

PROCTER & GAMBLE Co
Form PRE 14A
July 12, 2013

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)

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(3) Filing Party:

(4) Date Filed:

THE PROCTER & GAMBLE COMPANY

P.O. Box 599

Cincinnati, Ohio 45201-0599

August 23, 2013

Fellow Procter & Gamble Shareholders:

It is my pleasure to invite you to this year's annual meeting of shareholders, which will be held on Tuesday, October 8, 2013.

The meeting will start at 9:00 a.m., Eastern Daylight Time, at the Procter & Gamble Hall at the Aronoff Center for the Arts, 650 Walnut Street, in Cincinnati.

We appreciate your continued confidence in our Company and look forward to seeing you on October 8.

Sincerely,

A.G.LAFLEY

CHAIRMAN OF THE BOARD, PRESIDENT

AND CHIEF EXECUTIVE OFFICER

THE PROCTER & GAMBLE COMPANY

P.O. Box 599

Cincinnati, Ohio 45201-0599

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

August 23, 2013

Date: Tuesday, October 8, 2013
Time: 9:00 a.m., Eastern Daylight Time
Place: Procter & Gamble Hall at the Aronoff Center for the Arts
650 Walnut Street, Cincinnati, Ohio 45202

Purposes of the meeting:

To review the minutes of the 2012 annual meeting of shareholders;

To receive officer reports;

To elect as members of the Board of Directors (Board) the 11 persons named in the accompanying proxy statement;

To vote on a Board proposal to ratify appointment of the independent registered public accounting firm;

To vote on a Board proposal to amend the Company's Code of Regulations to reduce certain supermajority voting requirements;

To vote on a Board proposal to approve the 2013 Non-Employee Directors' Stock Plan;

To provide an advisory vote on a Board proposal to approve the Company's executive compensation (the Say on Pay vote); and

To consider any other matters properly brought before the meeting.

Who may attend the meeting:

Only shareholders, persons holding proxies from shareholders, and invited representatives of the media and financial community may attend the meeting.

Shareholders attending the meeting who are hearing-impaired should identify themselves during registration so they can sit in a special section where an interpreter will be available.

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What to bring:

If your shares are registered in your name, and you requested and received a printed copy of the proxy materials, you should bring the enclosed Admission Ticket to the meeting. If you received a Notice of Internet Availability of Proxy Materials and will not be requesting a printed copy of the proxy materials, please bring that Notice with you as your Admission Ticket.

If your shares are held in the name of a broker, trust, bank, or other nominee, you will need to bring a proxy or letter from that broker, trust, bank, or nominee confirming that you are the beneficial owner of those shares.

Audiocast of the annual meeting:

If you are not able to attend the meeting in person, you may join a live audiocast of the meeting on the Internet by visiting www.pg.com/investors at 9:00 a.m., Eastern Daylight Time, on October 8, 2013.

Record Date:

August 9, 2013 is the record date for the meeting. This means that owners of Procter & Gamble stock at the close of business on that date are entitled to:

receive notice of the meeting; and

vote at the meeting and any adjournments or postponements of the meeting.

Information About the Notice of Internet Availability of Proxy Materials:

Again this year, instead of mailing a printed copy of our proxy materials, including our Annual Report, to each shareholder of record, we have decided to provide access to these materials in a fast and efficient manner via the Internet. This reduces the amount of paper necessary to produce these materials, as well as the costs associated with mailing these materials to all shareholders. On August 23, 2013, we began mailing a Notice of Internet Availability of Proxy Materials (the Notice) to shareholders of record as of August 9, 2013, and we posted our proxy materials on the website referenced in the Notice (www.proxyvote.com). As more fully described in the Notice, shareholders may choose to access our proxy materials at www.proxyvote.com or may request a printed set of our proxy materials. In addition, the Notice and website provide information regarding how you may request to receive proxy materials in printed form by mail or electronically by email on an ongoing basis. For those who previously requested printed proxy materials or electronic materials on an ongoing basis, you will receive those materials as you requested.

Householding Information:

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

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

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

Proxy Voting:

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

Our proxy tabulator, Broadridge Financial Solutions, must receive any proxy that will not be delivered in person to the annual meeting by 11:59 p.m., Eastern Daylight Time on Monday, October 7, 2013.

By order of the Board of Directors,

DEBORAH P. MAJORAS

Chief Legal Officer and Secretary

2013 Annual Meeting of Shareholders

Date and Time: Tuesday, October 8, 2013
9 a.m., Eastern Daylight Time

Place: Procter & Gamble Hall
Aronoff Center for the Arts
650 Walnut Street
Cincinnati, OH 45202

Meeting Audiocast: www.pg.com/investors

Voting Matters and Board Recommendations

Voting Matter	Board Vote Recommendation	See Page Number for more information
Item 1 - Election of Directors	FOR each nominee	XX
Item 2 - Ratification of Independent Registered Public Accounting Firm	FOR	XX
Item 3 - Proposal to Amend Company Code of Regulations to Reduce Certain Supermajority Voting Provisions	FOR	XX
Item 4 - Proposal to Approve 2013 Non-Employee Directors Stock Plan	FOR	XX
Item 5 - Advisory Approval of Executive Compensation	FOR	XX

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

Our Director Nominees

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

Name	Age	Board Tenure	Position	Independent	Committee Memberships*
Angela F. Braly	52	3 years	Former Chair of the Board, President and Chief Executive Officer of Wellpoint, Inc.	Yes	Audit G&PR
Kenneth I. Chenault	62	5 years	Chairman and Chief Executive Officer of the American Express Company Chairman of the Executive Committee of the Board of Intuit Inc.	Yes	Audit C&LD C&LD
Scott D. Cook	61	12 years		Yes	I&T ⁺ Audit
Susan Desmond-Hellmann	56	2 years	Chancellor and Arthur and Toni Rembe Rock Distinguished Professor, University of California, San Francisco	Yes	I&T
A.G. Lafley	66	Appt. 5/13	Chairman of the Board, President & Chief Executive Officer of the Company	No	
Terry J. Lundgren	61	Appt. 1/13	Chairman, President and Chief Executive Officer of Macy's, Inc.	Yes	G&PR I&T
W. James McNerney Jr. (Presiding Director)	64	10 years	Chairman of the Board, President and Chief Executive Officer of The Boeing Company	Yes	C&LD ⁺ G&PR
Meg Whitman	57	2 years	President & Chief Executive Officer of Hewlett-Packard	Yes	C&LD I&T
Maggie Wilderotter	58	4 years	Chairman of the Board and Chief Executive Officer of Frontier Communications	Yes	Audit C&LD
Patricia A. Woertz	60	5 years	Chairman, Chief Executive Officer, and President of Archer Daniels Midland Company	Yes	Audit ⁺ G&PR
Ernesto Zedillo	61	12 years	Director of the Center for the Study of Globalization and Professor in the field of International Economics and Politics at Yale University and former President of Mexico	Yes	G&PR ⁺ I&T

* G&PR = Governance & Public Responsibility

C&LD = Compensation & Leadership Development

I&T = Innovation & Technology

+ Indicates Committee Chair

Governance Highlights

Board Composition

11 Director nominees; 10 are independent

7 of 11 nominees are women or ethnically diverse

Average age of Director nominees is 60

7 new Directors in the last 5 years

Highly qualified Directors with a diversity of skills and experiences:

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

Corporate Governance

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

Mandatory retirement age and term limits

Executive session of independent Directors held at each regularly-scheduled Board meeting

Directors attended > 97% of Board and committee meetings in FY 2012-13

Annual Board and Committee self-assessments

Annual independent Director evaluation of Chairman and CEO

Annual assessment and determination of Board leadership structure

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

Presiding Director has strong role and significant governance duties

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Board policy limits Director membership on other public company boards

Declassified Board annual election of all Directors

Majority voting standard for uncontested Director elections

Shareholder right to call special meeting

Clawback and no-hedging policies

Significant share ownership requirements for senior executives

Annual advisory vote on executive compensation

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Executive Compensation Highlights

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

Average Mix of Key Components of NEO Compensation by Type, Length, and Form¹

¹ Excluding Mr. Lafley's FY 2012-13 compensation.

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

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

NEO Compensation for FY 2012-13¹

Compensation

Element	% of Total	Description	Cash	Equity
Salary		Annual Base Pay	ü	
STAR Bonus ²		Annual Performance Based Bonus based on 1-year Results	ü	
Key Manager Stock Grant		Annual Long-Term Equity Award		ü
Performance Stock Program		Performance Based Stock Program based on 3-year Results		ü
Retirement & Other		Retirement Plan Contributions and Executive Benefits	ü	ü

¹ The breakdown of FY 2012-13 NEO Compensation excludes the payments made to Mr. Lafley for his role as Chief Executive Officer from May 23, 2013 through June 30, 2013.

² The STAR Bonus is considered a cash program. However, participants may elect to receive their bonus in equity instead of cash.

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As more fully described in the Notice, the Board of Directors of The Procter & Gamble Company (the Company) has made these materials available to you over the Internet or, upon your request, has mailed you printed versions of these materials in connection with the Company's 2013 annual meeting of shareholders, which will take place on October 8, 2013. The Notice was mailed to Company shareholders beginning August 23, 2013, and our proxy materials were posted on the website referenced in the Notice on that same date. The Company, on behalf of its Board, is soliciting your proxy to vote your shares at the 2013 annual meeting of shareholders. We solicit proxies to give shareholders of record an opportunity to vote on matters that will be presented at the annual meeting. In this proxy statement, you will find information on these matters, which is provided to assist you in voting your shares.

Who can vote?

You can vote if, as of the close of business on Friday, August 9, 2013, you were a shareholder of record of the Company:

Common Stock (Common Stock);

Series A ESOP Convertible Class A Preferred Stock; or

Series B ESOP Convertible Class A Preferred Stock.

Each share of Company stock gets one vote. On August 9, 2013, there were issued and outstanding:

[xx] shares of Common Stock;

[xx] shares of Series A ESOP Convertible Class A Preferred Stock; and

[xx] shares of Series B ESOP Convertible Class A Preferred Stock.

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

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

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

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

How do I vote by proxy?

Most shareholders can vote by proxy in three ways:

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

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

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

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

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

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

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

Yes. You can change or revoke your proxy by Internet, telephone, or mail prior to 11:59 p.m., Eastern Daylight Time, on Monday, October 7, 2013, or by attending the annual meeting and voting in person.

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

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

Voting Procedures

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

The Board Proposal to Amend the Company's Code of Regulations to Reduce Certain Supermajority Voting Requirements requires the affirmative vote of a majority of the Company's issued and outstanding shares for adoption. Accordingly, abstentions and broker non-votes will have the same effect as votes against the proposal.

All other proposals require the affirmative vote of a majority of shares participating in the voting on each proposal for approval. Abstentions and broker non-votes will not be counted as participating in the voting and will therefore have no effect.

Who pays for this proxy solicitation?

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

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

Director Experiences, Skills and Qualifications

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

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

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

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

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

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

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

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

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

Director Diversity

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

Although the Board does not establish specific goals with respect to diversity, the Board's overall diversity is a significant consideration in the Director nomination process. For this year's election, the Board has nominated 11 individuals; all are incumbent nominees who currently bring tremendous diversity to the Board. Each nominee is a strategic thinker and has varying, specialized experience in areas that are relevant to the Company and its businesses. Moreover, their collective experience covers a wide range of countries, geographies, and industries, including consumer products, technology, financial services, national retail, agriculture, aerospace, and health care, as well as roles in consulting and government. These 11 Director nominees range in age from 52 to 66, and five of these 11 Directors, or 45% of our current Board, are women; one is African-American; and one is Mexican. The Board views this diversity as a clear strength.

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

All of the Board's nominees for Director are incumbent nominees who will be elected for a one-year term. Angela F. Braly, Kenneth I. Chenault, Scott D. Cook, Susan Desmond-Hellmann, W. James McNerney, Jr., Margaret C. Whitman, Mary Agnes Wilderotter, Patricia A. Woertz, and Ernesto Zedillo were elected for one-year terms at the 2012 annual meeting. Terry J. Lundgren was appointed to the Board effective January 8, 2013. Johnathan A. Rodgers has announced his intention not to stand for re-election in October 2013 and to retire from the Board of Directors at that time. Accordingly, he was not re-nominated for election. Given Robert A. McDonald's pending retirement, he resigned from the Board of Directors effective May 23, 2013. In connection with his election as Chairman of the Board and Chief Executive Officer, A.G. Lafley was appointed to the Board effective May 23, 2013. The current terms of all nominees for Director will expire at the 2013 annual meeting. The Board has nominated each of these individuals for a new term that will expire at the 2014 annual meeting.

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

The Board of Directors recommends a vote FOR Angela F. Braly, Kenneth I. Chenault, Scott D. Cook, Susan Desmond-Hellmann, A.G. Lafley, Terry J. Lundgren, W. James McNerney, Jr., Margaret C. Whitman, Mary Agnes Wilderotter, Patricia A. Woertz, and Ernesto Zedillo as Directors to hold office until the 2014 annual meeting of shareholders and until their successors are elected.

Nominees for Election as Directors with Terms Expiring in 2014

Angela F. Braly

Director since 2009, Age 52

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

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

Member of the Audit and Governance & Public Responsibility Committees.

Kenneth I. Chenault

Director since 2008, Age 62

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

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

Member of the Audit and Compensation & Leadership Development Committees.

Scott D. Cook

Director since 2000, Age 61

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

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

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

Susan Desmond-Hellmann

Director since 2010, Age 56

Dr. Desmond-Hellmann is Chancellor and Arthur and Toni Rembe Rock Distinguished Professor, University of California, San Francisco (UCSF), where she has served since August 2009. From 2004 through 2009, Dr. Desmond-Hellmann served as president of product development at Genentech (a biotechnology company), where she was responsible for pre-clinical and clinical development, business development, and product portfolio management. She joined Genentech in 1995. Prior to joining Genentech, Dr. Desmond-Hellmann was associate director of clinical cancer research at Bristol-Myers Squibb Pharmaceutical Research Institute. She has been a Director of Facebook Inc. since March 2013.

As Chancellor of UCSF, a member of the Howard Hughes Medical Institute board of trustees, Facebook director, and past president of product development at Genentech, Dr. Desmond-Hellmann has extensive leadership and technology experience. As a former member of the Federal Reserve Bank of San Francisco's Economic Advisory Council, she also brings finance experience to the Board.

Member of the Audit and Innovation & Technology Committees.

A.G. Lafley

Director since 2013, Age 66

Mr. Lafley is Chairman of the Board, President and Chief Executive Officer of the Company and was appointed to this position on May 23, 2013. Mr. Lafley originally joined the Company in 1977 and held positions of increasing responsibility, in the U.S. and internationally, until he was elected President and Chief Executive Officer in 2000, a position he held until June 30, 2009. On July 1, 2002, Mr. Lafley was elected Chairman of the Board, a position he held until January 2010. During the past five years, in addition to his roles as a Company employee, Mr. Lafley served as a consultant to the Company and as a member of the boards of directors of public companies Dell, Inc. and General Electric Company. He no longer serves on these boards. Since his retirement from the Company, he also has been involved in consulting on business and innovation strategy, advising on CEO succession and executive leadership development, and coaching experienced, new and potential CEOs. He currently serves on the board of directors of Legend Pictures, LLC (a film production company).

As a long-tenured employee, Director and previous Chairman of the Board, President and Chief Executive Officer, Mr. Lafley brings extensive leadership experience and a vast understanding of the Company to the

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Board. In addition, Mr. Lafley's experiences outside of the Company provide him with new perspective. Mr. Lafley has significant leadership, strategy, risk management, consumer industry, marketing and international experience.

Terry J. Lundgren

Director since 2013, Age 61

Mr. Lundgren is Chairman, President and Chief Executive Officer of Macy's, Inc. (a national retailer), where he has served in various roles of increasing responsibility since joining Federated Department Stores in 1975. Mr. Lundgren assumed his current responsibilities as Chairman in 2004 and Chief Executive Officer in 2003. He has been a Director of Kraft Foods Group since 2012. He was appointed to the Company's Board on January 8, 2013.

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

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

W. James McNerney, Jr.

Director since 2003, Age 64

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

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

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

Margaret C. Whitman

Director since 2011, Age 57

Ms. Whitman was elected President & Chief Executive Officer of Hewlett-Packard (a computer software, hardware, and IT services company) in September 2011. She served as President and Chief Executive Officer of eBay Inc. from 1998 to March 2008. Prior to joining eBay, Ms. Whitman held executive level positions at Hasbro Inc., FTD, Inc., The Stride Rite Corporation, The Walt Disney Company, and Bain & Company. She also served as a Director of the Company from 2003 to 2008 and of DreamWorks Animation SKG, Inc. from 2005 to 2008, having resigned from both boards of directors in preparation for her 2010 California gubernatorial bid. She served as a Director of Zipcar, Inc. from 2011 to March 2013.

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

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

Mary Agnes Wilderotter

Director since 2009, Age 58

Mrs. Wilderotter is Chairman of the Board and Chief Executive Officer of Frontier Communications Corporation (a communications company specializing in providing services to rural areas and small and medium-sized towns and cities), which she joined as President and Chief Executive Officer in 2004. Mrs. Wilderotter held the title of President of Frontier until April 2012. Mrs. Wilderotter previously held positions as Senior Vice President of Worldwide Public Sector at Microsoft, President and Chief Executive Officer of Wink Communications, Inc., and Executive Vice President of National Operations for AT&T's Wireless Service, Inc. She has been a Director of Xerox Corporation since 2006. Mrs. Wilderotter was a Director of The McClatchy Company from 2001 to 2007, and she was a Director of Yahoo! Inc. from 2007 to 2009.

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

Member of the Audit and Compensation & Leadership Development Committees.

Patricia A. Woertz

Director since 2008, Age 60

Ms. Woertz is Chairman, Chief Executive Officer, and President of Archer Daniels Midland Company (agricultural processors of oilseeds, corn, wheat, and cocoa, etc.), a company she joined in 2006. Ms. Woertz was named Chief Executive Officer and President in 2006 and Chairman in 2007. Prior to joining Archer Daniels Midland, Ms. Woertz held positions of increasing importance at Chevron Corporation and its predecessor companies. She began her career as a certified public accountant with Ernst & Ernst.

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

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

Ernesto Zedillo

Director since 2001, Age 61

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

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

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

Director Nominees Experience

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

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

The Board's Purpose

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

The Board's Leadership Structure

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

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

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

Mr. McNerney serves as the Board's current Presiding Director and has been annually re-elected to that role since August 14, 2007. Mr. McNerney is a strong, independent Presiding Director, who fulfilled each of these duties during the past year. As the current Chairman of the Board, President, and Chief Executive Officer of The Boeing Company, and former CEO of 3M Company, he brings a wealth of diverse experiences and outside perspective to his role as Presiding Director. In fiscal year 2012-13, the independent Directors met regularly, in [xx] executive sessions, without Mr. McDonald present, and met one time, at its June meeting, without Mr. Lafley present. Mr. McNerney led those sessions and following each, he advised Mr. McDonald and Mr. Lafley, respectively, on the Board's discussions, including performance feedback.

In connection with the appointment of A.G. Lafley as Chairman and CEO, and upon recommendation of the Governance & Public Responsibility Committee, the non-employee Directors of the Board concluded that the current leadership structure continues to be the right leadership structure for the Company, and, at this time, it is not in the best interests of the shareholders to split the role of Chairman of the Board and CEO and require an independent Chairman. The non-employee Directors reappointed Mr. McNerney to serve as Presiding Director for fiscal year 2013-14.

The Board reached this decision because it knows that Mr. Lafley is a proven leader, and the Directors have experience with Mr. Lafley serving as both Chairman of the Board and CEO of this Company. They believe that he will be an excellent leader in both roles. During this time of leadership transition, the Board wanted to keep the roles combined to minimize disruption. The Board also felt that it was important to retain the combined structure with a strong leader to lead the Company as it executes its strategy and productivity efforts. Finally, the Board is confident that Mr. Lafley, as Chairman, and Mr. McNerney, as Presiding Director, will work well together, as they did in the past, and that the appropriate balance of power will be maintained. The current structure has served the Company and its shareholders well in the past and is the best leadership structure for the Company at the current time. The Board will continue to evaluate the Company's leadership structure to ensure the Board's structure is right and appropriate at all times.

The Board's Oversight of Risk

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

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

Risk management oversight by the full Board includes a comprehensive annual review of the Company's overall strategic plan, typically conducted in June. The Board also devotes significant time to reviewing the strategic plans for each of the Company's global business units, including the risks associated with these strategic plans at Board meetings during the year. The Board also conducts reviews of other strategic focus areas for the Company. The Board annually reviews the conclusions and recommendations generated by management's enterprise risk management process. This process involves a cross-functional group of the Company's senior management which, on a continual

basis, identifies current and future potential risks facing the Company and ensures that actions are taken to manage and mitigate those potential risks. The Board also has overall responsibility for leadership succession for the Company's most senior officers and reviews succession plans each year.

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

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

The independent compensation consultant's review included an analysis of the Company's short-term 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 and stock ownership requirements, and trading policies. Simultaneously, members of management performed a similar review of the Company's other compensation programs. The results of the consultant's analysis of the Company's executive compensation programs, as well as management's review of the Company's other compensation programs, were shared with the C&LD Committee, which concluded that the Company's compensation policies and practices are not reasonably likely to have a material adverse effect on the Company as a whole.

In reaching its conclusion, the C&LD Committee noted that the Company's compensation programs include a mix of cash and equity, as well as annual and long-term incentives. This mix of compensation, the design features of these programs, and the Company's respective oversight and control requirements mitigate the potential of any individual inclination toward taking unnecessary risks. The C&LD Committee also acknowledged various other features of the Company's compensation programs, policies, and practices designed to mitigate unwarranted risk. For example, the Company's annual cash bonus program, the Short-Term Achievement Reward (STAR), provides the C&LD Committee with discretion to reduce or eliminate any award that would otherwise be payable. In addition, the performance metrics under STAR include both quantitative measures (e.g., top-line growth, bottom-line profits, free cash flow, etc.) and qualitative measures (e.g., relative performance, internal collaboration, strategic strength, innovation, etc.). These non-metric features mitigate the risk of an executive focusing too much on the specific financial metrics under STAR. Moreover, the performance metrics associated with the STAR Company Factor (50% core earnings per share growth and 50% organic sales growth) are aligned with the Company's business plans and strategic objectives, and the weighting of STAR target awards in the mix of target annual cash compensation is generally at or below the median for the Peer Group, as defined on page [xx] of this proxy statement.

Further, the C&LD Committee recognized that the Company's long-term incentives include a balanced portfolio of options, restricted stock units, and performance-vested stock (under the Performance Stock Plan). These long-term incentives incorporate a variety of payout horizons that focus executives on long-term performance: 10-year