O. Box 64874, St. Paul, MN 55164-0874, or by email at www.pgshareholder.com; click Contact Us under the Email section. We will promptly deliver a separate copy of the proxy materials in response to any such request. If, in the future, you do not wish to participate in householding, you should contact us at the above phone number, address or email.

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

15. What can I do if I have questions?

If you have any questions, please contact D.F. King & Co., Inc. or Mackenzie Partners, Inc., our proxy solicitors assisting us in connection with the annual meeting, by calling toll free (877) 361-7966 or (800) 322-2885 or emailing p&g@dfking.com or P&G@mackenziepartners.com.

YOUR VOTE IS EXTREMELY IMPORTANT. Even if you plan to attend the annual meeting, please vote your shares by signing and dating the enclosed BLUE proxy card and returning it in the enclosed postage-paid envelope or by voting via Internet or by telephone by following the instructions provided on the enclosed BLUE proxy card.

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Background of the Solicitation

On February 14, 2017, CNBC reported that, according to unnamed sources, Trian had taken a substantial position in the Company, estimated to be around $3.5 billion.

On February 14, 2017, Trian filed a Schedule 13F with the SEC disclosing beneficial ownership of 6,416,284 shares of the Company s outstanding common stock by certain Trian funds. As of its most recent 13F filing on May 12, 2017, Trian disclosed beneficial ownership of 36,718,855 shares of the Company s outstanding common stock.

On February 16, 2017, Nelson Peltz, Chief Executive Officer and Founding Partner of Trian, contacted the Company s Investor Relations department, requesting to speak with Mr. Taylor. Mr. Taylor returned the call, and Mr. Peltz informed Mr. Taylor that Trian had taken a large investment stake in the Company. Mr. Peltz said that he would like the dialogue to be constructive and that he would like to set up a meeting to discuss his thoughts and ideas about the Company. Mr. Taylor agreed to do so, and the parties subsequently scheduled a meeting for March 7.

On February 27, 2017, pursuant to applicable U.S. antitrust laws, Trian provided a letter to the Company stating its intention to file notifications under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the HSR Act), to enable certain investment funds affiliated with Trian to acquire voting securities of the Company. On March 16, 2017, the Federal Trade Commission granted early termination of the waiting periods applicable under the HSR Act with respect to those notifications.

On March 7, 2017, Messrs. Taylor and Moeller met with Mr. Peltz and Ed Garden, Founding Partner and Chief Investment Officer of Trian. At this meeting, Messrs. Peltz and Garden provided a brief overview of their firm. Messrs. Peltz and Garden said that Trian had done an analysis of the Company and was of the belief that the Company had opportunities to improve its performance and earnings. Mr. Peltz suggested that Trian could help the Company drive these results and that he would like a Board seat, saying that he could be far more helpful working from the inside. The parties discussed some of Trian s suggestions[1], and Mr. Taylor also committed to confer with the Company s Directors and to get back to Mr. Peltz regarding his Board seat request and potential next steps in the parties engagement.

Between March 7 and March 17, Mr. Taylor had conversations with several members of the Company s Board regarding the meeting with Mr. Peltz and his request for a Board seat.

On March 17, 2017, Messrs. Peltz and Garden called Mr. Taylor. Mr. Peltz reiterated his request for a seat on the Company s Board of Directors, emphasizing that he only wanted one seat and that he wanted it for himself. Mr. Taylor told Mr. Peltz that the Board did not think adding Mr. Peltz to the Board was appropriate at this time, and that he would prefer to continue with a constructive engagement. The parties agreed to meet again in person and scheduled a meeting for April 24.

On April 11, 2017, the Board of Directors held its regularly scheduled April meeting at the Company s headquarters. During the meeting, the Board appointed Amy L. Chang to the Board, effective June 1, 2017. The Board also discussed the engagement with Trian and Mr. Peltz s request for a Board seat for himself.

On April 12, 2017, the Company announced the appointment of Amy L. Chang to the Company s Board, effective June 1, 2017. On the same day, Mr. Taylor had a phone call with Mr. Peltz. Mr. Taylor informed Mr. Peltz that the Company had been engaged in a search for a new Director for the past six months, and that the Board believed Ms. Chang s extensive digital experience would be a great addition to the skillset of the Company s Board. Mr. Peltz was very supportive of the appointment of Ms. Chang to the Board. Mr. Taylor also invited Mr. Peltz to attend the Company s upcoming Global Leadership Council (GLC) meeting on May 4, which would include the Company s top 30 executives, and share his views about the Company. Mr. Peltz agreed this would be a good idea and noted that the invitation reflected P&G s willingness to listen. Messrs. Taylor and Peltz also reconfirmed their plan to meet on April 24.

[1] In this conversation, as well as all others between representatives of the Company and Trian, the parties discussed material Company results or strategic plans only to the extent that they were publicly available.

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On April 24, 2017, Messrs. Taylor and Moeller met with Messrs. Peltz and Garden, and Josh Frank, Senior Analyst and Partner at Trian. Mr. Peltz stated that he did not want to talk about the Company s product portfolio, capital structure, or about changing management. Mr. Peltz said that the Company was moving in the right direction, but that it needed to move faster, and that management needed to make more significant cost cuts and organizational changes. The group discussed a number of ideas about the Company s cost structure, and Mr. Peltz reiterated that he believed he could be a very helpful addition to the Company s Board. The group also confirmed Mr. Peltz s attendance at the upcoming GLC meeting.

On May 4, 2017, Messrs. Peltz and Frank came to the Company s GLC meeting, where Mr. Peltz spoke to the GLC for approximately an hour. The format for the presentation was an interview with Mr. Peltz, moderated by Mr. Taylor. Mr. Peltz outlined for the GLC the same perspective on the Company that he had provided to Messrs. Taylor and Moeller in the April 24, 2017 meeting.

On May 8, 2017, Messrs. Peltz and Taylor had a phone call, during which Mr. Peltz continued to ask for a seat on the Company s Board, stating he believed he could be more helpful as an insider, with access to more detailed information. Mr. Peltz also indicated that he would like to meet with the other members of the Company s Board to discuss the potential appointment. Mr. Taylor agreed to schedule a meeting that would include W. James McNerney, Jr., the Company s Lead Independent Director.

On May 18, 2017, Messrs. Taylor and McNerney met with Mr. Peltz. Mr. Peltz reiterated that he wanted to maintain a constructive relationship and restated the reasons why he believed he should be added to the Company s Board. Mr. Peltz stated that he did not want to break up the Company and that the Company is generally on the right track, but needs to move faster in terms of making organizational changes and increasing productivity savings. Mr. McNerney told Mr. Peltz that the Company had a plan, that the Board fully supported that plan, and they wanted to give management the opportunity to execute it. Mr. McNerney also stated that if, by next year, the current plan was not producing satisfactory results, the Company and the Board would certainly consider whether any changes were appropriate. Mr. McNerney told Mr. Peltz that, while the Company wanted to continue to engage cooperatively with Trian, the Board had discussed Mr. Peltz s request and did not believe that a Board seat was appropriate at this time. Mr. Peltz said that the Company would receive a Notice of Nomination from Trian, as Mr. Peltz needed to preserve all his options for now. Messrs. Taylor and McNerney informed Mr. Peltz that it would be difficult to continue with constructive engagement in the event of a potential proxy contest. Mr. Peltz told Messrs. McNerney and Taylor that he had to have something for his investors. The parties discussed alternatives for avoiding a proxy contest, but made no agreements. Messrs Taylor and McNerney were not willing to make any public commitments to add Mr. Peltz to the Company s Board contingent on whether the Company met certain performance or operating metrics over the next 12 months. While no agreement was reached during the meeting, the parties agreed to continue to consider alternatives.

On May 18, 2017, Trian also delivered a notice of its intent to nominate Mr. Peltz to stand for election to the Board of Directors of the Company at the Annual Meeting and stating that Trian would solicit proxies in support of such election.

On May 22, 2017, as a possible alternative to a proxy contest, Mr. Taylor sent Mr. Peltz an email that included a potential press release that the Company could issue, which would describe the Company s engagement with Trian.

On May 24, 2017, Mr. Peltz sent Mr. Taylor an email saying that he appreciated the spirit of Mr. Taylor s proposal, and his initial reaction was to ask the Company to include specific performance and operating commitments in the public statement, with an additional commitment to appoint Mr. Peltz to the Company s Board if those performance and operating commitments were not met within the next 12 months. Mr. Peltz also stated in his email that he understood why an agreement subject to an arbitrary one-year period would be difficult for Mr. Taylor and the Board. In Mr. Peltz s email correspondence, he indicated he was more focused on the Company s long-term performance rather than the next twelve months. Mr. Peltz further noted in the email that if Trian and the Company could not reach agreement, he would take his Board candidacy to shareholders at this year s Annual Meeting.

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On May 25, 2017, Mr. Taylor responded to Mr. Peltz s message, saying that he had hoped for a more constructive response, and that, as acknowledged by Mr. Peltz, a one-year performance period was arbitrary. Mr. Taylor also stated that if the parties were engaged in a proxy contest, it would be difficult to continue engaging constructively as they had been doing to date. Mr. Taylor offered to discuss the proposed press release further. Mr. Peltz sent a reply email later that day, saying that he understood that an agreement subject to a one-year performance period could be difficult for Mr. Taylor and the Board and that he did not want the Company to make any commitments that could detract from its long-term performance. Mr. Peltz said that he hoped to continue their discussions and avoid a proxy contest, and suggested that he and Mr. Taylor meet in person.

On June 1, 2017, Mr. Taylor and Mr. Peltz met for dinner. Mr. Peltz reiterated his view that it was critical for him to be on the Board in order to be the most helpful. Mr. Taylor informed Mr. Peltz that this was a decision for the entire Board of Directors. Mr. Peltz requested to meet with the Company s Directors to discuss, and Mr. Taylor said he would discuss the matter with the Board and provide a response.

On June 14, 2017, Mr. Taylor called Mr. Peltz and offered to set up a meeting that would include three other members of the Board Mr. McNerney, Angela Braly, and Kenneth Chenault. The parties agreed on a July 11 meeting date.

On June 16, 2017, CNBC and other news outlets reported that, according to unnamed sources, Trian had submitted a Director nomination to the Company.

On June 19, 2017, Mr. Peltz tried to call Mr. Taylor, and Mr. Taylor returned the call. Mr. Peltz said that he wanted Mr. Taylor to know that Trian was not the source of the June 16 news stories. Mr. Peltz also indicated that, while he was disappointed there would only be three independent Directors in the July 11 meeting, he still hoped the parties could avoid a proxy contest. He said that it would be about a month before he would need to go public with the contest and suggested that he and Mr. Taylor meet for dinner again.

Between June 19, 2017 and July 11, 2017, Mr. Taylor and Mr. Peltz had some conversations to agree on the expectations and attendees for the July 11 meeting.

On July 11, 2017, Messrs. Taylor, McNerney, and Chenault met with Messrs. Peltz and Frank, with Ms. Braly joining the meeting by phone. Mr. Peltz reiterated his perspective previously shared with Messrs. Taylor and Moeller regarding the need for the Company to make more significant organizational changes and increase productivity savings, in each case at a faster pace. He also restated his request for a Board seat, based on the premise that he could be more helpful and constructive working from the inside. The Company s representatives listened to Mr. Peltz s ideas, but did not agree to give him a Board seat. Mr. Peltz stated that if he were not given a Board seat, he may opt to proceed with a proxy contest.

On July 17, 2017, Trian publicly filed its preliminary proxy statement with regard to its nominees and proposals and the Company publicly filed its preliminary proxy statement with regard to its nominees and proposals.

Later in the day on July 17, 2017, Mr. Peltz and Mr. Taylor spoke by telephone after Mr. Peltz s interview with CNBC. Mr. Peltz re-expressed his support for Mr. Taylor, and that he hoped that came across. Mr. Peltz told Mr. Taylor that he should put Mr. Peltz on the Board and avoid a proxy contest. Mr. Taylor told Mr. Peltz that, while he appreciated that he was respectful in his interview, the Board continued to believe that adding Mr. Peltz to the Board was not the right choice.

On July 20, 2017, Mr. Peltz called Mr. McNerney indicating that he was in Chicago and that he would like to meet with Mr. McNerney that day if he was available, to which Mr. McNerney responded that he was not. Mr. Peltz suggested, and Mr. McNerney agreed, that the two individuals should strive to maintain an open dialogue over the coming months. Mr. Peltz said he would contact Mr. McNerney when Mr. Peltz returned from travel and try to schedule a meeting.

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ITEM 1. ELECTION OF DIRECTORS

Our Board of Directors has general oversight responsibility for the Company s affairs pursuant to Ohio s General Corporation Law and the Company s Amended Articles of Incorporation, Code of Regulations, and 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 reflected through its policies and practices. The Board is deeply involved in the Company s strategic planning process, leadership development, succession planning, and oversight of risk management.

Our Board of Directors nominated the 11 Directors listed on pages 12 to 15 for election at the 2017 annual meeting. Each of the Director nominees currently serves on the Board and was elected for a one-year term at the 2016 annual meeting, with the exception of Amy L. Chang, who was appointed to the Board effective June 2017. The current terms of all nominees for Director will expire at the 2017 annual meeting, and the Board has nominated each of these individuals for a new one-year term that will expire at the 2018 annual meeting.

Each of the Director nominees identified in this proxy statement has consented to being named as a nominee in our proxy materials and 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.

Our Board of Directors unanimously recommends using the enclosed BLUE proxy card to vote FOR each of the Board s 11 Director nominees. Trian notified the Company that it intends to nominate a nominee for election as a Director at the annual meeting. As a result, if Trian proceeds with its alternative nomination, the number of Director nominees will exceed the number of Directors to be elected, and the 11 nominees who receive the greatest number of votes cast will be elected.

Our Board of Directors recommends that you simply DISREGARD any proxy card that may be sent to you by Trian and only vote using the enclosed BLUE proxy card. Voting AGAINST Trian s nominee on its proxy card is NOT the same as voting FOR our Board s Director nominees because a vote against Trian s nominee on its proxy card will revoke any previous proxy submitted by you, including any vote you may have made for our Board s nominees. If you have already voted using the white proxy card sent to you by Trian, you may change it by voting in favor of our Board s Director nominees using the enclosed BLUE proxy card or by voting via Internet or by telephone by following the instructions provided on the enclosed BLUE proxy card. Only the latest validly executed proxy that you submit will be counted. If you have any questions, please contact D.F. King & Co., Inc. or Mackenzie Partners, Inc., our proxy solicitors assisting us in connection with the annual meeting, by calling toll free (877) 361-7966 or (800) 322-2885 or emailing p&g@dfking.com or P&G@mackenziepartners.com.

Director Skills, Qualifications, and Diversity

Procter & Gamble is a global consumer products company, serving consumers around the world with sales in more than 180 countries and territories. A company of our size must have strong governance, as well as leaders who understand our diverse consumers and global needs. The current composition of the Board reflects an appropriate mix of skill sets, experience, and qualifications that are relevant to the business and governance of the Company. Each Director epitomizes the Company s Purpose, Values and Principles, possesses the highest ethics and integrity, and demonstrates commitment to representing the long-term interests of the Company s shareholders. Each Director also has individual experiences that provide practical wisdom and foster mature judgment in the boardroom. Collectively, the Directors bring business, international, government, technology, marketing, retail consumer products, and other experiences pertinent to the Company s global operations. The chart on page 11 provides additional detail regarding some of the key experiences and skills of our Director nominees. Skills and experiences are one aspect of diversity highly valued by the Board. Our Corporate Governance Guidelines (Governance Guidelines) set forth the minimum qualifications for Board members and specify 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.

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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. The Governance & Public Responsibility (G&PR) Committee reviews the Director nominees (including any shareholder nominees) and ascertains whether, as a whole, the group meets the Governance Guidelines in this regard. For this year s election, the Board has nominated 11 individuals who bring valuable diversity to the Board. Their collective experience covers a wide range of countries, geographies, and industries. These 11 Director nominees range in age from 40 to 68. Four of these 11 Directors, or 36% of our current Board, are women; three are ethnically diverse.

The Board also believes that tenure diversity should be considered in order to achieve an appropriate balance between the detailed Company knowledge and wisdom that comes with many years of service and the fresh perspective of newer Board members. Our current Board has a good balance of experienced and new Directors, with tenure of the current Directors averaging 8 years.

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Director Skills and Experience

Leadership, Strategy, and Risk Management.

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, productivity, and risk management, and how these factors impact the Company s operations and controls. They possess recognized leadership qualities and are able to identify and develop leadership qualities in others.

Consumer Industry/Retail.

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. Given the continuously evolving retail landscape, Directors with consumer and retail experience are essential.

International.

Directors who work in global companies have experience in markets outside of the United States and bring valuable knowledge to the Company, including exposure to different cultural perspectives and practices. Because we do business in over 180 countries and territories, and business in international markets accounts for the majority of the Company s revenue, having Directors on our Board with this experience is critical.

Marketing.

Directors with experience identifying, developing, and marketing new products, as well as identifying new areas for existing products, can positively impact the Company s operational results, including by helping the Company understand and anticipate evolving marketing practices. As one of the world s largest advertisers, this is a particularly important attribute.

Finance.

Directors with an understanding of accounting and financial reporting processes, particularly in large, global businesses, 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 legal compliance and overall success. Directors with financial experience are essential for ensuring effective oversight of the Company s financial measures and processes.

Government/Regulatory.

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. This experience is especially helpful during current times of increased volatility and uncertainty in global politics and economics.

Digital, Technology, and Innovation.

Directors with digital and technology experience are able to help the Company understand the evolutions of fast-paced technology, assess and respond to potential information security challenges, and improve efficiency and productivity through oversight of the selection and implementation of new technologies to enhance business operations, marketing, and selling. Additionally, innovation is one of the Company s core strengths and is critical in helping us translate our consumer understanding into new and successful products. Directors with an understanding of innovation help the Company focus its efforts in this important area, as well as track progress against strategic goals and benchmarks. As one of the few companies with an Innovation & Technology Committee of the Board, the areas of digital, technology, and innovation are particularly important to the Company s overall success.

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The Board of Directors recommends a vote FOR each of the following Director nominees to hold office until the 2018 annual meeting of shareholders and until their successors are elected.

Francis S. Blake **(Frank)** **Director since 2015** **Age 68**	Mr. Blake is the former Chairman of the Board and Chief Executive Officer of The Home Depot, Inc. (a national retailer). He served as the Chairman of the Board from 2007 until his retirement in 2015 and as Chief Executive Officer from 2007 to 2014. He previously served as a Director of Southern Company (a super-regional energy company) from 2004 to 2009. Mr. Blake has been a Director of Delta Airlines since 2014 and was appointed non-Executive Chairman of the Board in 2016. He has been a Director at Macy s, Inc. since 2015. Mr. Blake brings extensive leadership, strategy, risk management and marketing experience to the Board. He contributes his deep knowledge of the retail consumer industry and evolving marketing practices to the Board. Mr. Blake also brings an extensive amount of government experience, having previously served as General Counsel for the U.S. Environmental Protection Agency, Deputy Counsel to Vice President George H. W. Bush, and Deputy Secretary for the U.S. Department of Energy. *Member of the Audit and Governance & Public Responsibility Committees.*
Angela F. Braly **Director since 2009** **Age 56**	Ms. Braly is the former Chair of the Board, President and Chief Executive Officer of WellPoint, Inc. (a healthcare insurance company), now known as Anthem, Inc. She served as Chair of the Board from 2010 until 2012 and as President and Chief Executive Officer from 2007 through 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 2013, Brookfield Asset Management since 2015, and ExxonMobil Corporation since 2016. Ms. Braly has a vast amount of leadership, corporate governance, consumer industry, and marketing experience. She 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.

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

Amy L. Chang

Director since 2017

Age 40

Ms. Chang is the founder and Chief Executive Officer of Accompany, Inc. (a relationship intelligence company), a position she has held since 2013. She previously held positions of increasing responsibility at Google, Inc. from 2005 to 2012, most recently serving as Global Head of Product, Google Ads Measurement and Reporting. Prior to joining Google, she held product management and strategy positions at eBay, Inc. and also served as a consultant with McKinsey & Company, specializing in semi-conductors, software, and services. Ms. Chang has been a Director of Cisco Systems, Inc. since 2016 and was a Director of Informatica from 2012 to 2015, a Director of Splunk, Inc. from 2015 to June 2017, and a member of Target Corporation s Digital Advisory Council from 2013 to 2016.

Ms. Chang brings extensive digital and technology experience and expertise to the Board. She contributes her exceptional knowledge of digital industry trends and data analytics to the Board, having had deep business experience in top technology companies.

Member of the Audit and Innovation & Technology Committees.

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Kenneth I. Chenault **(Ken)**	Mr. Chenault is Chairman and Chief Executive Officer of 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.
Director since 2008 **Age 66**	Mr. Chenault has significant leadership, strategy, risk management, and financial experience. With more than 36 years of experience delivering products and services to consumers and businesses across the world, he 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.*
Scott D. Cook	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. Mr. Cook served on the Board of eBay Inc. from 1998 to 2015.
Director since 2000 **Age 65**	Mr. Cook has a wealth of leadership, technology, consumer industry, strategy, risk management and marketing experience that he brings to the Board. He also brings valuable innovation experience and insight to the Innovation & Technology Committee, as well as to the full Board. *Chair of the Innovation & Technology Committee and member of the Compensation & Leadership Development Committee.*
Terry J. Lundgren	Mr. Lundgren is Executive Chairman and Chairman of the Board of Macy s, Inc. (a national retailer), a position he has held since March 2017. Mr. Lundgren held

the title of Chairman and Chief Executive Officer of Macy s from 2003 to March 2017 and President of Macy s from 2003 to 2014. He was a Director of Kraft Foods Group from 2012 to 2015.

Director since 2013

Age 65

Mr. Lundgren brings extensive leadership, strategy, and risk management experience to the Board. With over 35 years in the retail industry, he contributes his deep knowledge of the consumer industry and dynamic marketing practices, including digital marketing, to the Board.

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

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W. James McNerney, Jr. **(Jim)** **Director since 2003** **Age 67**	Mr. McNerney is a Senior Advisor at Clayton, Dubilier & Rice, LLC (a private equity investment firm). He retired as Chairman of the Board of The Boeing Company (aerospace, commercial jetliners and military defense systems) in 2016. He was President of The Boeing Company from 2005 to 2013, Chief Executive Officer from 2005 to 2015, and Chairman of the Board from 2005 to 2016. From 2001 to 2005, Mr. McNerney was Chairman and 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. Mr. McNerney brings a wealth of leadership, global, strategy, risk management, and technology experience to the Board. His extensive experience managing large, global manufacturing companies, as well as his insight into government affairs, enables him to advise the Board on a variety of strategic and business matters. *Lead Director, Chair of the Compensation & Leadership Development Committee, and member of the Governance & Public Responsibility Committee.*
David S. Taylor **Director since 2015** **Age 59**	Mr. Taylor is Chairman of the Board, President and Chief Executive Officer of the Company. Mr. Taylor has been President and CEO since 2015 and was elected Chairman of the Board in 2016. Mr. Taylor joined the Company in 1980 and, since that time, has held numerous positions of increasing responsibility in North America, Europe, and Asia in virtually all of the Company s core businesses. Prior to his current role, Mr. Taylor was Group President-Global Health & Grooming from 2013 to 2015, Group President-Global Home Care from 2007 to 2013, and President-Global Family Care from 2005 to 2007. Mr. Taylor also played a key role in the design of the Company s portfolio optimization strategy. Mr. Taylor served as a Director of TRW Automotive Corporation from 2010 to 2015. As a long-time employee and leader, Mr. Taylor brings vast global and business experience to the Board, as well as a deep knowledge of the Company. Mr. Taylor has significant leadership, strategy, risk management, consumer industry, marketing and international experience.

Margaret C. Whitman **(Meg)** **Director since 2011** **Age 60**	Ms. Whitman is President and Chief Executive Officer of Hewlett Packard Enterprise (a multinational information technology enterprise). She was President and Chief Executive Officer of Hewlett-Packard Company from 2011 through 2015, as well as Chairman of the Board from 2014 through 2015, and President and Chief Executive Officer of eBay Inc. from 1998 to 2008. Since 2015, she has been a Director of Hewlett Packard Enterprise. Since April 2017, she has served as a Director of DXC Technology. She served as a Director of Zipcar, Inc. from 2011 to 2013 and as Chairman of the Board of HP Inc. from 2015 to July 2017. She also served as a Director of the Company from 2003 to 2008, having resigned in preparation for her 2010 California gubernatorial bid. Ms. Whitman has extensive leadership, strategy, risk management and consumer industry experience. Her current and prior management roles also provide her with significant marketing, innovation and technology experience. *Member of the Compensation & Leadership Development and Innovation & Technology Committees.*

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Patricia A. Woertz **(Pat)** **Director since 2008** **Age 64**	Ms. Woertz is the Retired Chairman of the Board and former Chief Executive Officer of Archer Daniels Midland Company (ADM) (agricultural processors of oilseeds, corn, wheat, etc.), where she joined in 2006 as Chief Executive Officer and President and was named Chairman in 2007. Ms. Woertz stepped down as Chief Executive Officer of ADM in 2015 and as Chairman in 2016. Prior to joining ADM, Ms. Woertz was with Chevron Corp. for 29 years and retired as EVP Global Downstream. She began her career as a certified public accountant with Ernst & Ernst. Ms. Woertz has been a Director of 3M Company since 2016. She was a Director of Royal Dutch Shell plc from 2014 to May 2017. Ms. Woertz has significant leadership, strategy and risk management experience. Having started her career as a CPA, and with broad executive experience at Chevron and ADM, she 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 65**	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, Corp. since 2002 and Citigroup, Inc. and Promotora de Informaciones S.A. since 2010. Dr. Zedillo s prior service as President of Mexico provides him with significant government and leadership experience. His current role 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. *Member of the Governance & Public Responsibility and Innovation & Technology Committees.*

In addition to the information above, Exhibit C sets forth information relating to our Directors, nominees for Directors, and certain of our officers and employees who may be considered participants in our solicitation under the applicable Securities and Exchange Commission s (SEC) rules by reason of their position as Directors of the Company or as nominees for Directors or because they may be soliciting proxies on our behalf.

YOUR VOTE IS EXTREMELY IMPORTANT. The Board of Directors unanimously recommends a vote FOR the election of the above 11 Director Nominees. The Board of Directors does NOT endorse any Trian nominees and urges you NOT to sign or return the white proxy card sent to you by Trian. The Company is not responsible for the accuracy of any information provided by or relating to Trian or its nominees contained in solicitation materials filed or disseminated by or on behalf of Trian or any other statements that Trian may make.

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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. 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. 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 and best serve the interests of the Company s shareholders.

During the Board s annual evaluation of its leadership structure, and upon recommendation of the G&PR 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 that it is in the best interest of the shareholders to maintain the combined Chairman and CEO role currently held by Mr. Taylor. The Board believes that Mr. Taylor has served the Company well as Chairman and CEO, and that this combined structure provides unified leadership and focus on the Company s strategy, business plans, and productivity efforts. The Board also recognizes that the combined Chairman and CEO role has worked well in the past and that introduction of a split leadership structure would not be in the best interests of the Company at this time.

When the Board determines that the same individual should hold the positions of CEO and Chairman of the Board, or if the Chairman of the Board is not independent, the independent Directors of the Board elect a Lead Director from among the independent Directors, for an annual term. The Lead 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;
- lead regular executive sessions of the independent Directors;
- 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 Directors, with appropriate notice;
- advise the G&PR 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 CEO, as appropriate, on issues discussed at executive sessions of non-employee and/or independent Directors;
- with the Chair of the C&LD Committee, review with the CEO the non-employee Directors annual evaluation of the CEO s performance;

serve as principal liaison between the non-employee and/or independent Directors, as a group, and the Chairman of the Board and CEO, as necessary;

serve when necessary and appropriate, after consultation with the Chairman of the Board and CEO, as the liaison between the Board and the Company s shareholders; and

select an interim Lead Director to preside over meetings at which he or she cannot be present.

Mr. McNerney serves as the Board s current Lead Director and has been re-elected annually to that role since 2007. Mr. McNerney is a strong, independent Lead Director, who fulfilled each of the above duties during the past year. He has helped lead the Board through executive leadership transitions and the Company s recent major strategic transformation. As the former CEO and Chairman of the Board of The Boeing Company, and former CEO of 3M Company, he brings a wealth of diverse experiences and outside perspective to his Lead Director role, which allows him to serve as a trusted advisor to Mr. Taylor and ensure efficient and effective Board engagement.

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In FY 2016-17, the non-employee Directors, led by Mr. McNerney, met 6 times in regularly scheduled executive sessions (without the presence of Mr. Taylor 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, and the CEO s performance. Mr. McNerney fosters an open and constructive dialogue among the independent Directors, and after each executive session, Mr. McNerney advised Mr. Taylor on the independent Directors discussions, including performance feedback, and followed up on meeting outcomes and deliverables.

In June 2017, in conjunction with the Board s decision to maintain the combined Chairman and CEO role, as recommended by the G&PR Committee, the non-employee Directors reappointed Mr. McNerney to serve as Lead Director for FY 2017-18. The Board is confident that Mr. Taylor, as Chairman and CEO, and Mr. McNerney, as Lead Director, will continue to work well together, and that the appropriate balance of power will be maintained. The Board will continue to periodically evaluate the Company s leadership structure.

Director Independence

The Board has determined that all of the Company s Directors, with the exception of Mr. Taylor, are independent under NYSE s listing standards and the Independence Guidelines. All members of the Board s Audit, Compensation & Leadership Development, Governance & Public Responsibility, and Innovation & Technology Committees are independent under the NYSE listing standards and Independence Guidelines, and all members of the Audit Committee are also compliant with the SEC enhanced independence requirement for audit committee members. The Board of Directors has determined that Ms. Woertz and Mr. Chenault meet the criteria for Audit Committee Financial Expert as defined by SEC rules. The Board of Directors has also determined that all Audit Committee members are financially literate.

In making these independence determinations, the Board applied the NYSE listing standards and the categorical independence standards contained in the Board of Directors Guidelines for Determining the Independence of its Members (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 G&PR 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. Taylor is Chairman of the Board, President and CEO of the Company. As an employee of the Company, he cannot be deemed independent under the NYSE listing standards or the Independence Guidelines.

Board Meetings and Committees of the Board

Our Directors are active and engaged. Board agendas are set in advance by the Chairman of the Board and Lead Director to ensure that appropriate subjects are covered and that there is sufficient time for discussion. Committee Chairs also work closely with management to set agendas for Committee meetings to ensure that relevant subjects are reviewed by the Committees. Directors are provided with comprehensive materials in advance of Board and Committee meetings and are expected to review these materials before each meeting to ensure that time in Board and Committee meetings is focused on active discussions versus lengthy presentations. During the fiscal year ended June 30, 2017, the Board held 7 meetings, and the Committees of the Board collectively held 21 meetings, for a total of 28 meetings. Average attendance at these meetings by Directors during the past year was 95%, and all Directors attended greater than 75% of the meetings of the Board and the Committees on which they serve. The Board expects all Directors to attend the annual meeting of shareholders; all Directors, with the exception of Amy Chang, who joined the Board in June 2017, attended the October 11, 2016 annual meeting.

To assist the Board in discharging its duties and to facilitate deeper penetration into certain key areas of oversight, the Board has established four standing committees. Each committee is fully independent under the NYSE listing standards and the Independence Guidelines, which can be found at www.pg.com. The charter for each of these committees can be found in the corporate governance section of the Company s website at www.pg.com.

Name	Board	Audit	Compensation & Leadership Development	Governance & Public Responsibility	Innovation & Technology
Francis S. Blake					
Angela F. Braly				Chair	
Amy L. Chang					
Kenneth I. Chenault					
Scott D. Cook					Chair
Terry J. Lundgren					
W. James McNerney, Jr.	Lead		Chair		
David S. Taylor	Chair				
Margaret C. Whitman					
Patricia A. Woertz		Chair			
Ernesto Zedillo					
Total FY 2016-17 Meetings	***7***	***8***	***5***	***6***	***2***

Audit Committee

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, including with respect to information security;
- 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.

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 Ethics & Compliance Officer, chief audit executive, and representatives of Deloitte & Touche LLP.

Compensation & Leadership Development Committee

The *C&LD Committee* has a charter, under which:

- the Committee has full authority and responsibility for the Company s overall 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 Directors; and
- the Committee assists the Board in the leadership development and evaluation of principal officers and also has the responsibility to periodically review organizational diversity.

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

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input from Company management and the Committee s independent compensation consultant. All final decisions regarding compensation for principal officers are made by the C&LD Committee, and the C&LD Committee makes a recommendation to the Board regarding the shareholder votes related to executive compensation. For more details regarding principal officer compensation or the C&LD Committee s process for making decisions regarding the compensation of principal officers, please see the Compensation Discussion & Analysis section found beginning on page 28 of this proxy statement. The C&LD Committee retains an independent compensation consultant, hired directly by the Committee, to advise it regarding executive compensation matters.

Governance & Public Responsibility Committee

The *G&PR Committee* has governance responsibilities set forth in its charter with respect to:

- identifying individuals qualified to become Directors;
- 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 the Directors.

The *G&PR Committee* also covers public responsibility topics, including:

- overseeing the Company s commitment to making a meaningful impact around the world through the Company s Citizenship efforts in the areas of social investments and environmental sustainability, 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 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).

Innovation & Technology Committee

The *I&T Committee* has the responsibilities set forth in its charter with respect to reviewing and making recommendations to the Board on major strategies for technical and commercial innovation to increase shareholder value and other subjects relating to:

- overseeing the Company s approach to technical and commercial innovation;
- overseeing the innovation, technology development, and acquisition process to assure ongoing business growth; and
- overseeing development of measurement and tracking systems that are important to successful product and commercial innovation.

The I&T Committee reviews annually:

- product and package performance via a holistic product assessment;
- historical tracking of initiatives vs. targets, and the impact of initiatives on brand growth; and
- the Company s forward-looking innovation portfolio.

The Board s Oversight of Risk

The Company s senior management has the responsibility 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 Lead Director, and further consideration and evaluation of certain risks at the committee level.

As part of its strategic risk management oversight, the full Board conducts a number of reviews throughout the year to ensure that the Company s strategy and risk management is appropriate and prudent, including:

- A comprehensive annual review of the Company s overall strategic plan, with updates throughout the year.
- Direct discussions with the Chairman and CEO, in semi-executive sessions held at each Board meeting, about the state of the business.
- Reviews of the strategic plans and results for the Company s business sectors, including the risks associated with these strategic plans, at Board meetings during the year.
- Reviews of other strategic focus areas for the Company, such as innovation, information security, and organizational management. 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.
- Annual review of the conclusions and recommendations generated by management s robust 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.

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.

Compensation-Related Risk

In addition to the efforts of the Board and Board Committees to manage risk oversight, the Board s C&LD Committee annually reviews our compensation policies and 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 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 39 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, prohibitions on hedging and pledging, and trading policies. Members of management also performed a similar review of the Company s other compensation programs including maximum program spending, payment authorizations and confirmation that plans do not encourage excessive risk-taking. 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.

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, 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 stock options, restricted stock units, and performance-vested stock (under Performance Stock Program, or PSP). 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, three-year cliff vesting for restricted stock units, and a three-year performance period for performance-vested stock. The C&LD Committee also noted that the design of the PSP reduces the likelihood that an executive will focus too much on a single performance measure by including four different performance categories with weightings of 20% or 30% each to provide a balanced risk profile. The categories are organic sales growth, constant currency core before-tax operating profit growth, core earnings per share growth, and free cash flow productivity. In addition, actual performance against goals with respect to each of these performance measures will yield a payout from a minimum of 0% to a maximum of 200% of a senior executive s target incentive opportunity. Using this sliding scale approach, versus an all-or-nothing approach, discourages participants from taking unnecessary risks. Each of the financial measures is defined and further explained on page 37 of this proxy statement.

Finally, the C&LD Committee acknowledged that the Company has established a global compensation and benefits policy review board to authorize any new plans and monitor existing plans as well as maintaining 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.

Service on Other Public Boards

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 (including his/her own company board), and other non-employee Directors may sit on no more than three additional outside public boards; any exception must be approved by the Board. 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 G&PR 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.

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 is contained in the *Worldwide Business Conduct Manual*. The *Worldwide Business Conduct Manual* is reviewed each year for appropriate updates, and employees, officers, and Directors are asked to annually certify their understanding of, and compliance with, its requirements. Only the Board may grant a waiver of any provision for a Director or executive officer, and any such waiver, or any amendment to the manual, will be promptly disclosed as required at www.pg.com. The *Worldwide Business Conduct Manual*, which is firmly rooted in the Company s long-standing Purpose, Values and Principles, is made available to employees in 28 different languages and can be found on the Company s website at www.pg.com.

Corporate Citizenship

P&G is committed to being a good corporate citizen and doing the right thing. We are and want to be known as a company that is governed responsibly and behaves ethically, that is open and transparent in its business dealings, that supports good causes and protects the environment, and that provides a work environment where our employees are treated well and are given the opportunity to be all they can be. By growing the Company responsibly, we earn the trust on which our business is based, and we build the relationships on which our future depends.

In 2016, we announced our new Citizenship agenda and published our first Citizenship Report. We focus our Citizenship efforts across a number of areas. We start with Ethics & Corporate Responsibility, which is the foundation for the other four: Community Impact, Diversity & Inclusion, Gender Equality, and Environmental Sustainability. You can find more details about each of these interdependent Citizenship areas in our Citizenship Report, which is available at http://us.pg.com/sustainability/at-a-glance/sustainability-reports.

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. If 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, who 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 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. The Audit Committee has reviewed and approved the following transactions.

Jon R. Moeller, the Company s Vice Chairman and Chief Financial Officer (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 Products. Her total compensation last year was approximately $1,043,000, consisting of salary, bonus, equity grants, and retirement and health 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 approximately 950 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 30 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 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.

W. James McNerney, Jr. the Company s Lead Director, has a brother, Rick McNerney, who was employed by Audience Science, Inc. (ASI), a digital media company, during the fiscal year ended June 30, 2017. During this time, ASI was a Company vendor and also had a business partnership and development agreement with the Company. ASI s contract with the Company expired on June 30, 2017. Rick McNerney was hired by ASI as Director of Enterprise Solutions in December 2014, well after the Company s relationship with ASI was established. In that role, Rick McNerney did not work on P&G business. The Committee determined that Rick, as an employee of ASI, may have an indirect interest in ASI s relationship with the Company given the size of the Company s relationship with ASI, but approved the continuation of the Company s relationship with ASI because it was in the best interest of the Company as a whole, and appropriate controls were 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.

Compensation Committee Interlocks and Insider Participation

All members of the Compensation & Leadership Development Committee during FY 2016-17 were independent directors and none were employees or former employees of the Company. The Company had a Related Person Transaction in connection with Mr. McNerney, as set forth in the preceding section of this proxy statement. There are no Compensation Committee interlocks between the Company and any other entities in which one of our executive officers served on the compensation committee (or equivalent) or the board of directors of another entity whose executive officer(s) served on our C&LD Committee or Board of Directors.

Communication with Directors and Executive Officers

Shareholders and others who wish to communicate with the Board or any particular Director, including the Lead 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.

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 annual grant of Restricted Stock Units (RSUs)) as cash, RSUs or unrestricted stock. Consistent with the practice of the past several years, the Company did not grant any stock options to Directors in FY 2016-17. Non-employee members of the Board received the following compensation:

- a grant of RSUs following election to the Board at the Company s October 11, 2016 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 Lead Director and Chair of each committee as follows: Lead 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 13, 2017 meeting, the Board of Directors, upon the recommendation of the C&LD Committee, agreed to maintain the current Director compensation package for the upcoming fiscal year.

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 2016-17. Directors who are employees of the Company receive no compensation for their service as Directors.

Director Compensation Table

Name	Annual Retainer ($)	Fees Committee Chair & Lead Director Fees ($)	Total Fees Earned or Paid in Cash[1]	Stock Awards[2] ($)	All Other Compensation[3] ($)	Total ($)

			($)			
Francis S. Blake	110,000		110,000	175,000	0	285,000
Angela F. Braly	110,000	15,000	125,000	175,000	0	300,000
Amy Chang	9,066		9,066	0	0	9,066
Kenneth I. Chenault	110,000		110,000	175,000	0	285,000
Scott D. Cook	110,000	15,000	125,000	175,000	0	300,000
Susan Desmond-Hellmann	30,800		30,800	0	0	30,800
Terry J. Lundgren	110,000		110,000	175,000	0	285,000
W. James McNerney, Jr.	110,000	50,000	160,000	175,000	0	335,000
Margaret C. Whitman	110,000		110,000	175,000	0	285,000
Patricia A. Woertz	110,000	25,000	135,000	175,000	0	310,000
Ernesto Zedillo	110,000		110,000	175,000	0	285,000

[1] Director fees are paid quarterly. Each Director may elect to take these fees in cash, unrestricted stock, RSUs (which vest immediately), or a combination of the three. The RSUs 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. Ms. Desmond-Hellmann chose not to stand for re-election at the end of her term on October 11, 2016, and her retainer was prorated accordingly. Ms. Chang joined the Board on June 1, 2017 and took a pro-rated retainer in cash. Mr. Blake elected to take $105,000 of his fees in unrestricted stock, which had a grant date fair value of $105,152. Ms. Braly elected to take $120,000 of her fees in RSUs, which had a grant date fair value of $120,072. Mr. Cook elected to take $120,000 of his fees in unrestricted stock, which had a grant date fair value of $120,072. Mr. McNerney elected to take $155,000 of his fees in unrestricted stock, which had a grant date fair value of $155,180. Messrs. Chenault and Lundgren elected to take $105,000 of their fees in RSUs, which had a grant date fair value of $105,152. The remaining Directors took their fees in cash.

[2] Each year, upon election at the Company s annual meeting of shareholders, every Director is awarded a $175,000 grant of RSUs. These RSUs vest after one year as long as the Director remains on the Board. Ms. Chang did not participate in the October 2016 grant. Except for Ms. Chang, each Director has 2,024 RSUs outstanding (representing the grant on October 11, 2016 and subsequent dividend equivalents). In addition, the following Directors have shares of retirement restricted stock outstanding as of June 30, 2017: Ms. Braly (4,992 shares); Mr. Cook (9,948 shares); Mr. Lundgren (1,265 shares).

[3] 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, although no Director brought a guest to any Board meeting in FY 2016-17. Directors 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). The incremental cost to the Company for this benefit is $3,521. Guests of Directors are covered while traveling on corporate aircraft or while traveling in any company limousines to and from the airport. The incremental cost for this benefit is $1,286. 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 one payment in FY 2016-17. In FY 2016-17, the Company also 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. Taylor did not receive a retainer, fees, or a stock award.

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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, 2017.

W. James McNerney, Jr., Chair

Kenneth I. Chenault

Scott D. Cook

Terry J. Lundgren

Margaret C. Whitman

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