

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

(Mark one)

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

For the Fiscal Year Ended June 30, 2019

OR

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

For the transition period from _____ to _____

Commission File No. 1-434

THE PROCTER & GAMBLE COMPANY

One Procter & Gamble Plaza, Cincinnati, Ohio 45202

Telephone (513) 983-1100

IRS Employer Identification No. 31-0411980

State of Incorporation: Ohio

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, without Par Value	PG	New York Stock Exchange
4.125% EUR notes due December 2020	PG20A	New York Stock Exchange
0.275% Notes due 2020	PG20	New York Stock Exchange
2.000% Notes due 2021	PG21	New York Stock Exchange
2.000% Notes due 2022	PG22B	New York Stock Exchange
1.125% Notes due 2023	PG23A	New York Stock Exchange
0.500% Notes due 2024	PG24A	New York Stock Exchange
0.625% Notes due 2024	PG24B	New York Stock Exchange
1.375% Notes due 2025	PG25	New York Stock Exchange
4.875% EUR notes due May 2027	PG27A	New York Stock Exchange
1.200% Notes due 2028	PG28	New York Stock Exchange
1.250% Notes due 2029	PG29B	New York Stock Exchange
1.800% Notes due 2029	PG29A	New York Stock Exchange
6.250% GBP notes due January 2030	PG30	New York Stock Exchange
5.250% GBP notes due January 2033	PG33	New York Stock Exchange
1.875% Notes due 2038	PG38	New York Stock Exchange

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

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

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	(Do not check if smaller reporting company)	
		Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the voting stock held by non-affiliates amounted to \$226 billion on December 31, 2018.

There were 2,502,259,668 shares of Common Stock outstanding as of July 31, 2019.

Documents Incorporated by Reference

Portions of the Proxy Statement for the 2019 Annual Meeting of Shareholders, which will be filed within one hundred and twenty days of the fiscal year ended June 30, 2019 (2019 Proxy Statement), are incorporated by reference into Part III of this report to the extent described herein.

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PART I

Item 1. Business.

Additional information required by this item is incorporated herein by reference to Management's Discussion and Analysis (MD&A); and Notes 1 and 2 to our Consolidated Financial Statements. Unless the context indicates otherwise, the terms the "Company," "P&G," "we," "our" or "us" as used herein refer to The Procter & Gamble Company (the registrant) and its subsidiaries.

The Procter & Gamble Company is focused on providing branded products of superior quality and value to improve the lives of the world's consumers, now and for generations to come. The Company was incorporated in Ohio in 1905, having been built from a business founded in 1837 by William Procter and James Gamble. Today, our products are sold in more than 180 countries and territories.

Throughout this Form 10-K, we incorporate by reference information from other documents filed with the Securities and Exchange Commission (SEC).

The Company's Annual Report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, and amendments thereto, are filed electronically with the SEC. The SEC maintains an internet site that contains these reports at: www.sec.gov. You can also access these reports through links from our website at: www.pginvestor.com.

Copies of these reports are also available, without charge, by contacting EQ Shareowner Services, 1100 Centre Pointe Curve, Suite 101, Mendota, MN 55120-4100.

Financial Information about Segments

Information about our reportable segments can be found in the MD&A and Note 2 to our Consolidated Financial Statements.

Narrative Description of Business

Business Model. Our business model relies on the continued growth and success of existing brands and products, as well as the creation of new innovative products. The markets and industry segments in which we offer our products are highly competitive. Our products are sold in more than 180 countries and territories through numerous channels as well as direct-to-consumer. Our growth strategy is to deliver meaningful and noticeable superiority in all elements of our consumer proposition - product, packaging, brand communication, retail execution and value equation. We use our research and development and consumer insights to provide superior products and packaging. We utilize our marketing and online presence to deliver superior brand messaging to our consumers. We work collaboratively with our customers to deliver superior retail execution, both in-store and online. In conjunction with the above elements, we provide superior value to consumers and our retail customers, in each price tier where we compete.

Key Product Categories. Information on key product categories can be found in Note 2 to our Consolidated Financial Statements.

Key Customers. Our customers include mass merchandisers, e-commerce, grocery stores, membership club stores, drug stores, department stores, distributors, wholesalers, baby stores, specialty beauty stores, high-frequency stores and pharmacies. We also sell direct to consumers. Sales to Walmart Inc. and its affiliates represent approximately 15% of our total sales in 2019 and 2018 and 16% in 2017. No other customer represents more than 10% of our total sales. Our top ten customers accounted for approximately 36% of our total sales in 2019 and 2018, and 35% in 2017. The nature of our business does not result in material backlog orders or contracts with the government. We believe our practices related to working capital items for customers and suppliers are consistent with the industry segments in which we compete.

Sources and Availability of Materials. Almost all of the raw and packaging materials used by the Company are purchased from others, some of whom are single-source suppliers. We produce certain raw materials, primarily chemicals, for further use in the manufacturing process. In addition, fuel, natural gas and derivative products are important commodities consumed in our manufacturing process and in the transportation of input materials and finished products to customers. The prices we pay for materials and other commodities are subject to fluctuation. When prices for these items change, we may or may not pass the change to our customers. The Company purchases a substantial variety of other raw and packaging materials, none of which is material to our business taken as a whole.

Trademarks and Patents. We own or have licenses under patents and registered trademarks, which are used in connection with our activity in all businesses. Some of these patents or licenses cover significant product formulation and processes used to manufacture our products. The trademarks are important to the overall marketing and branding of our products. All major trademarks in each business are registered. In part, our success can be attributed to the existence and continued protection of these trademarks, patents and licenses.

Competitive Condition. The markets in which our products are sold are highly competitive. Our products compete against similar products of many large and small companies, including well-known global competitors. In many of the markets and industry segments in which we sell our products we compete against other branded products as well as retailers' private-label brands. We are well positioned in the industry segments and markets in which we operate, often holding a leadership or significant market share position. We support our products with advertising, promotions and other marketing vehicles to build awareness and trial of our brands and products in conjunction with our sales force. We believe this combination provides the most efficient method of marketing for these types of products. Product quality, performance, value and packaging are also important differentiating factors.

Expenditures for Environmental Compliance. Expenditures for compliance with federal, state and local environmental laws

and regulations are fairly consistent from year to year and are not material to the Company. No material change is expected in fiscal year 2020.

Employees. Total number of employees is an estimate of total Company employees excluding interns, co-ops, contractors and employees of joint ventures as of the years ended June 30. The number of employees includes manufacturing and non-manufacturing employees. The number of employees is not restated to exclude employees of discontinued operations.

	Total Number of Employees
2019	97,000
2018	92,000
2017	95,000
2016	105,000
2015	110,000
2014	118,000

Item 1A. Risk Factors.

We discuss our expectations regarding future performance, events and outcomes, such as our business outlook and objectives in this Form 10-K, quarterly and annual reports, press releases and other written and oral communications. All statements, except for historical and present factual information, are “forward-looking statements” and are based on financial data and business plans available only as of the time the statements are made, which may become outdated or incomplete. We assume no obligation to update any forward-looking statements as a result of new information, future events or other factors. Forward-looking statements are inherently uncertain, and investors must recognize that events could significantly differ from our expectations.

The following discussion of “risk factors” identifies significant factors that may adversely affect our business, operations, financial position or future financial performance. This information should be read in conjunction with the MD&A and the Consolidated Financial Statements and related Notes incorporated in this report. The following discussion of risks is not all inclusive, but is designed to highlight what we believe are important factors to consider when evaluating our expectations. These and other factors could cause our future results to differ from those in the forward-looking statements and from historical trends.

Our business is subject to numerous risks as a result of our having significant operations and sales in international markets, including foreign currency fluctuations, currency exchange or pricing controls and localized volatility.

We are a global company, with operations in approximately 70 countries and products sold in more than 180 countries and territories around the world. We hold assets, incur liabilities, earn revenues and pay expenses in a variety of currencies other than the U.S. dollar, and our operations outside the U.S. generate more than fifty percent of our net revenue. Fluctuations in exchange rates for foreign currencies may

reduce the U.S. dollar value of revenues, profits and cash flows we receive from non-U.S. markets, increase our supply costs (as measured in U.S. dollars) in those markets, negatively impact our competitiveness in those markets or otherwise adversely impact our business results or financial condition. Moreover, discriminatory or conflicting fiscal or trade policies in different countries, including changes to tariffs and existing trade policies and agreements, could adversely affect our results. See also the Results of Operations and Cash Flow, Financial Condition and Liquidity sections of the MD&A and Note 9 to our Consolidated Financial Statements.

We also have businesses and maintain local currency cash balances in a number of countries with currency exchange, import authorization, pricing or other controls or restrictions, such as Nigeria, Algeria, Egypt and Turkey. Our results of operations and financial condition could be adversely impacted if we are unable to successfully manage such controls and restrictions, continue existing business operations and repatriate earnings from overseas, or if new or increased tariffs, quotas, exchange or price controls, trade barriers or similar restrictions are imposed on our business.

Additionally, our business, operations or employees may be adversely affected by political volatility, labor market disruptions or other crises or vulnerabilities in individual countries or regions, including political instability or upheaval, broad economic instability or sovereign risk related to a default by or deterioration in the credit worthiness of local governments, particularly in emerging markets.

Uncertain global economic conditions may adversely impact demand for our products or cause our customers and other business partners to suffer financial hardship, which could adversely impact our business.

Our business could be negatively impacted by reduced demand for our products related to one or more significant local, regional or global economic disruptions, such as: a slow-down in the general economy; reduced market growth rates; tighter credit markets for our suppliers, vendors or customers; a significant shift in government policies; the deterioration of economic relations between countries or regions, including potential negative consumer sentiment toward non-local products or sources; or the inability to conduct day-to-day transactions through our financial intermediaries to pay funds to or collect funds from our customers, vendors and suppliers. Additionally, economic conditions may cause our suppliers, distributors, contractors or other third-party partners to suffer financial difficulties that they cannot overcome, resulting in their inability to provide us with the materials and services we need, in which case our business and results of operations could be adversely affected. Customers may also suffer financial hardships due to economic conditions such that their accounts become uncollectible or are subject to longer collection cycles. In addition, if we are unable to generate sufficient income and cash flow, it could affect the Company’s ability to achieve expected share repurchase and dividend payments.

Disruptions in credit markets or changes to our credit ratings may reduce our access to credit.

A disruption in the credit markets or a downgrade of our current credit rating could increase our future borrowing costs and impair our ability to access capital and credit markets on terms commercially acceptable to us, which could adversely affect our liquidity and capital resources or significantly increase our cost of capital.

Disruption in our global supply chain may negatively impact our business results.

Our ability to meet our customers' needs and achieve cost targets depends on our ability to maintain key manufacturing and supply arrangements, including execution of supply chain optimizations and certain sole supplier or sole manufacturing plant arrangements. The loss or disruption of such manufacturing and supply arrangements, including for issues such as labor disputes, loss or impairment of key manufacturing sites, discontinuity in our internal information and data systems, inability to procure sufficient raw or input materials, significant changes in trade policy, natural disasters, increasing severity or frequency of extreme weather events due to climate change or otherwise, acts of war or terrorism or other external factors over which we have no control, could interrupt product supply and, if not effectively managed and remedied, have an adverse impact on our business, financial condition or results of operations.

Our businesses face cost fluctuations and pressures that could affect our business results.

Our costs are subject to fluctuations, particularly due to changes in the prices of commodities and raw materials and the costs of labor, transportation, energy, pension and healthcare. Therefore, our business results are dependent, in part, on our continued ability to manage these fluctuations through pricing actions, cost saving projects and sourcing decisions, while maintaining and improving margins and market share. Failure to manage these fluctuations could adversely impact our financial results.

Our ability to meet our growth targets depends on successful product, marketing and operations innovation and successful responses to competitive innovation and changing consumer habits.

We are a consumer products company that relies on continued global demand for our brands and products. Achieving our business results depends, in part, on successfully developing, introducing and marketing new products and on making significant improvements to our equipment and manufacturing processes. The success of such innovation depends on our ability to correctly anticipate customer and consumer acceptance and trends, to obtain, maintain and enforce necessary intellectual property protections and to avoid infringing upon the intellectual property rights of others. We must also successfully respond to technological advances made by, and intellectual property rights granted to, competitors. Failure to continually innovate, improve and respond to competitive moves and changing consumer habits could compromise our competitive position and adversely impact our results.

The ability to achieve our business objectives is dependent on how well we can compete with our local and global competitors in new and existing markets and channels.

The consumer products industry is highly competitive. Across all of our categories, we compete against a wide variety of global and local competitors. As a result, we experience ongoing competitive pressures in the environments in which we operate, which may result in challenges in maintaining profit margins. To address these challenges, we must be able to successfully respond to competitive factors and emerging retail trends, including pricing, promotional incentives, product delivery windows and trade terms. In addition, evolving sales channels and business models may affect customer and consumer preferences as well as market dynamics, which, for example, may be seen in the growing consumer preference for shopping online, ease of competitive entry into certain categories, and growth in hard discounter channels. Failure to successfully respond to competitive factors and emerging retail trends, and effectively compete in growing sales channels and business models, particularly e-commerce and mobile commerce applications, could negatively impact our results.

A significant change in customer relationships or in customer demand for our products could have a significant impact on our business.

We sell most of our products via retail customers, which include mass merchandisers, e-commerce, grocery stores, membership club stores, drug stores, department stores, distributors, wholesalers, baby stores, specialty beauty stores, high-frequency stores and pharmacies. Our success is dependent on our ability to successfully manage relationships with our retail trade customers, which includes our ability to offer trade terms that are mutually acceptable and are aligned with our pricing and profitability targets. Continued concentration among our retail customers could create significant cost and margin pressure on our business, and our business performance could suffer if we cannot reach agreement with a key customer on trade terms and principles. Our business could also be negatively impacted if a key customer were to significantly reduce the inventory level or shelf space of our products as a result of increased offerings of private label brands and generic non-branded products or for other reasons, significantly tighten product delivery windows or experience a significant business disruption.

If the reputation of the Company or one or more of our brands erodes significantly, it could have a material impact on our financial results.

The Company's reputation, and the reputation of our brands, form the foundation of our relationships with key stakeholders and other constituencies, including consumers, customers and suppliers. The quality and safety of our products are critical to our business. Many of our brands have worldwide recognition and our financial success is directly dependent on the success of our brands. The success of our brands can suffer if our marketing plans or product initiatives do not have the desired impact on a brand's image or its ability to attract consumers. Our results could also be negatively impacted if

one of our brands suffers substantial harm to its reputation due to a significant product recall, product-related litigation, defects or impurities in our products, product misuse, changing consumer perceptions of certain ingredients or environmental impacts, allegations of product tampering or the distribution and sale of counterfeit products. Additionally, negative or inaccurate postings or comments on social media or networking websites about the Company or one of its brands could generate adverse publicity that could damage the reputation of our brands or the Company. If we are unable to effectively manage real or perceived issues, including concerns about safety, quality, ingredients, efficacy, environmental impacts or similar matters, sentiments toward the Company or our products could be negatively impacted and our financial results could suffer. Our Company also devotes time and resources to citizenship efforts that are consistent with our corporate values and are designed to strengthen our business and protect and preserve our reputation, including programs driving ethics and corporate responsibility, strong communities, diversity and inclusion, gender equality and environmental sustainability. If these programs are not executed as planned or suffer negative publicity, the Company's reputation and financial results could be adversely impacted.

We rely on third parties in many aspects of our business, which creates additional risk.

Due to the scale and scope of our business, we must rely on relationships with third parties, including our suppliers, contract manufacturers, distributors, contractors, commercial banks, joint venture partners and external business partners, for certain functions. If we are unable to effectively manage our third-party relationships and the agreements under which our third-party partners operate, our financial results could suffer. Additionally, while we have policies and procedures for managing these relationships, they inherently involve a lesser degree of control over business operations, governance and compliance, thereby potentially increasing our financial, legal, reputational and operational risk.

An information security or operational technology incident, including a cybersecurity breach, or the failure of one or more key information or operations technology systems, networks, hardware, processes, and/or associated sites owned or operated by the Company or one of its service providers could have a material adverse impact on our business or reputation.

As part of the Company's regular review of potential risks, we maintain an information and operational technology ("IT/OT") risk management program that is primarily supervised by information technology management and reviewed by internal cross-functional stakeholders. As part of this program, analyses of emerging cybersecurity threats as well as the Company's plans and strategies to address them are regularly prepared and presented to senior management, the Audit Committee and the Board of Directors. Despite our policies, procedures and programs, including this IT/OT risk management program, we may not be effective in identifying and mitigating every risk to which we are exposed.

We rely extensively on IT/OT systems, networks and services, including internet and intranet sites, data hosting and processing facilities and technologies, physical security systems and other hardware, software and technical applications and platforms, many of which are managed, hosted, provided and/or used by third parties or their vendors, to assist in conducting our business. The various uses of these IT/OT systems, networks and services include, but are not limited to:

- ordering and managing materials from suppliers;
- converting materials to finished products;
- shipping products to customers;
- marketing and selling products to consumers;
- collecting, transferring, storing and/or processing customer, consumer, employee, vendor, investor, and other stakeholder information and personal data, including such data from persons covered by an expanding landscape of privacy and data regulations, such as citizens of the European Union who are covered by the General Data Protection Regulation ("GDPR");
- summarizing and reporting results of operations, including financial reporting;
- managing our banking and other cash liquidity systems and platforms;
- hosting, processing and sharing, as appropriate, confidential and proprietary research, business plans and financial information;
- collaborating via an online and efficient means of global business communications;
- complying with regulatory, legal and tax requirements;
- providing data security; and
- handling other processes necessary to manage our business.

Numerous and evolving information security threats, including advanced persistent cybersecurity threats, pose a risk to the security of our services, systems, networks and supply chain, as well as to the confidentiality, availability and integrity of our data and of our critical business operations. As cybersecurity threats rapidly evolve in sophistication and become more prevalent across the industry globally, the Company is continually increasing its attention to these threats. We assess potential threats and vulnerabilities and make investments seeking to address them, including ongoing monitoring and updating of networks and systems, increasing specialized information security skills, deploying employee security training, and updating security policies for the Company and its third-party providers. However, because the techniques, tools and tactics used in cyber-attacks frequently change and may be difficult to detect for periods of time, we may face difficulties in anticipating and implementing adequate preventative measures or fully mitigating harms after such an attack.

Our IT/OT databases and systems and our third-party providers' databases and systems have been, and will likely continue to be, subject to advanced computer viruses or other malicious codes, ransomware, unauthorized access attempts, denial of service attacks, phishing, social engineering, hacking and other cyber-attacks. Such attacks may originate from

outside parties, hackers, criminal organizations or other threat actors, including nation states. In addition, insider actors-malicious or otherwise-could cause technical disruptions and/or confidential data leakage. To date, we have seen no material impact on our business or operations from these attacks; however, we cannot guarantee that our security efforts or the security efforts of our third-party providers will prevent material breaches, operational incidents or other breakdowns to our or our third-party providers' IT/OT databases or systems.

Periodically, we also need to upgrade our IT/OT systems or adopt new technologies. If such a new system or technology does not function properly or otherwise exposes us to increased cybersecurity breaches and failures, it could affect our ability to order materials, make and ship orders, and process payments in addition to other operational and information integrity and loss issues. Further, if the IT/OT systems, networks or service providers we rely upon fail to function properly or cause operational outages or aberrations, or if we or one of our third-party providers suffer significant unavailability of key operations, or inadvertent disclosure of, lack of integrity of, or loss of our sensitive business or stakeholder information, due to any number of causes, ranging from catastrophic events or power outages to improper data handling, security incidents or employee error or malfeasance, and our business continuity plans do not effectively address these failures on a timely basis, we may be exposed to reputational, competitive, operational, financial and business harm as well as litigation and regulatory action. The costs and operational consequences of responding to the above items and implementing remediation measures could be significant and could adversely impact our results.

Changing political conditions could adversely impact our business and financial results.

Changes in the political conditions in markets in which we manufacture, sell or distribute our products may be difficult to predict and may adversely affect our business and financial results. For example, the United Kingdom's pending withdrawal from the European Union ("Brexit") has created uncertainty regarding, among other things, the U.K.'s future legal and economic framework and how the U.K. will interact with other countries, including with respect to the free movement of goods, services, capital and people. In addition, results of elections, referendums or other political processes in certain markets in which our products are manufactured, sold or distributed could create uncertainty regarding how existing governmental policies, laws and regulations may change, including with respect to sanctions, taxes, the movement of goods, services, capital and people between countries and other matters. The potential implications of such uncertainty, which include, among others, exchange rate fluctuations, tariffs, trade barriers and market contraction, could adversely affect the Company's business and financial results.

We must successfully manage compliance with laws and regulations, as well as manage new and pending legal and regulatory matters in the U.S. and abroad.

Our business is subject to a wide variety of laws and regulations across the countries in which we do business, including those laws and regulations involving intellectual property, product

liability, product composition or formulation, packaging content or disposability, marketing, antitrust, data protection, environmental (including climate, water, waste), employment, anti-bribery, anti-corruption, tax, accounting and financial reporting or other matters. Rapidly changing laws, regulations, policies and related interpretations, as well as increased enforcement actions, create challenges for the Company, including our compliance and ethics programs, may alter the environment in which we do business and may increase the ongoing costs of compliance, which could adversely impact our financial results. If we are unable to continue to meet these challenges and comply with all laws, regulations, policies and related interpretations, it could negatively impact our reputation and our business results. Failure to successfully manage regulatory and legal matters and resolve such matters without significant liability or damage to our reputation may materially adversely impact our results of operations and financial position. Furthermore, if pending legal or regulatory matters result in fines or costs in excess of the amounts accrued to date, that may also materially impact our results of operations and financial position.

Changes in applicable tax regulations and resolutions of tax disputes could negatively affect our financial results.

The Company is subject to taxation in the U.S. and numerous foreign jurisdictions. Changes in the various tax laws can and do occur. For example, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the "U.S. Tax Act"). The changes included in the U.S. Tax Act are broad and complex. The ongoing impacts of the U.S. Tax Act may differ from the estimates provided elsewhere in this report, possibly materially, due to, among other things, changes in interpretations, any regulatory guidance or legislative action to address questions that arise or any updates or changes to estimates the Company has used to calculate the impacts.

Additionally, longstanding international tax norms that determine each country's jurisdiction to tax cross-border international trade are subject to potential evolution. An outgrowth of the original Base Erosion and Profit Shifting ("BEPS") project is a new project undertaken by the 129 member countries of the expanded OECD Inclusive Framework focused on "Addressing the Challenges of the Digitalization of the Economy." The breadth of this project extends beyond pure digital businesses and is likely to impact all multinational businesses by potentially redefining jurisdictional taxation rights. As this and other tax laws and related regulations change or evolve, our financial results could be materially impacted. Given the unpredictability of these possible changes, it is very difficult to assess whether the overall effect of such potential tax changes would be cumulatively positive or negative for our earnings and cash flow, but such changes could adversely impact our financial results.

Furthermore, we are subject to regular review and audit by both foreign and domestic tax authorities. While we believe our tax positions will be sustained, the final outcome of tax audits and related litigation, including maintaining our intended tax treatment of divestiture transactions such as the fiscal 2017

Beauty Brands transaction with Coty, may differ materially from the tax amounts recorded in our Consolidated Financial Statements, which could adversely impact our cash flows and financial results.

We must successfully manage ongoing acquisition, joint venture and divestiture activities.

As a company that manages a portfolio of consumer brands, our ongoing business model includes a certain level of acquisition, joint venture and divestiture activities. We must be able to successfully manage the impacts of these activities, while at the same time delivering against our business objectives. Specifically, our financial results could be adversely impacted by the dilutive impacts from the loss of earnings associated with divested brands or dissolution of joint ventures. Our financial results could also be impacted by acquisitions or joint venture activities, such as the integration of Merck KGaA's Consumer Health business acquired in fiscal 2019, if: 1) changes in the cash flows or other market-based assumptions cause the value of acquired assets to fall below book value, or 2) we are not able to deliver the expected cost and growth synergies associated with such acquisitions and joint ventures, including as a result of integration and collaboration challenges, which could also have an impact on goodwill and intangible assets.

Our business results depend on our ability to successfully manage productivity improvements and ongoing organizational change.

Our financial projections assume certain ongoing productivity improvements and cost savings, including staffing adjustments as well as employee departures. Failure to deliver these planned productivity improvements and cost savings, while continuing to invest in business growth, could adversely impact our financial results. Additionally, successfully executing organizational change, including the move to a new organizational structure in fiscal 2020, management transitions at leadership levels of the Company and motivation and retention of key employees, is critical to our business success. Factors that may affect our ability to attract and retain sufficient numbers of qualified employees include employee morale, our reputation, competition from other employers and availability of qualified personnel. Our success is dependent on identifying, developing and retaining key employees to provide uninterrupted leadership and direction for our business. This includes developing and retaining organizational capabilities in key growth markets where the depth of skilled or experienced employees may be limited and competition for these resources is intense, as well as continuing the development and execution of robust leadership succession plans.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

In the U.S., we own and operate 24 manufacturing sites located in 18 different states. In addition, we own and operate 85 manufacturing sites in 37 other countries. Many of the domestic and international sites manufacture products for

multiple businesses. Beauty products are manufactured at 24 of these locations; Grooming products at 19; Health Care products at 21; Fabric & Home Care products at 39; and Baby, Feminine & Family Care at 37. We own our Corporate headquarters in Cincinnati, Ohio. We own or lease our principal regional general offices in Switzerland, Panama, Singapore and China. We own or lease our principal regional shared service centers in Costa Rica, the United Kingdom and the Philippines. Management believes that the Company's sites are adequate to support the business and that the properties and equipment have been well maintained.

Item 3. Legal Proceedings.

The Company is subject, from time to time, to certain legal proceedings and claims arising out of our business, which cover a wide range of matters, including antitrust and trade regulation, product liability, advertising, contracts, environmental issues, patent and trademark matters, labor and employment matters and tax. See Note 12 to our Consolidated Financial Statements for information on certain legal proceedings for which there are contingencies.

This item should be read in conjunction with the Company's Risk Factors in Part I, Item 1A for additional information.

Item 4. Mine Safety Disclosure.

Not applicable.

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

The names, ages and positions held by the Executive Officers of the Company on August 6, 2019, are:

Name	Position	Age	First Elected to Officer Position
David S. Taylor	Chairman of the Board, President and Chief Executive Officer	61	2013
Jon R. Moeller	Vice Chairman, Chief Operating Officer and Chief Financial Officer	55	2009
Steven D. Bishop	Chief Executive Officer - Health Care	55	2016
Mary Lynn Ferguson-McHugh	Chief Executive Officer - Family Care and P&G Ventures	59	2016
Carolyn M. Tastad	Group President - North America and Chief Sales Officer	58	2014
Gary A. Coombe	Chief Executive Officer - Grooming	55	2014
Kathleen B. Fish	Chief Research, Development and Innovation Officer	62	2014
Fama Francisco	Chief Executive Officer - Baby and Feminine Care	51	2018
M. Tracey Grabowski	Chief Human Resources Officer	51	2018
Shailesh Jejurikar	Chief Executive Officer - Fabric and Home Care	52	2018
R. Alexandra Keith	Chief Executive Officer - Beauty	51	2017
Deborah P. Majoras	Chief Legal Officer and Secretary	55	2010
Marc S. Pritchard	Chief Brand Officer	59	2008
Valarie L. Sheppard	Controller and Treasurer and Executive Vice President - Company Transition Leader	55	2005

All the Executive Officers named above have been employed by the Company for more than the past five years.

PART II**Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.****ISSUER PURCHASES OF EQUITY SECURITIES**

Period	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid per Share ⁽²⁾	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ⁽³⁾	Approximate Dollar Value of Shares that May Yet Be Purchased Under Our Share Repurchase Program
4/1/2019 - 4/30/2019	5,739,213	\$104.54	5,739,213	(3)
5/1/2019 - 5/31/2019	6,125,301	106.12	6,125,301	(3)
6/1/2019 - 6/30/2019	4,567,568	109.47	4,567,568	(3)
Total	16,432,082	\$106.50	16,432,082	(3)

⁽¹⁾ All transactions were made in the open market with large financial institutions. This table excludes shares withheld from employees to satisfy minimum tax withholding requirements on option exercises and other equity-based transactions. The Company administers cashless exercises through an independent third party and does not repurchase stock in connection with cashless exercises.

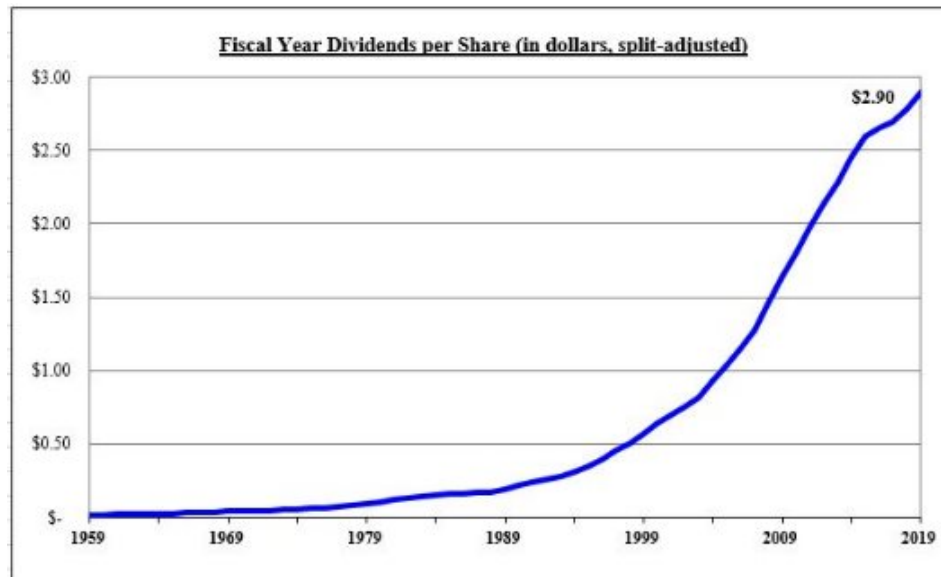
⁽²⁾ Average price paid per share is calculated on a settlement basis and excludes commission.

⁽³⁾ On April 23, 2019, the Company stated that in fiscal year 2019 the Company expected to reduce outstanding shares through direct share repurchases at a value of approximately \$5 billion, notwithstanding any purchases under the Company's compensation and benefit plans. The share repurchases were authorized pursuant to a resolution issued by the Company's Board of Directors and were financed through a combination of operating cash flows and issuance of long-term and short-term debt. The total value of the shares purchased under the share repurchase plan was \$5.0 billion. The share repurchase plan ended on June 30, 2019.

Additional information required by this item can be found in Part III, Item 12 of this Form 10-K.

SHAREHOLDER RETURN PERFORMANCE GRAPHS**Market and Dividend Information**

P&G has been paying a dividend for 129 consecutive years since its original incorporation in 1890 and has increased its dividend for 63 consecutive years. Over the past five years, the dividend has increased at an annual compound average rate of 3%. Nevertheless, as in the past, further dividends will be considered after reviewing dividend yields, profitability expectations and financing needs and will be declared at the discretion of the Company's Board of Directors.



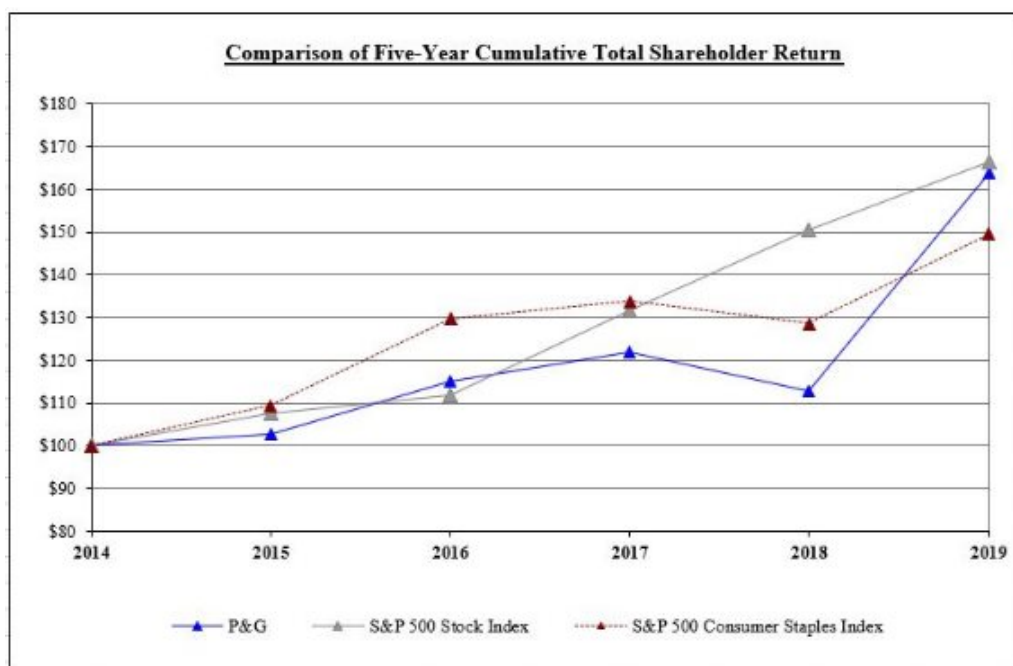
(in dollars; split-adjusted)	1959	1969	1979	1989	1999	2009	2019
Dividends per share	\$ 0.02	\$ 0.04	\$ 0.10	\$ 0.19	\$ 0.57	\$ 1.64	\$ 2.90

Common Stock Information

P&G trades on the New York Stock Exchange under the stock symbol PG. There were approximately 3.3 million common stock shareowners, including shareowners of record, participants in P&G stock ownership plans, participants in the P&G Direct Stock Purchase Plan, and beneficial owners with accounts at banks and brokerage firms, as of June 30, 2019.

Shareholder Return

The following graph compares the cumulative total return of P&G's common stock for the five-year period ended June 30, 2019, against the cumulative total return of the S&P 500 Stock Index (broad market comparison) and the S&P 500 Consumer Staples Index (line of business comparison). The graph and table assume \$100 was invested on June 30, 2014, and that all dividends were reinvested.



Company Name/Index	Cumulative Value of \$100 Investment, through June 30					
	2014	2015	2016	2017	2018	2019
P&G	\$ 100	\$ 103	\$ 115	\$ 122	\$ 113	\$ 164
S&P 500 Stock Index	100	107	112	132	151	166
S&P 500 Consumer Staples Index	100	109	130	134	129	150

Item 6. Selected Financial Data.

The information required by this item is incorporated by reference to Note 1 and Note 2 to our Consolidated Financial Statements. For further details behind the business drivers for recent results presented below, see the Management's Discussion and Analysis.

Financial Summary (Unaudited)

Amounts in millions, except per share amounts	2019	2018	2017	2016	2015	2014
Net sales	\$ 67,684	\$ 66,832	\$ 65,058	\$ 65,299	\$ 70,749	\$ 74,401
Gross profit	32,916	32,400	32,420	32,275	33,649	35,356
Operating income	5,487	13,363	13,766	13,258	11,056	13,958
Net earnings from continuing operations	3,966	9,861	10,194	10,027	8,287	10,658
Net earnings/(loss) from discontinued operations	—	—	5,217	577	(1,143)	1,127
Net earnings attributable to Procter & Gamble	\$ 3,897	\$ 9,750	\$ 15,326	\$ 10,508	\$ 7,036	\$ 11,643
Net earnings margin from continuing operations	5.9%	14.8%	15.7%	15.4%	11.7%	14.3%
Basic net earnings per common share: ⁽¹⁾						
Earnings from continuing operations	\$ 1.45	\$ 3.75	\$ 3.79	\$ 3.59	\$ 2.92	\$ 3.78
Earnings/(loss) from discontinued operations	—	—	2.01	0.21	(0.42)	0.41
Basic net earnings per common share	\$ 1.45	\$ 3.75	\$ 5.80	\$ 3.80	\$ 2.50	\$ 4.19
Diluted net earnings per common share: ⁽¹⁾						
Earnings from continuing operations	\$ 1.43	\$ 3.67	\$ 3.69	\$ 3.49	\$ 2.84	\$ 3.63
Earnings/(loss) from discontinued operations	—	—	1.90	0.20	(0.40)	0.38
Diluted net earnings per common share	\$ 1.43	\$ 3.67	\$ 5.59	\$ 3.69	\$ 2.44	\$ 4.01
Dividends per common share	\$ 2.90	\$ 2.79	\$ 2.70	\$ 2.66	\$ 2.59	\$ 2.45
Research and development expense	\$ 1,861	\$ 1,908	\$ 1,874	\$ 1,879	\$ 1,991	\$ 1,910
Advertising expense	6,751	7,103	7,118	7,243	7,180	7,867
Total assets	115,095	118,310	120,406	127,136	129,495	144,266
Capital expenditures	3,347	3,717	3,384	3,314	3,736	3,848
Long-term debt	20,395	20,863	18,038	18,945	18,327	19,807
Shareholders' equity	\$ 47,579	\$ 52,883	\$ 55,778	\$ 57,983	\$ 63,050	\$ 69,976

⁽¹⁾ Basic net earnings per common share and Diluted net earnings per common share are calculated based on Net earnings attributable to Procter & Gamble.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.**Management's Discussion and Analysis****Forward-Looking Statements**

Certain statements in this report, other than purely historical information, including estimates, projections, statements relating to our business plans, objectives, and expected operating results, and the assumptions upon which those statements are based, are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements may appear throughout this report, including without limitation, the following sections: “Management's Discussion and Analysis” and “Risk Factors.” These forward-looking statements generally are identified by the words “believe,” “project,” “expect,” “anticipate,” “estimate,” “intend,” “strategy,” “future,” “opportunity,” “plan,” “may,” “should,” “will,” “would,” “will be,” “will continue,” “will likely result,” and similar expressions. Forward-looking statements are based on current expectations and assumptions, which are subject to risks and uncertainties that may cause results to differ materially from those expressed or implied in the forward-looking statements. A detailed discussion of risks and uncertainties that could cause actual results and events to differ materially from those projected herein is included, without limitation, in the section titled “Economic Conditions and Uncertainties” and the section titled “Risk Factors” (Part I, Item 1A of this Form 10-K). We undertake no obligation to update or revise publicly any forward-looking statements, whether because of new information, future events or otherwise.

The purpose of Management's Discussion and Analysis (MD&A) is to provide an understanding of Procter & Gamble's financial condition, results of operations and cash flows by focusing on changes in certain key measures from year to year. The MD&A is provided as a supplement to, and should be read in conjunction with, our Consolidated Financial Statements and accompanying notes. The MD&A is organized in the following sections:

- Overview
- Summary of 2019 Results
- Economic Conditions and Uncertainties
- Results of Operations
- Segment Results
- Cash Flow, Financial Condition and Liquidity
- Significant Accounting Policies and Estimates
- Other Information

Throughout the MD&A we refer to measures used by management to evaluate performance, including unit volume growth, net sales and net earnings. We also refer to a number of financial measures that are not defined under accounting principles generally accepted in the United States of America (U.S. GAAP), including organic sales growth, core earnings per share (Core EPS), adjusted free cash flow and adjusted free cash flow productivity. Organic sales growth is net sales

growth excluding the impacts of acquisitions, divestitures, foreign exchange and the fiscal 2019 adoption of new accounting standards for “Revenue from Contracts with Customers” (see Note 1 to the Consolidated Financial Statements) from year-over-year comparisons. Core EPS is diluted net earnings per share from continuing operations excluding certain items that are not judged to be part of the Company's sustainable results or trends. Adjusted free cash flow is operating cash flow less capital spending and transitional tax payments related to the U.S. Tax Act. Adjusted free cash flow productivity is the ratio of adjusted free cash flow to net earnings excluding certain one-time items. We believe these measures provide our investors with additional information about our underlying results and trends, as well as insight to some of the metrics used to evaluate management. The explanation at the end of the MD&A provides more details on the use and the derivation of these measures.

Management also uses certain market share and market consumption estimates to evaluate performance relative to competition despite some limitations on the availability and comparability of share and consumption information. References to market share and consumption in the MD&A are based on a combination of vendor purchased traditional brick-and-mortar and online data in key markets as well as internal estimates. All market share references represent the percentage of sales in dollar terms on a constant currency basis of our products, relative to all product sales in the category. The Company measures fiscal-year-to-date market shares through the most recent period for which market share data is available, which typically reflects a lag time of one or two months.

OVERVIEW

Procter & Gamble is a global leader in the fast-moving consumer goods industry, focused on providing branded consumer packaged goods of superior quality and value to our consumers around the world. Our products are sold in more than 180 countries and territories primarily through mass merchandisers, e-commerce, grocery stores, membership club stores, drug stores, department stores, distributors, wholesalers, baby stores, specialty beauty stores, high-frequency stores and pharmacies. We also sell direct to consumers. We have on-the-ground operations in approximately 70 countries.

Our market environment is highly competitive with global, regional and local competitors. In many of the markets and industry segments in which we sell our products, we compete against other branded products, as well as retailers' private-label brands. Additionally, many of the product segments in which we compete are differentiated by price tiers (referred to as super-premium, premium, mid-tier and value-tier products). We are well positioned in the industry segments and markets in which we operate, often holding a leadership or significant market share position.

ORGANIZATIONAL STRUCTURE

In fiscal 2019, our organizational structure was comprised of Global Business Units (GBUs), Selling and Market Operations (SMOs), Global Business Services (GBS) and Corporate Functions (CF).

Global Business Units

Our GBUs are organized into ten product categories. Under U.S. GAAP, the GBUs underlying the ten product categories are aggregated into five reportable segments: Beauty; Grooming; Health Care; Fabric & Home Care; and Baby, Feminine & Family Care. The GBUs are responsible for developing overall brand strategy, new product upgrades and innovations and marketing plans. The following provides additional detail on our reportable segments and the ten product categories and brand composition within each segment.

Reportable Segments	% of Net Sales ⁽¹⁾	% of Net Earnings ⁽¹⁾	Product Categories (Sub-Categories)	Major Brands
Beauty	19%	22%	Hair Care (<i>Conditioner, Shampoo, Styling Aids, Treatments</i>)	Head & Shoulders, Herbal Essences, Pantene, Rejoice
			Skin and Personal Care (<i>Antiperspirant and Deodorant, Personal Cleansing, Skin Care</i>)	Olay, Old Spice, Safeguard, SK-II, Secret
Grooming	9%	13%	Grooming ⁽²⁾ (<i>Shave Care - Female Blades & Razors, Male Blades & Razors, Pre- and Post-Shave Products, Other Shave Care; Appliances</i>)	Braun, Gillette, Venus
Health Care	12%	13%	Oral Care (<i>Toothbrushes, Toothpaste, Other Oral Care</i>)	Crest, Oral-B
			Personal Health Care (<i>Gastrointestinal, Rapid Diagnostics, Respiratory, Vitamins/Minerals/Supplements, Pain Relief, Other Personal Health Care</i>)	Metamucil, Neurobion, Pepto Bismol, Vicks
Fabric & Home Care	33%	29%	Fabric Care (<i>Fabric Enhancers, Laundry Additives, Laundry Detergents</i>)	Ariel, Downy, Gain, Tide
			Home Care (<i>Air Care, Dish Care, P&G Professional, Surface Care</i>)	Cascade, Dawn, Fairy, Febreze, Mr. Clean, Swiffer
Baby, Feminine & Family Care	27%	23%	Baby Care (<i>Baby Wipes, Taped Diapers and Pants</i>)	Luvs, Pampers
			Feminine Care (<i>Adult Incontinence, Feminine Care</i>)	Always, Always Discreet, Tampax
			Family Care (<i>Paper Towels, Tissues, Toilet Paper</i>)	Bounty, Charmin, Puffs

⁽¹⁾ Percent of Net sales and Net earnings from continuing operations for the year ended June 30, 2019 (excluding results held in Corporate).

⁽²⁾ The Grooming product category is comprised of the Shave Care and Appliances GBUs.

Recent Developments:

During fiscal 2019, the Company completed the acquisition of the over the counter (OTC) healthcare business of Merck KGaA (Merck OTC) for \$3.7 billion (based on exchange rates at the time of closing). This business primarily sells OTC consumer healthcare products, mainly in Europe, Latin America and Asia markets. Total sales for the business during Merck OTC's most recent fiscal year ended December 31, 2017 were approximately \$1 billion.

During fiscal 2019, the Company also dissolved our PGT Healthcare partnership, a venture between the Company and Teva Pharmaceutical Industries, Ltd (Teva) in the OTC consumer healthcare business. Pursuant to the agreement, PGT product assets were returned to the original respective parent companies to reestablish independent OTC businesses. This transaction was accounted for as a sale of the Teva portion of the PGT business. The Company recorded an after-tax gain on the sale of \$353 million.

During fiscal 2017, the Company completed the divestiture of four product categories, which included 43 of the Company's beauty brands ("Beauty Brands"), including the global salon professional hair care and color, retail hair color, cosmetics and the fine fragrance businesses, along with select hair styling brands. The Beauty Brands had historically been part of the Company's Beauty reportable segment. The results of the Beauty Brands are presented as discontinued operations and, as such, are excluded from both continuing operations and segment results for all periods presented.

Refer to Notes 13 and 14 to our Consolidated Financial Statements for more details on each of these transactions.

Organization Design Changes:

The Company recently announced changes to our organization design effective July 1, 2019. In the new design, the ten product categories are being organized into six Sector Business Units (SBUs). The SBUs will be responsible for global brand strategy, innovation and supply chain. They will have direct profit responsibility for markets representing the large majority

of the Company's sales and earnings (referred to as Focus Markets) and will be responsible for innovation plans, supply plans and operating frameworks to drive growth and value creation in the remaining markets (referred to as Enterprise Markets). For segment reporting purposes, the categories will continue to be aggregated into the same five external reporting segments.

Beauty: We are a global market leader in the beauty category. Most of the beauty markets in which we compete are highly fragmented with a large number of global and local competitors. We compete in skin and personal care and in hair care. In skin and personal care, we offer a wide variety of products, ranging from deodorants to personal cleansing to skin care, such as our Olay brand, which is one of the top facial skin care brands in the world with nearly 6% global market share. We are the global market leader in the retail hair care market with over 20% global market share primarily behind our Pantene and Head & Shoulders brands.

Grooming: We compete in shave care and appliances. In shave care, we are the global market leader in the blades and razors market. Our global blades and razors market share is over 60%, primarily behind the Gillette franchise, including our Fusion, Mach3, Prestobarba and Venus brands. Our appliances, such as electric shavers and epilators, are sold under the Braun brand in a number of markets around the world where we compete against both global and regional competitors. We hold nearly 25% of the male electric shavers market and over 50% of the female epilators market.

Health Care: We compete in oral care and personal health care. In oral care, there are several global competitors in the market and we have the number two market share position with nearly 20% global market share behind our Oral-B and Crest brands. In personal health care, we are a top ten competitor in a large, highly fragmented industry, primarily behind respiratory treatments (Vicks brand) and digestive wellness products (Metamucil, Pepto Bismol and Align brands). As discussed above, in fiscal 2019, we dissolved the PGT Healthcare partnership with Teva, which previously managed nearly all of our personal health care sales outside the U.S., and reestablished independent OTC businesses. We also acquired Merck OTC as discussed above.

Fabric & Home Care: This segment is comprised of a variety of fabric care products, including laundry detergents, additives and fabric enhancers; and home care products, including dishwashing liquids and detergents, surface cleaners and air fresheners. In fabric care, we generally have the number one or number two market share position in the markets in which we compete and are the global market leader with over 25% global market share, primarily behind our Tide, Ariel and Downy brands. Our global home care market share is over 20% across the categories in which we compete.

Baby, Feminine & Family Care: In baby care, we are the global market leader and compete mainly in taped diapers, pants and baby wipes with over 25% global market share. We have the number one or number two market share position in most of the key markets in which we compete, primarily behind Pampers, the Company's largest brand, with annual net sales

of nearly \$8 billion. We are the global market leader in the feminine care category with 25% global market share, primarily behind Always. We also compete in the adult incontinence category in certain markets behind Always Discreet, achieving nearly 10% market share in most of the markets where we compete. Our family care business is predominantly a North American business comprised largely of the Bounty paper towel and Charmin toilet paper brands. U.S. market shares are over 40% for Bounty and over 25% for Charmin.

Selling and Market Operations

Our SMOs are responsible for developing and executing go-to-market plans at the local level. The SMOs include dedicated retail customer, trade channel and country-specific teams. Our SMOs are organized under six regions, comprised of North America, Europe, Latin America, Asia Pacific, Greater China and India, Middle East and Africa (IMEA). Throughout the MD&A, we reference business results in developed markets, which are comprised of North America, Western Europe and Japan, and developing markets, which are all other markets not included in developed. As a result of the above-mentioned changes in our organization design effective July 1, 2019, we will be organized under five regions, with Asia Pacific and IMEA being combined into a single region.

Corporate Functions

Corporate Functions provides company-level strategy and portfolio analysis, corporate accounting, treasury, tax, external relations, governance, human resources and legal, as well as other centralized functional support.

Global Business Services

GBS provides technology, processes and standard data tools to enable the GBUs, the SMOs and Corporate Functions to better understand the business and better serve consumers and customers. The GBS organization is responsible for providing world-class solutions at a low cost and with minimal capital investment.

STRATEGIC FOCUS

Procter & Gamble aspires to serve the world's consumers better than our best competitors in every category and in every country in which we compete, and, as a result, deliver total shareholder return in the top one-third of our peer group. Delivering and sustaining leadership levels of shareholder value creation requires balanced top-line growth, bottom-line growth and strong cash generation.

Our strategic choices are focused on winning with consumers. The consumers who purchase and use our products are at the center of everything we do. We win with consumers by delivering superiority across the five key elements of product, packaging, brand communication, retail execution and value equation.

Winning with consumers around the world and against our best competitors requires innovation. Innovation has always been, and continues to be, P&G's lifeblood. Innovation requires consumer insights and technology advancements that lead to product improvements, improved marketing and

merchandising programs and game-changing inventions that create new brands and categories.

Productivity improvement is critical to delivering our balanced top-line growth, bottom-line growth and value creation objectives. Productivity improvement and sales growth reinforce and fuel each other. We are driving productivity improvement across all elements of cost, including cost of goods sold, marketing and promotional expenses and non-manufacturing overhead. Productivity improvements and cost savings are being reinvested in product and packaging improvements, brand awareness-building advertising and trial-building sampling programs, increased sales coverage and R&D programs.

We are improving operational effectiveness and organizational culture through enhanced clarity of roles and responsibilities, accountability and incentive compensation programs.

The Company has undertaken an effort to focus and strengthen its business portfolio to compete in categories and with brands that are structurally attractive and that play to P&G's strengths. The ongoing portfolio of businesses consists of 10 product

categories. These are categories where P&G has leading market positions, strong brands and consumer-meaningful product technologies.

We believe these strategies are right for the long-term health of the Company and our objective of delivering total shareholder return in the top one-third of our peer group.

The Company expects the delivery of the following long-term annual financial targets will result in total shareholder returns in the top third of the competitive peer group:

- Organic sales growth above market growth rates in the categories and geographies in which we compete;
- Core EPS growth of mid-to-high single digits; and
- Adjusted free cash flow productivity of 90% or greater.

In periods with significant macroeconomic pressures, we intend to maintain a disciplined approach to investing so as not to sacrifice the long-term health of our businesses to meet short-term objectives in any given year.

SUMMARY OF 2019 RESULTS

Amounts in millions, except per share amounts

	2019	2018	Change vs. Prior Year
Net sales	\$ 67,684	\$ 66,832	1 %
Operating income	5,487	13,363	(59)%
Net earnings	3,966	9,861	(60)%
Net earnings attributable to Procter & Gamble	3,897	9,750	(60)%
Diluted net earnings per common share	1.43	3.67	(61)%
Core earnings per share	4.52	4.22	7 %
Cash flow from operating activities	15,242	14,867	3 %

- Net sales increased 1% to \$67.7 billion on a 3% increase in unit volume. Foreign exchange had a negative 4% impact on net sales. Net sales growth was driven by mid-single digit increases in Beauty and Health Care and a low single digit increase in Fabric & Home Care, partially offset by a low single digit decline in Baby, Feminine & Family Care and a mid-single digit decline in Grooming.
 - Organic sales increased 5% on a 2% increase in organic volume. Organic sales increased high single digits in Beauty and Fabric & Home Care, increased mid-single digits in Health Care and increased low single digits in Grooming and Baby, Feminine & Family Care.
 - Unit volumes increased 3%. Volume increased mid-single digits in Health Care and Fabric & Home Care and increased low single digits in Beauty and Baby, Feminine & Family Care. Volume decreased low single digits in Grooming.
- Operating income decreased \$7.9 billion, or 59%, due primarily to non-cash impairment charges of \$8.3 billion related to Shave Care goodwill and Gillette indefinite-lived intangible assets (Shave Care impairment), partially offset by the benefit from the net sales increase. For a more detailed discussion on the Shave Care impairment refer to

the Significant Accounting Policies and Estimates section in the MD&A and Note 4 to the Consolidated Financial Statements.

- Net earnings decreased \$5.9 billion or 60% due to the after-tax impact of the Shave Care impairment, partially offset by a reduction in current year income tax expense, a current year gain on the dissolution of the PGT Healthcare partnership and the base period charges for the early extinguishment of debt. The reduction in current year income tax expense was driven by the impacts of the U.S. Tax Cuts and Jobs Act enacted in December 2017 (U.S. Tax Act), comprised of the reduction in tax rate on the current year earnings and the base period charges related to the transitional impacts of the U.S. Tax Act. Foreign exchange impacts negatively affected net earnings by approximately \$900 million.
- Net earnings attributable to Procter & Gamble were \$3.9 billion, a decrease of \$5.9 billion or 60% versus the prior year primarily due to the aforementioned items.
- Diluted net earnings per share decreased 61% to \$1.43.
 - Core EPS increased 7% to \$4.52.
- Cash flow from operating activities was \$15.2 billion.
 - Adjusted free cash flow was \$12.1 billion.
 - Adjusted free cash flow productivity was 105%.

ECONOMIC CONDITIONS AND UNCERTAINTIES

We discuss expectations regarding future performance, events and outcomes, such as our business outlook and objectives, in annual and quarterly reports, press releases and other written and oral communications. All such statements, except for historical and present factual information, are "forward-looking statements" and are based on financial data and our business plans available only as of the time the statements are made, which may become out-of-date or incomplete. We assume no obligation to update any forward-looking statements as a result of new information, future events or other factors. Forward-looking statements are inherently uncertain and investors must recognize that events could be significantly different from our expectations. For more information on risk factors that could impact our results, please refer to "Risk Factors" in Part I, Item 1A of this Form 10-K.

Global Economic Conditions. Our products are sold in numerous countries across North America, Europe, Latin America, Asia and Africa, with more than half our sales generated outside the United States. As such, we are exposed to and impacted by global macro-economic factors, U.S. and foreign government policies and foreign exchange fluctuations. Current macroeconomic factors remain dynamic, and any causes of market size contraction, such as reduced GDP in commodity-dependent economies, greater political unrest in the Middle East, Central & Eastern Europe and the Korean peninsula, economic uncertainty related to the execution of the United Kingdom's exit from the European Union, political instability in certain Latin American and Asian markets and overall economic slowdowns, could reduce our sales or erode our operating margin, in either case reducing our earnings.

Changes in Costs. Our costs are subject to fluctuations, particularly due to changes in commodity prices, transportation costs and our own productivity efforts. We have significant exposures to certain commodities, in particular certain oil-derived materials like resins and paper-based materials like pulp, and volatility in the market price of these commodity input materials has a direct impact on our costs. If we are unable to manage commodity and other cost fluctuations through pricing actions, cost savings projects and sourcing decisions, as well as through consistent productivity improvements, it may adversely impact our gross margin, operating margin and net earnings. Sales could also be adversely impacted following pricing actions if there is a negative impact on consumption of our products. We strive to implement, achieve and sustain cost improvement plans, including outsourcing projects, supply chain optimization and general overhead and workforce optimization. As discussed later in this MD&A, in 2012 we initiated overhead and supply chain cost improvement projects. In fiscal 2017, we communicated specific elements of an additional multi-year cost reduction program which is resulting in enrollment reductions and other savings. If we are not successful in executing and sustaining these changes, there could be a negative impact on our operating margin and net earnings.

Foreign Exchange. We have both translation and transaction exposure to the fluctuation of exchange rates. Translation

exposures relate to exchange rate impacts of measuring income statements of foreign subsidiaries that do not use the U.S. dollar as their functional currency. Transaction exposures relate to 1) the impact from input costs that are denominated in a currency other than the local reporting currency and 2) the revaluation of transaction-related working capital balances denominated in currencies other than the functional currency. In four of the past five years, including fiscal 2019, the U.S. dollar has strengthened versus a number of foreign currencies, leading to lower sales and earnings from these foreign exchange impacts. Certain countries experiencing significant exchange rate fluctuations, like Argentina, Russia, Turkey, Brazil, China and the United Kingdom have had, and could continue to have, a significant impact on our sales, costs and earnings. Increased pricing in response to certain fluctuations in foreign currency exchange rates may offset portions of the currency impacts but could also have a negative impact on consumption of our products, which would affect our sales and profits.

Government Policies. Our net earnings could be affected by changes in U.S. or foreign government tax policies, for example, the U.S. Tax Act, the implications and uncertainties of which are disclosed elsewhere in this report. Additionally, we attempt to carefully manage our debt, currency and other exposures in certain countries with currency exchange, import authorization and pricing controls, such as Nigeria, Algeria, Egypt and Turkey. Further, our earnings and sales could be affected by changes to international trade agreements in North America and elsewhere, including increases of import tariffs, both currently effective and future potential changes. Changes in government policies in these areas might cause an increase or decrease in our sales, operating margin and net earnings.

RESULTS OF OPERATIONS

The key metrics included in the discussion of our consolidated results of operations include net sales, gross margin, selling, general and administrative costs (SG&A), other non-operating items and income taxes. The primary factors driving year-over-year changes in net sales include overall market growth in the categories in which we compete, product initiatives, competitive activities (the level of initiatives, pricing and other activities by competitors), marketing spending, retail executions, both in-store and online and acquisition and divestiture activity, all of which drive changes in our underlying unit volume, as well as our pricing actions (which can also indirectly impact volume), changes in product and geographic mix and foreign currency impacts on sales outside the U.S.

Most of our cost of products sold and SG&A are to some extent variable in nature. Accordingly, our discussion of these operating costs focuses primarily on relative margins rather than the absolute year-over-year changes in total costs. The primary drivers of changes in gross margin are input costs (energy and other commodities), pricing impacts, geographic mix (for example, gross margins in developed markets are generally higher than in developing markets for similar products), product mix (for example, the Beauty segment has higher gross margins than the Company average), foreign exchange rate fluctuations (in situations where certain input

costs may be tied to a different functional currency than the underlying sales), the impacts of manufacturing savings projects and reinvestments (for example, product or package improvements) and to a lesser extent scale impacts (for costs that are fixed or less variable in nature). The primary components of SG&A are marketing-related costs and non-manufacturing overhead costs. Marketing-related costs are primarily variable in nature, although we may achieve some level of scale benefit over time due to overall growth and other marketing efficiencies. While overhead costs are variable to some extent, we generally experience more scale-related impacts for these costs due to our ability to leverage our organization and systems infrastructures to support business growth.

A detailed discussion of the fiscal 2018 year-over-year changes can be found in the MD&A section in the Form 8-K filed October 22, 2018, which updated our Form 10-K for the year ended June 30, 2018, to revise disclosures to reflect the adoption of the Financial Accounting Standards Board (FASB) ASU 2017-07 and 2016-18. For more information on the adoption of this standard, refer to Note 1 to the Consolidated Financial Statements.

Operating Costs

Comparisons as a percentage of net sales; Years ended June 30

	2019	2018	Basis Point Change
Gross margin	48.6%	48.5%	10
Selling, general and administrative expense	28.2%	28.5%	(30)
Operating margin	8.1%	20.0%	(1,190)
Earnings from continuing operations before income taxes	9.0%	19.9%	(1,090)
Net earnings	5.9%	14.8%	(890)
Net earnings attributable to Procter & Gamble	5.8%	14.6%	(880)

Gross margin increased 10 basis points to 48.6% of net sales in 2019. Gross margin benefited 160 basis points from total manufacturing cost savings (130 basis points net of product and packaging reinvestments), 60 basis points of positive pricing impacts and 50 basis points from lower restructuring costs. These were offset by:

- a 100 basis-point decline from unfavorable product mix and other impacts (primarily mix within segments due to the growth of lower margin product forms and the club channel in certain categories and due to the disproportionate growth of the Fabric Care category, which is one of our largest categories and has lower than company-average gross margins),
- an 80 basis-point negative impact due to higher commodity costs and
- a 50 basis-point negative impact from unfavorable foreign exchange.

Total SG&A was relatively unchanged at \$19.1 billion, as a decrease in marketing spending was offset by an increase in overhead costs and in other net operating expenses. SG&A as a percentage of net sales decreased 30 basis points to 28.2%. Reductions in marketing spending as a percentage of net sales

Net Sales

Net sales increased 1% to \$67.7 billion in 2019 on a 3% increase in unit volume versus the prior year. Volume increased mid-single digits in Health Care and Fabric & Home Care and increased low single digits in Beauty and Baby, Feminine & Family Care. Volume decreased low single digits in Grooming.

Volume increased mid-single digits in developed regions and low single digits in developing regions. Excluding the impact of acquisitions and divestitures, organic volume increased low single digits in developed regions. Unfavorable foreign exchange reduced net sales by 4%. Pricing had a positive 2% impact on net sales. Product mix had a positive 1% impact on net sales driven by the slightly higher organic growth of the Skin and Personal Care and Personal Health Care categories and developed regions, all of which have higher than company average selling prices. Organic sales grew 5% driven by a 2% increase in organic volume.

were partially offset by an increase in overhead costs and other net operating expenses as a percentage of sales.

- Marketing spending as a percentage of net sales decreased 80 basis points due to the positive scale impacts of the organic net sales increase, reductions in agency compensation and the impact of adopting the new standard on "Revenue from Contracts with Customers" which prospectively reclassified certain customer spending from marketing (SG&A) expense to a reduction of net sales.
- Overhead costs as a percentage of net sales increased 30 basis points, as productivity savings and fixed cost leverage from the increased organic net sales, were more than offset by the impact of inflation, higher incentive compensation costs and other cost increases, including the ongoing and integration-related overhead costs of the Merck OTC acquisition.
- Other net operating expenses as a percentage of net sales increased 20 basis points primarily due to an increase in foreign exchange transactional charges and the net impact of changes in indirect tax reserves, partially offset by the gain on sale of real estate in the current year.

Operating margin decreased 1,190 basis points to 8.1% for fiscal 2019 primarily due to the one-time, non-cash before-tax impairment charge of \$8.3 billion for Shave Care.

Non-Operating Items

- Interest expense was \$509 million in 2019, a marginal increase of \$3 million versus the prior year due to an increase in average debt balances and an increase in U.S. interest rates.
- Interest income was \$220 million in 2019, a reduction of \$27 million versus the prior year due to a reduction in average investment securities balances.
- Other non-operating income, which consists primarily of divestiture gains, investment income and other non-operating items increased \$649 million to \$871 million, primarily due to a \$355 million before-tax gain from the dissolution of the PGT Healthcare partnership in the current year (discussed earlier in the *Recent Developments* section) and \$346 million of base year charges for the early extinguishment of debt, partially offset by higher minor brand divestiture gains in the base year.

Income Taxes

Income taxes decreased \$1.4 billion to \$2.1 billion. The effective tax rate increased 870 basis points to 34.7% in 2019. The current year Shave Care impairment charges caused a 1,750 basis-point increase in the effective tax rate, as there is no tax benefit related to the goodwill portion of the impairment. Excluding this impact, the effective tax rate declined 880 basis points, primarily due to the impacts of the Tax Cuts and Jobs Act (the "U.S. Tax Act") in December 2017. The U.S. Tax Act, among other things, lowered the U.S. corporate income tax rates, but also imposed a one-time repatriation tax on deemed repatriation of historical earnings of foreign subsidiaries and caused us to adjust our U.S. deferred tax assets and liabilities to the lower federal base rate of 21%. These transitional impacts resulted in a provisional net charge of \$602 million for the fiscal year ended June 30, 2018, comprised of an estimated repatriation tax charge of \$3.8 billion (comprised of U.S. repatriation taxes and foreign withholding taxes) and an estimated net deferred tax benefit of \$3.2 billion. In addition, because the Company has a June 30 fiscal year-end, the lower corporate income tax rate was phased in, resulting in a U.S. statutory federal rate of approximately 28% for our fiscal year ended June 30, 2018, and 21% for our fiscal year ended June 30, 2019 and subsequent fiscal years. Combined, these impacts reduced the current year effective tax rate by 950 basis points, consisting of:

- a 500 basis-point reduction from the impact of the lower blended U.S. federal tax rate on current year earnings versus the prior year rate, and
- a 450 basis-point reduction due to prior year transitional impacts from the U.S. Tax Act.

The remaining 70 basis point net increase in the current year income tax rate was driven by:

- a 160 basis-point increase from unfavorable impacts of geographic mix of earnings,
- a 10 basis-point increase from reduced favorable discrete impacts related to uncertain tax positions (which netted to approximately 15 basis points in the current year versus 25 basis points in the prior year), and
- a 100 basis-point reduction from increased excess tax benefits of share-based compensation (160 basis points in the current year versus 60 basis points in the prior year).

Net Earnings

Operating income decreased \$7.9 billion, or 59%, primarily due to the \$8.3 billion before tax impairment charge for Shave Care. This was partially offset by the net sales increase, along with the marginal increase in gross margin and decrease in SG&A spending as a percentage of sales, all of which are discussed above.

Earnings before income taxes decreased \$7.3 billion or 54% to \$6.1 billion, as the reduction in operating income discussed in the preceding paragraph was partially offset by the current year gain from the dissolution of the PGT Healthcare partnership and the base year charges for the early extinguishment of debt, each of which was discussed earlier. Net earnings decreased \$5.9 billion, or 60% to \$4.0 billion. Net earnings declined less than earnings before income taxes due to the above discussed reduction in income taxes. Foreign exchange impacts reduced net earnings by approximately \$900 million in 2019 due to weakening of certain currencies against the U.S. dollar, including those in Argentina, Russia, Turkey, Brazil, China and the United Kingdom. This impact includes both transactional charges and translational impacts from converting earnings from foreign subsidiaries to U.S. dollars.

Net earnings attributable to Procter & Gamble decreased \$5.9 billion, or 60%, to \$3.9 billion.

Diluted net earnings per share decreased \$2.24, or 61%, to \$1.43 due primarily to the reduction in net earnings.

Core EPS increased 7% to \$4.52. Core EPS represents diluted net earnings per share from continuing operations, excluding the current year charge for the Shave Care impairment, the current year gain on the dissolution of the PGT Healthcare partnership, the base year charges for both the net transitional impact of the U.S. Tax Act and for early extinguishment of debt and incremental restructuring charges in both years related to our productivity and cost savings plans. The increase was primarily driven by the lower effective tax rate on core earnings, resulting from the U.S. Tax Act and the net sales increase.

SEGMENT RESULTS

Segment results reflect information on the same basis we use for internal management reporting and performance evaluation. The results of these reportable segments do not include certain non-business unit specific costs. These costs, including the Shave Care impairment in fiscal 2019, are reported in our Corporate segment and are included as part of our Corporate segment discussion. Additionally, we apply blended statutory tax rates in the segments. See Note 2 to the Consolidated Financial Statements for additional information on items included in the Corporate segment. Eliminations to adjust segment results to arrive at our consolidated effective tax rate, including the impacts of the U.S. Tax Act in fiscal 2018, are included in Corporate.

Net Sales Change Drivers 2019 vs. 2018 ⁽¹⁾							
	Volume with Acquisitions & Divestitures	Volume Excluding Acquisitions & Divestitures	Foreign Exchange	Price	Mix	Other ⁽²⁾	Net Sales Growth
Beauty	3 %	2 %	(4)%	2%	4%	(1)%	4 %
Grooming	(1)%	(1)%	(5)%	2%	—%	(1)%	(5)%
Health Care	5 %	4 %	(3)%	1%	2%	— %	5 %
Fabric & Home Care	4 %	5 %	(3)%	1%	1%	— %	3 %
Baby, Feminine & Family Care	1 %	1 %	(4)%	1%	—%	— %	(2)%
TOTAL COMPANY	3 %	2 %	(4)%	2%	1%	(1)%	1 %

⁽¹⁾ Net sales percentage changes are approximations based on quantitative formulas that are consistently applied.

⁽²⁾ Other includes the sales mix impact from acquisitions and divestitures, the impact from the adoption of the new accounting standard for "Revenue from Contracts with Customers" in fiscal 2019 and rounding impacts necessary to reconcile volume to net sales.

BEAUTY

(\$ millions)	2019	2018	Change vs. 2018
Volume	N/A	N/A	3%
Net sales	\$12,897	\$12,406	4%
Net earnings	\$2,637	\$2,320	14%
% of net sales	20.4%	18.7%	170 bps

Beauty net sales increased 4% to \$12.9 billion in 2019 on a 3% increase in unit volume. Unfavorable foreign exchange impacts reduced net sales by 4%. Higher pricing increased net sales by 2%. Favorable product mix added 4% to net sales, primarily due to the disproportionate growth of the Skin and Personal Care category, including the super-premium SK-II and premium Olay Skin brands which have higher than segment average selling prices. Organic sales increased 8%. Global market share of the Beauty segment decreased 0.1 points. Volume increased low single digits in both developed and developing regions.

- Volume in Hair Care increased low single digits. Volume in developed regions increased low single digits due to product innovation and increased distribution. Developing regions volume increased low single digits due to product innovation and market growth. Global market share of the hair care category was unchanged.
- Volume in Skin and Personal Care increased high single digits. Excluding the impact of minor brand acquisitions, organic volume increased mid-single digits. Developed regions volume increased mid-single digits. Excluding the impact of minor brand acquisitions, developed regions

volume was unchanged. Volume increased double digits in developing regions due to premium innovation, continued growth of SK-II, increased marketing spending and market growth. Global market share of the skin and personal care category was unchanged.

Net earnings increased 14% to \$2.6 billion in 2019 due to the increase in net sales and a 170 basis-point increase in net earnings margin. Net earnings margin increased due to a reduction in U.S. income tax rates and a decrease in SG&A as a percentage of net sales, partially offset by a decrease in gross margin. Gross margin decreased slightly mainly due to unfavorable foreign exchange impacts. SG&A as a percentage of sales decreased primarily due to a reduction in marketing spending driven by the positive scale impacts of the net sales increase and the impacts of adopting the new accounting standard on "Revenue from Contracts with Customers". The reduction in the tax rate was due to the impacts of the U.S. Tax Act, both from overall rate reduction and the manner in which the impacts were allocated between the business and corporate segments in the prior year, as discussed in the Corporate segment below.

GROOMING

(\$ millions)	2019	2018	Change vs. 2018
Volume	N/A	N/A	(1)%
Net sales	\$6,199	\$6,551	(5)%
Net earnings	\$1,529	\$1,432	7%
% of net sales	24.7%	21.9%	280 bps

Grooming net sales decreased 5% to \$6.2 billion in 2019 on a 1% decrease in unit volume. Unfavorable foreign exchange impacts reduced net sales by 5%. Increased pricing had a 2% positive impact to net sales. Organic sales increased 1%. Global market share of the Grooming segment decreased 0.9 points. Volume increased low single digits in developed regions and decreased low single digits in developing regions.

- Shave Care volume decreased low single digits. Volume increased low single digits in developed regions due to increased competitiveness following price reductions in the prior year and product innovation. Volume in developing regions decreased low single digits due to reduced demand following devaluation related price increases and competitive activity. Global market share of the shave care category decreased half a point.
- Appliances volume increased low single digits. Volume increased mid-single digits in developed regions due to innovation and market growth. Volume in developing regions was unchanged. Global market share of the appliances category decreased more than half a point.

Net earnings increased 7% to \$1.5 billion in 2019 due to a 280 basis-point increase in net earnings margin, which more than offset the net sales decrease. The net earnings margin increased primarily due to a reduction in U.S. income tax rates and a reduction in SG&A as a percentage of net sales, partially offset by a decrease in gross margin. Gross margin declined due to the negative impact of unfavorable mix (due to the disproportionate growth of disposable razors, lower tier products in the Appliances category and large count packs all of which have lower than segment average margins), unfavorable foreign exchange impacts and increased commodity costs, partially offset by the positive impacts of manufacturing cost savings and increased pricing. SG&A as a percentage of net sales decreased due to a current year gain on the sale of operating real estate, reductions in overhead costs and marketing spending and the impacts from adoption of the new accounting standard on "Revenue from Contracts with Customers". The reduction in the tax rate was primarily due to the impacts of the U.S. Tax Act, both from the overall rate reduction and the manner in which the impacts were allocated between the business and corporate segments in the prior year, as discussed in the Corporate segment below.

HEALTH CARE

(\$ millions)	2019	2018	Change vs. 2018
Volume	N/A	N/A	5%
Net sales	\$8,218	\$7,857	5%
Net earnings	\$1,519	\$1,283	18%
% of net sales	18.5%	16.3%	220 bps

Health Care net sales increased 5% to \$8.2 billion in 2019 on a 5% increase in unit volume. Unfavorable foreign exchange impacts reduced net sales by 3%. Higher pricing increased net sales by 1%. Favorable mix increased net sales by 2% due to the disproportionate growth of the Personal Health Care category and developed regions, both of which have higher

than segment average selling prices. Organic sales increased 6% on a 4% increase in organic volume, which excludes the impact of the PGT Healthcare partnership dissolution and the Merck OTC consumer healthcare acquisition. Global market share of the Health Care segment increased 0.5 points. Volume increased mid-single digits in developed and developing regions. Excluding the impact of the PGT Healthcare partnership dissolution and the Merck OTC consumer healthcare acquisition, organic volume increased low single digits in developing regions.

- Oral Care volume increased low single digits. Volume increased mid-single digits in developed regions due to product innovation. Volume increased low single digits in developing regions due to product innovation, partially offset by competitive activity. Global market share of the oral care category increased nearly half a point.
- Volume in Personal Health Care increased double digits. Excluding the impacts of the acquisition and dissolution described above, organic volume increased mid-single digits. Developed regions volume was unchanged, while organic volume grew mid-single digits due to product innovation. Volume in developing regions increased double digits, while organic volume was up high single digits due to innovation and market growth. Global market share of the personal health care category increased more than half a point.

Net earnings increased 18% to \$1.5 billion in 2019 due to the increase in net sales and a 220 basis-point increase in net earnings margin. Net earnings margin increased due to a decrease in U.S. income tax rates, partially offset by a reduction in gross margin. Gross margin decreased due to unfavorable mix impact (from the disproportionate growth of club channel and products with lower than segment-average margins, partially offset by the net impacts of the acquisition and dissolution in personal health care) and increases in commodity costs, partially offset by manufacturing cost savings and positive pricing impacts. SG&A as a percentage of net sales was unchanged as an increase in overhead costs was offset by a reduction in marketing spending. Overhead costs as a percentage of net sales increased due to the net impacts of the personal health care acquisition and dissolution, including both integration-related spending and higher relative levels of selling costs in the acquired business, partially offset by the positive scale impacts of the net sales increase. Marketing spending as a percentage of net sales declined primarily due to the positive scale impacts of the net sales increase and the impacts from adoption of the new accounting standard on "Revenue from Contracts with Customers". The reduction in the tax rate was due to the impacts of the U.S. Tax Act, both from the overall rate reduction and the manner in which the impacts were allocated between the business and corporate segments in the prior year, as discussed in the Corporate segment below.

FABRIC & HOME CARE

(\$ millions)	2019	2018	Change vs. 2018
Volume	N/A	N/A	4%
Net sales	\$22,080	\$21,441	3%
Net earnings	\$3,518	\$2,708	30%
% of net sales	15.9%	12.6%	330 bps

Fabric & Home Care net sales increased 3% to \$22.1 billion in 2019 on a 4% increase in unit volume. Unfavorable foreign exchange impacts reduced net sales by 3%. Higher pricing increased net sales by 1%. Positive mix impacts increased net sales by 1% due to the disproportionate growth of premium products. Organic sales increased 7% on a 5% increase in organic volume. Global market share of the Fabric & Home Care segment increased 0.5 points. Volume increased mid-single digits in developed regions and low single digits in developing regions. Excluding the impact of minor brand divestitures, organic volume increased mid-single digits in developing regions.

- Fabric Care volume increased mid-single digits. Volume increased mid-single digits in both developed and developing regions, due to product innovation and market growth. Global market share of the Fabric Care category increased less than half a point.
- Home Care volume increased mid-single digits. Volume in developed regions increased mid-single digits driven by product innovation and market growth. Volume in developing regions increased low single digits driven by product innovation, partially offset by volume declines following devaluation related price increases. Global market share of the Home Care category increased nearly a point.

Net earnings increased 30% to \$3.5 billion in 2019 due to the increase in net sales and a 330 basis-point increase in net earnings margin. Net earnings margin increased due to a decrease in U.S. income tax rates and a reduction in SG&A as a percentage of sales partially offset by a marginal reduction in gross margin. Gross margin decreased due to unfavorable product mix (driven by the disproportionate growth of large sizes and club channel, both of which have lower than average margins, and new innovation with higher than segment-average product costs), unfavorable foreign exchange impacts and increased commodity costs, partially offset by manufacturing cost savings and increased pricing. SG&A as a percentage of net sales decreased due to reductions in both overhead costs and marketing spending, driven by productivity savings, fixed cost leverage from increased net sales and the impacts from adoption of the new accounting standard on "Revenue from Contracts with Customers". The reduction in the tax rate was due to the impacts of the U.S. Tax Act, both from the overall rate reduction and the manner in which the impacts were allocated between the business and corporate segments in the prior year, as discussed in the Corporate segment below.

BABY, FEMININE & FAMILY CARE

(\$ millions)	2019	2018	Change vs. 2018
Volume	N/A	N/A	1%
Net sales	\$17,806	\$18,080	(2)%
Net earnings	\$2,734	\$2,251	21%
% of net sales	15.4%	12.5%	290 bps

Baby, Feminine & Family Care net sales decreased 2% to \$17.8 billion in 2019 on a 1% increase in unit volume. Unfavorable foreign exchange impacts reduced net sales by 4%. Increased pricing had a positive 1% impact on net sales. Organic sales increased 2%. Global market share of the Baby, Feminine & Family Care segment increased 0.1 points. Volume increased low single digits in developed regions. Volume in developing regions decreased low single digits.

- Baby Care volume decreased mid-single digits. Volume in developed regions decreased low single digits due to competitive activity, including competitive pricing activity in certain markets, and category contraction. Volume in developing regions decreased high single digits due to competitive activity, volume declines following devaluation related price increases and category contraction in certain markets. Global market share of the baby care category decreased more than half a point.
- Feminine Care volume increased mid-single digits. Volume in developed regions increased mid-single digits. Excluding a minor brand acquisition, organic volume increased low single digits due to product innovation and adult incontinence category growth. Volume in developing regions increased mid-single digits due to product innovation. Global market share of the feminine care category increased nearly half a point.
- Volume in Family Care, which is predominantly a North American business, increased mid-single digits driven by product innovation and market growth. In the U.S., all-outlet share of the family care category increased more than half a point.

Net earnings in 2019 increased 21% to \$2.7 billion due to a 290 basis-point increase in net earnings margin, partially offset by the reduction in net sales. Net earnings margin increased primarily due to a reduction in U.S. income tax rates and a decrease in SG&A as a percentage of net sales, partially offset by a marginal decrease in gross margin. The gross margin decrease was driven by an increase in commodity costs and unfavorable foreign exchange impacts partially offset by manufacturing cost savings and increased pricing. SG&A as a percentage of net sales decreased due to reduced marketing spending and overhead costs, driven by productivity savings and the impacts from adoption of the new accounting standard on "Revenue from Contracts with Customers". The reduction in the tax rate was due to the impacts of the U.S. Tax Act, both from the overall rate reduction and the manner in which the impacts were allocated between business and corporate segments in the prior year, as discussed in the Corporate segment below.

CORPORATE

(\$ millions)	2019	2018	Change vs. 2018
Net sales	\$484	\$497	(3)%
Net earnings/(loss)	\$(7,971)	\$(133)	N/A

Corporate includes certain operating and non-operating activities not allocated to specific business segments. These include: the incidental businesses managed at the corporate level; financing and investing activities; certain employee benefit costs; other general corporate items; gains and losses related to certain divested brands and categories; certain asset impairment charges; and certain restructuring-type activities to maintain a competitive cost structure, including manufacturing and workforce optimization. Corporate also includes reconciling items to adjust the accounting policies used in the segments to U.S. GAAP. The most significant ongoing reconciling item is income taxes, to adjust from blended statutory rates that are reflected in the segments to the overall Company effective tax rate. For 2018, the tax impact also includes the impacts of the U.S. Tax Act, which were included in the corporate segment.

Corporate net sales decreased 3% to \$484 million in 2019 due to a decrease in the incidental businesses managed at the corporate level. Corporate net loss increased by \$7.8 billion in 2019 primarily due to the \$8.0 billion after tax (\$8.3 billion before tax) charge for the Shave Care impairment as well as the impact of the allocation methodology of the lower U.S. Tax rates. The U.S. Tax Act was enacted in the middle of fiscal 2018; therefore, the net benefit was held in Corporate. Beginning in fiscal 2019, the lower rates are included in the reporting segments. These impacts were partially offset by the following benefits, each of which was discussed earlier:

- the base period net charge for the transitional impacts of the U.S. Tax Act,
- the base period loss on early debt extinguishment,
- lower restructuring charges in fiscal 2019 compared to the prior year and
- higher current year divestiture gains (primarily driven by gain on the dissolution of the PGT healthcare partnership)

Restructuring Program to deliver Productivity and Cost Savings

In 2012, the Company initiated a productivity and cost savings plan to reduce costs and better leverage scale in the areas of supply chain, research and development, marketing and overheads. The plan was designed to accelerate cost reductions by streamlining management decision making, manufacturing and other work processes to fund the Company's growth strategy. In 2017, the Company communicated specific elements of an additional multi-year productivity and cost savings program.

The current productivity and cost savings plan will further reduce costs in the areas of supply chain, certain marketing activities and overhead expenses. As part of this plan, the Company incurred approximately \$1.8 billion in total before-tax restructuring costs across 2018 and 2019, with an additional

amount of approximately \$0.6 billion expected in 2020. This program is expected to result in additional enrollment reductions, along with further optimization of the supply chain and other manufacturing processes. Savings generated from restructuring costs are difficult to estimate, given the nature of the activities, the timing of the execution and the degree of reinvestment. However, we estimate that through 2019, the underlying restructuring costs incurred since 2012 (approximately \$7.4 billion), along with other non-manufacturing enrollment reductions since 2012 have delivered approximately \$3.6 billion in annual before-tax gross savings.

Restructuring accruals of \$468 million as of June 30, 2019 are classified as current liabilities. Approximately 67% of the restructuring charges incurred in fiscal 2019 either have been or will be settled with cash. Consistent with our historical policies for ongoing restructuring-type activities, the resulting charges are funded by and included within Corporate for segment reporting.

In addition to our restructuring programs, we have additional ongoing savings efforts in our supply chain, marketing and overhead areas that yield additional benefits to our operating margins.

Refer to Note 3 to the Consolidated Financial Statements for more details on the restructuring program and to the Operating Costs section of the MD&A for more information about the total benefit to operating margins from our total savings efforts.

CASH FLOW, FINANCIAL CONDITION AND LIQUIDITY

We believe our financial condition continues to be of high quality, as evidenced by our ability to generate substantial cash from operations and to readily access capital markets at competitive rates.

Operating cash flow provides the primary source of cash to fund operating needs and capital expenditures. Excess operating cash is used first to fund shareholder dividends. Other discretionary uses include share repurchases and acquisitions to complement our portfolio of businesses, brands and geographies. As necessary, we may supplement operating cash flow with debt to fund these activities. The overall cash position of the Company reflects our strong business results and a global cash management strategy that takes into account liquidity management, economic factors and tax considerations.

Operating Cash Flow

Operating cash flow was \$15.2 billion in 2019, a 3% increase from the prior year. Net earnings, adjusted for non-cash items (depreciation and amortization, share-based compensation, deferred income taxes, gain on sale of assets and goodwill and indefinite-lived intangible impairment charges) generated approximately \$14.6 billion of operating cash flow. Working capital and other impacts generated \$0.7 billion of operating cash flow as summarized below.

- An increase in accounts receivable used \$276 million of cash due to increased sales and the timing of the end of the fiscal year (which fell on a weekend, resulting in fewer

days collection). The number of days sales outstanding increased approximately one day versus prior year.

- Higher inventory used \$239 million of cash mainly due to inventory increases to support initiatives and business growth across all segments. Inventory days on hand increased approximately 2 days primarily due to initiative support and foreign exchange impacts.
- Accounts payable, accrued and other liabilities increased, generating \$1.9 billion of cash. This was primarily driven by extended payment terms with our suppliers and an increase in fourth quarter marketing activity versus the prior year. These factors, along with foreign exchange, drove an approximate 8 day increase in days payable outstanding. Although difficult to project due to market and other dynamics, we anticipate incremental cash flow benefits from the extended payment terms with suppliers could decline in fiscal 2020.
- Other operating assets and liabilities used \$1.0 billion of cash, primarily driven by the payment of the current year portion of taxes due related to the U.S. Tax Act repatriation charge and statutory pension contributions.

Adjusted Free Cash Flow. We view adjusted free cash flow as an important measure because it is a factor impacting the amount of cash available for dividends, share repurchases, acquisitions and other discretionary investment. It is defined as operating cash flow less capital expenditures and excluding payments for the transitional tax resulting from the U.S. Tax Act, and it is one of the measures used to evaluate senior management and determine their at-risk compensation.

Adjusted free cash flow was \$12.1 billion in 2019, an increase of 9% versus the prior year. The increase was primarily driven by the increase in operating cash flows as discussed above. Adjusted free cash flow productivity, defined as the ratio of adjusted free cash flow to net earnings, excluding the Shave Care impairment charges and the gain on dissolution of the PGT Healthcare partnership, was 105% in 2019.

Investing Cash Flow

Net investing activities consumed \$3.5 billion in cash in 2019, mainly due to capital spending and business acquisitions, partially offset by proceeds from sales and maturities of short-term investments.

Capital Spending. Capital expenditures, primarily to support capacity expansion, innovation and cost efficiencies, were \$3.3 billion in 2019, a decrease of 10% versus prior year. Capital spending as a percentage of net sales decreased 70 basis points to 4.9% in 2019.

Acquisitions. Acquisition activity used cash of \$3.9 billion in 2019, primarily related to the Merck OTC acquisition. Acquisition activity used \$109 million in 2018, primarily related to acquisitions in the Beauty segment.

Proceeds from Divestitures and Other Asset Sales. Proceeds from asset sales were \$394 million in 2019 primarily from minor brand divestitures and the sale of real estate. Proceeds from asset sales contributed \$269 million in cash in 2018 primarily from minor brand divestitures.

Short-term investments. Short-term investments generated net cash of \$3.5 billion in 2019, primarily from sales and

maturities of available-for-sale investments. Net cash flow from short-term investments was not material in 2018.

Financing Cash Flow

Net financing activities consumed \$10.0 billion in cash in 2019, mainly due to dividends to shareholders and treasury stock purchases, partially offset by the impact of stock options.

Dividend Payments. Our first discretionary use of cash is dividend payments. Dividends per common share increased 4% to \$2.90 per share in 2019. Total dividend payments to common and preferred shareholders were \$7.5 billion in 2019 and \$7.3 billion in 2018. In April 2019, the Board of Directors declared an increase in our quarterly dividend from \$0.7172 to \$0.7459 per share on Common Stock and Series A and B ESOP Convertible Class A Preferred Stock. This represents a 4% increase compared to the prior quarterly dividend and is the 63rd consecutive year that our dividend has increased. We have paid a dividend for 129 consecutive years, every year since our incorporation in 1890.

Long-Term and Short-Term Debt. We maintain debt levels we consider appropriate after evaluating a number of factors, including cash flow expectations, cash requirements for ongoing operations, investment and financing plans (including acquisitions and share repurchase activities) and the overall cost of capital. Total debt was \$30.1 billion as of June 30, 2019 and \$31.3 billion as of June 30, 2018.

Treasury Purchases. Total share repurchases were \$5.0 billion in 2019 and \$7.0 billion in 2018.

Liquidity

At June 30, 2019, our current liabilities exceeded current assets by \$7.5 billion, largely due to short-term borrowings under our commercial paper program. We anticipate being able to support our short-term liquidity and operating needs largely through cash generated from operations. The Company regularly assesses its cash needs and the available sources to fund these needs. As of June 30, 2019, \$5.7 billion of the Company's cash, cash equivalents and marketable securities was related to foreign subsidiaries, primarily various Western European and Asian countries. Under current law, we do not expect restrictions or taxes on repatriation of cash held outside of the U.S. to have a material effect on our overall liquidity, financial condition or the results of operations for the foreseeable future. As of June 30, 2019, we did not have material cash, cash equivalents and marketable securities balances in any country subject to exchange controls that significantly restrict our ability to access or repatriate the funds.

We utilize short- and long-term debt to fund discretionary items, such as acquisitions and share repurchases. We have strong short- and long-term debt ratings, which have enabled, and should continue to enable, us to refinance our debt as it becomes due at favorable rates in commercial paper and bond markets. In addition, we have agreements with a diverse group of financial institutions that, if needed, should provide sufficient credit funding to meet short-term financing requirements.

On June 30, 2019, our short-term credit ratings were P-1 (Moody's) and A-1+ (Standard & Poor's), while our long-term

credit ratings were Aa3 (Moody's) and AA- (Standard & Poor's), all with a stable outlook.

We maintain bank credit facilities to support our ongoing commercial paper program. The current facility is an \$8.0 billion facility split between a \$3.2 billion four-year facility and a \$4.8 billion 364-day facility, which expire in November 2022 and November 2019, respectively. Both facilities can be extended for certain periods of time as specified in the terms of the credit agreement. These facilities are currently undrawn and we anticipate that they will remain undrawn. These credit facilities do not have cross-default or ratings triggers, nor do they have material adverse events clauses, except at the time

of signing. In addition to these credit facilities, we have an automatically effective registration statement on Form S-3 filed with the SEC that is available for registered offerings of short- or long-term debt securities. For additional details on debt see Note 10 to the Consolidated Financial Statements.

Guarantees and Other Off-Balance Sheet Arrangements

We do not have guarantees or other off-balance sheet financing arrangements, including variable interest entities, which we believe could have a material impact on our financial condition or liquidity.

Contractual Commitments

The following table provides information on the amount and payable date of our contractual commitments as of June 30, 2019.

Amounts in millions	Total	Less Than 1 Year	1-3 Years	3-5 Years	After 5 Years
RECORDED LIABILITIES					
Total debt	\$ 29,988	\$ 9,695	\$ 4,791	\$ 4,807	\$ 10,695
Capital leases	33	9	15	7	2
U.S. Tax Act transitional charge (1)	2,557	214	449	646	1,248
Uncertain tax positions (2)	143	143	—	—	—
OTHER					
Interest payments relating to long-term debt	4,682	572	979	737	2,394
Operating leases	1,218	255	375	300	288
Minimum pension funding (3)	471	153	318	—	—
Purchase obligations (4)	1,491	633	397	193	268
TOTAL CONTRACTUAL COMMITMENTS	\$ 40,583	\$ 11,674	\$ 7,324	\$ 6,690	\$ 14,895

- (1) Represents the U.S. federal tax liability associated with the repatriation provisions of the U.S. Tax Act. Does not include any provisions made for foreign withholding taxes on expected repatriations as the timing of those payments is uncertain.
- (2) As of June 30, 2019, the Company's Consolidated Balance Sheet reflects a liability for uncertain tax positions of \$617 million, including \$150 million of interest and penalties. Due to the high degree of uncertainty regarding the timing of future cash outflows of liabilities for uncertain tax positions beyond one year, a reasonable estimate of the period of cash settlement beyond twelve months from the balance sheet date of June 30, 2019, cannot be made.
- (3) Represents future pension payments to comply with local funding requirements. These future pension payments assume the Company continues to meet its future statutory funding requirements. Considering the current economic environment in which the Company operates, the Company believes its cash flows are adequate to meet the future statutory funding requirements. The projected payments beyond fiscal year 2022 are not currently determinable.
- (4) Primarily reflects future contractual payments under various take-or-pay arrangements entered into as part of the normal course of business. Commitments made under take-or-pay obligations represent minimum commitments under take-or-pay agreements with suppliers and are in line with expected usage. This includes service contracts for information technology, human resources management and facilities management activities that have been outsourced. While the amounts listed represent contractual obligations, we do not believe it is likely that the full contractual amount would be paid if the underlying contracts were canceled prior to maturity. In such cases, we generally are able to negotiate new contracts or cancellation penalties, resulting in a reduced payment. The amounts do not include other contractual purchase obligations that are not take-or-pay arrangements. Such contractual purchase obligations are primarily purchase orders at fair value that are part of normal operations and are reflected in historical operating cash flow trends. We do not believe such purchase obligations will adversely affect our liquidity position.

SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

In preparing our financial statements in accordance with U.S. GAAP, there are certain accounting policies that may require a choice between acceptable accounting methods or may require substantial judgment or estimation in their application. These include revenue recognition, income taxes, certain employee benefits and goodwill and intangible assets. We believe these accounting policies, and others set forth in Note

1 to the Consolidated Financial Statements, should be reviewed as they are integral to understanding the results of operations and financial condition of the Company.

The Company has discussed the selection of significant accounting policies and the effect of estimates with the Audit Committee of the Company's Board of Directors.

Revenue Recognition

Our revenue is primarily generated from the sale of finished product to customers. Those sales predominantly contain a single performance obligation and revenue is recognized at a single point in time when ownership, risks and rewards transfer, which can be on the date of shipment or the date of receipt by the customer. Trade promotions, consisting primarily of customer pricing allowances, in-store merchandising funds, advertising and other promotional activities, and consumer coupons, are offered through various programs to customers and consumers. Sales are recorded net of trade promotion spending, which is recognized as incurred at the time of the sale. Amounts accrued for trade promotions at the end of a period require estimation, based on contractual terms, sales volumes and historical utilization and redemption rates. The actual amounts paid may be different from such estimates. These differences, which have historically not been significant, are recognized as a change in management estimate in a subsequent period. The Company adopted ASU 2014-09, "Revenue from Contracts with Customers (Topic 606)" on July 1, 2018. Adoption of this standard resulted in a change in the timing of recognition of certain trade promotional spending. See Note 1 to our Consolidated Financial Statements.

Income Taxes

Our annual tax rate is determined based on our income, statutory tax rates and the tax impacts of items treated differently for tax purposes than for financial reporting purposes. Also inherent in determining our annual tax rate are judgments and assumptions regarding the recoverability of certain deferred tax balances, primarily net operating loss and other carryforwards, and our ability to uphold certain tax positions.

Realization of net operating losses and other carryforwards is dependent upon generating sufficient taxable income in the appropriate jurisdiction prior to the expiration of the carryforward periods, which involves business plans, planning opportunities and expectations about future outcomes. Although realization is not assured, management believes it is more likely than not that our deferred tax assets, net of valuation allowances, will be realized.

We operate in multiple jurisdictions with complex tax policy and regulatory environments. In certain of these jurisdictions, we may take tax positions that management believes are supportable, but are potentially subject to successful challenge by the applicable taxing authority. These interpretational differences with the respective governmental taxing authorities can be impacted by the local economic and fiscal environment.

A core operating principle is that our tax structure is based on our business operating model, such that profits are earned in line with the business substance and functions of the various legal entities. However, because of the complexity of transfer pricing concepts, we may have income tax uncertainty related to the determination of intercompany transfer prices for our various cross-border transactions. We have obtained and continue to prioritize the strategy of seeking advance rulings with tax authorities to reduce this uncertainty. We estimate that our current portfolio of advance rulings reduces this uncertainty with respect to over 70% of our global earnings. We evaluate our tax positions and establish liabilities in

accordance with the applicable accounting guidance on uncertainty in income taxes. We review these tax uncertainties in light of changing facts and circumstances, such as the progress of tax audits, and adjust them accordingly. We have a number of audits in process in various jurisdictions. Although the resolution of these tax positions is uncertain, based on currently available information, we believe that the ultimate outcomes will not have a material adverse effect on our financial position, results of operations or cash flows.

Because there are a number of estimates and assumptions inherent in calculating the various components of our tax provision, certain changes or future events such as changes in tax legislation, geographic mix of earnings, completion of tax audits or earnings repatriation plans could have an impact on those estimates and our effective tax rate. See Note 5 to the Consolidated Financial Statements for additional details on the Company's income taxes.

Employee Benefits

We sponsor various post-employment benefits throughout the world. These include pension plans, both defined contribution plans and defined benefit plans, and other post-employment benefit (OPEB) plans, consisting primarily of health care and life insurance for retirees. For accounting purposes, the defined benefit pension and OPEB plans require assumptions to estimate the projected and accumulated benefit obligations, including the following variables: discount rate; expected salary increases; certain employee-related factors, such as turnover, retirement age and mortality; expected return on assets; and health care cost trend rates. These and other assumptions affect the annual expense and obligations recognized for the underlying plans. Our assumptions reflect our historical experiences and management's best judgment regarding future expectations. As permitted by U.S. GAAP, the net amount by which actual results differ from our assumptions is deferred. If this net deferred amount exceeds 10% of the greater of plan assets or liabilities, a portion of the deferred amount is included in expense for the following year. The cost or benefit of plan changes, such as increasing or decreasing benefits for prior employee service (prior service cost), is deferred and included in expense on a straight-line basis over the average remaining service period of the employees expected to receive benefits.

The expected return on plan assets assumption impacts our defined benefit expense since many of our defined benefit pension plans and our primary OPEB plan are partially funded. The process for setting the expected rates of return is described in Note 8 to the Consolidated Financial Statements. For 2019, the average return on assets assumptions for pension plan assets and OPEB assets was 6.6% and 8.3%, respectively. A change in the rate of return of 100 basis points for both pension and OPEB assets would impact annual after-tax benefit expense by approximately \$115 million.

Since pension and OPEB liabilities are measured on a discounted basis, the discount rate impacts our plan obligations and expenses. Discount rates used for our U.S. defined benefit pension and OPEB plans are based on a yield curve constructed from a portfolio of high quality bonds for which the timing and amount of cash outflows approximate the estimated payouts

of the plan. For our international plans, the discount rates are set by benchmarking against investment grade corporate bonds rated AA or better. The average discount rate on the defined benefit pension plans of 1.9% represents a weighted average of local rates in countries where such plans exist. A 100 basis point change in the discount rate would impact annual after-tax benefit expense by approximately \$200 million. The average discount rate on the OPEB plan of 3.7% reflects the higher interest rates generally applicable in the U.S., which is where a majority of the plan participants receive benefits. A 100 basis point change in the discount rate would impact annual after-tax OPEB expense by approximately \$60 million. See Note 8 to the Consolidated Financial Statement for additional details on our defined benefit pension and OPEB plans.

Goodwill and Intangible Assets

Significant judgment is required to estimate the fair value of our goodwill reporting units and intangible assets. Accordingly, we typically obtain the assistance of third-party valuation specialists for significant goodwill reporting units and intangible assets. The fair value estimates are based on available historical information and on future expectations. We typically estimate the fair value of these assets using the income method, which is based on the present value of estimated future cash flows attributable to the respective assets. The valuations used to establish and to test goodwill and intangible assets for impairment are dependent on a number of significant estimates and assumptions, including macroeconomic conditions, overall category growth rates, competitive activities, cost containment and margin progression, Company business plans and the discount rate applied to cash flows.

Indefinite-lived intangible assets and goodwill are not amortized, but are tested at least annually for impairment. Our ongoing annual impairment testing for goodwill and indefinite-lived intangible assets occurs during the 3 months ended December 31. Assumptions used in our impairment evaluations, such as forecasted growth rates and cost of capital, are consistent with internal projections and operating plans. We believe these estimates and assumptions are reasonable and comparable to those that would be used by other marketplace participants. Unanticipated market or macroeconomic events and circumstances may occur, which could affect the accuracy or validity of the estimates and assumptions. For example, future changes in the judgments, assumptions and estimates that are used in our impairment testing for goodwill and indefinite-lived intangible assets, including discount and tax rates or future cash flow projections, could result in significantly different estimates of the fair values. In addition, changes to, or a failure to achieve business plans or deterioration of macroeconomic conditions could result in reduced cash flows or higher discount rates, leading to a lower valuation that would trigger an impairment of the goodwill and intangible assets of these businesses.

We test individual indefinite-lived intangible assets by comparing the book value of each asset to the estimated fair value. Our impairment testing for goodwill is performed separately from our impairment testing of indefinite-lived intangible assets. The test to evaluate goodwill for impairment is a two step process. In the first step (step one), we compare

the fair value of the reporting unit to its carrying value. If the fair value of the reporting unit is less than its carrying value, we perform a second step (step two) to determine the implied fair value of the reporting unit's goodwill. The second step of the impairment analysis requires a valuation of a reporting unit's tangible and intangible assets and liabilities in a manner similar to the allocation of purchase price in a business combination. The difference between the step one fair value and the amounts allocated to the assets and liabilities in step two is the implied fair value of the reporting unit's goodwill. If this implied fair value of the reporting unit's goodwill is less than its carrying value, that difference represents an impairment.

Determining the useful life of an intangible asset also requires judgment. Certain brand intangible assets are expected to have indefinite lives based on their history and our plans to continue to support and build the acquired brands. Other acquired intangible assets (e.g., certain brands, all customer relationships, patents and technologies) are expected to have determinable useful lives. Our assessment as to brands that have an indefinite life and those that have a determinable life is based on a number of factors including competitive environment, market share, brand history, underlying product life cycles, operating plans and the macroeconomic environment of the countries in which the brands are sold. Determinable-lived intangible assets are amortized to expense over their estimated lives. An impairment assessment for determinable-lived intangibles is only required when an event or change in circumstances indicates that the carrying amount of the asset may not be recoverable.

Most of our goodwill reporting units are comprised of a combination of legacy and acquired businesses and as a result have fair value cushions that, at a minimum, exceed two times their underlying carrying values. Certain of our goodwill reporting units, in particular Shave Care and Appliances, are comprised entirely of acquired businesses and as a result have fair value cushions that are not as high. The Appliances wholly-acquired reporting unit has a fair value that significantly exceeds the underlying carrying value. As previously disclosed, the fair value of the Shave Care reporting unit and the related Gillette indefinite-lived intangible asset have been reduced during the recent year to amounts that approximated carrying value. The fair value reductions were due in large part to significant currency devaluations in a number of countries relative to the U.S. dollar, a deceleration of category growth caused by changing grooming habits, primarily in the developed markets, and an increased competitive market environment in the U.S. and certain other markets, which collectively have resulted in reduced cash flow projections. The business continued to be impacted by these factors during the quarter ended June 30, 2019, which reduced previous estimates of earnings for both fiscal 2019 and fiscal 2020. Because of this, we re-performed our step one impairment tests for these assets as of June 30, 2019 and determined that the fair values have been reduced below their respective carrying values.

Therefore, we conducted a step two test of goodwill for the Shave Care reporting unit. Step two requires that we allocate the fair value of the reporting unit to identifiable assets and

liabilities of the reporting unit, including previously amortized or unrecognized intangible assets. Any residual fair value after this allocation is compared to the goodwill balance and any excess goodwill is charged to expense. The step two test resulted in an implied fair value of the Shave Care goodwill that was below the carrying value. Therefore, we recognized a non-cash before and after-tax impairment charge of \$6.8 billion. The resulting carrying value of the Shave Care goodwill is \$12.6 billion as of June 30, 2019. As a result of the methodology used in the step two testing, the Shave Care fair value now exceeds the carrying value by approximately 20%. This is primarily due to higher estimated fair values for certain fixed assets and defined lived intangibles assets, both of which have been partially amortized subsequent to their initial acquisition, along with fair values assigned to intangible assets not eligible for recognition in the financial statements.

The Gillette indefinite-lived intangible asset impairment charge was \$1.6 billion (\$1.2 billion after tax). This charge was equal to the difference between its estimated fair value (as calculated in step one) and its carrying value. The resulting carrying value of the Gillette indefinite-lived intangible asset is \$14.1 billion as of June 30, 2019, which is equal to its estimated fair value. As a result, the Gillette indefinite-lived intangible asset is more susceptible to future impairment risk.

The Shave Care goodwill and Gillette indefinite-lived asset impairment charges are presented as a separate line item in the Consolidated Statements of Earnings. Irrespective of these impairment charges, the Shave Care business has consistently generated significant earnings and cash flow and will continue to be a strategic business for the Company, with attractive earnings, cash flow and growth opportunities.

The most significant assumptions utilized in the determination of the estimated fair values of the Shave Care reporting unit and the Gillette indefinite-lived intangible asset are the net sales and earnings growth rates (including residual growth rates) and discount rate. The residual growth rate represents the expected rate at which the reporting unit and Gillette brand are expected to grow beyond the shorter-term business planning period and approximates expected long term category market growth rates. The net sales and earnings growth rates are dependent on overall market growth rates, the competitive environment, inflation, relative currency exchange rates, business activities that impact market share and input cost fluctuations. As a result, these growth rates could be adversely impacted by a sustained deceleration in category growth, grooming habit changes, an increased competitive environment, increases in input costs or devaluation of currencies against the U.S. dollar. Spot rates as of the fair value measurement date are utilized in our fair value estimates for cash flows outside the U.S. The discount rate, which is consistent with a weighted average cost of capital that is likely to be expected by a market participant, is based upon industry required rates of return, including consideration of both debt and equity components of the capital structure. Our discount rate may be impacted by adverse changes in the macroeconomic environment, volatility in the equity and debt markets or other country specific factors, such as further devaluation of currencies against the U.S. dollar. While management can and has implemented strategies to address

these events, changes in operating plans or adverse changes in the future could reduce the underlying cash flows used to estimate fair values and could result in a decline in fair value that would trigger future impairment charges of the reporting unit's goodwill and indefinite-lived intangibles.

The table below provides a sensitivity analysis for the Shave Care reporting unit and the Gillette indefinite-lived intangible asset, utilizing reasonably possible changes in the assumptions for the shorter term and residual growth rates and the discount rate, to demonstrate the potential impacts to the estimated fair values. The table below provides, in isolation, the estimated fair value impacts related to a 25 basis point increase to discount rate or a 25 basis point decrease to our shorter-term and residual growth rates, both of which would result in incremental impairment charges to the Gillette indefinite-lived intangible asset.

	Approximate Percent Change in Estimated Fair Value	
	+25 bps Discount Rate	-25 bps Growth Rate
Shave Care goodwill reporting unit	(5)%	(6)%
Gillette indefinite-lived intangible asset	(5)%	(5)%

See Note 4 to the Consolidated Financial Statements for additional discussion on goodwill and intangible asset impairment testing results.

New Accounting Pronouncements

Refer to Note 1 to the Consolidated Financial Statements for recently adopted accounting pronouncements and recently issued accounting pronouncements not yet adopted as of June 30, 2019.

OTHER INFORMATION

Hedging and Derivative Financial Instruments

As a multinational company with diverse product offerings, we are exposed to market risks, such as changes in interest rates, currency exchange rates and commodity prices. We evaluate exposures on a centralized basis to take advantage of natural exposure correlation and netting. We leverage the Company's diversified portfolio of exposures as a natural hedge and prioritize operational hedging activities over financial market instruments. To the extent we choose to further manage volatility within our financing operations, as discussed below, we enter into various financial transactions which we account for using the applicable accounting guidance for derivative instruments and hedging activities. These financial transactions are governed by our policies covering acceptable counterparty exposure, instrument types and other hedging practices. See Note 9 to the Consolidated Financial Statements for a discussion of our accounting policies for derivative instruments.

Derivative positions are monitored using techniques including market valuation, sensitivity analysis and value-at-risk modeling. The tests for interest rate, currency rate and commodity derivative positions discussed below are based on the RiskManager™ value-at-risk model using a one-year horizon and a 95% confidence level. The model incorporates

the impact of correlation (the degree to which exposures move together over time) and diversification (from holding multiple currency, commodity and interest rate instruments) and assumes that financial returns are normally distributed. Estimates of volatility and correlations of market factors are drawn from the RiskMetrics™ dataset as of June 30, 2019. In cases where data is unavailable in RiskMetrics™, a reasonable proxy is included.

Our market risk exposures relative to interest rates, currency rates and commodity prices, as discussed below, have not changed materially versus the previous reporting period. In addition, we are not aware of any facts or circumstances that would significantly impact such exposures in the near term.

Interest Rate Exposure on Financial Instruments. Interest rate swaps are used to hedge exposures to interest rate movement on underlying debt obligations. Certain interest rate swaps denominated in foreign currencies are designated to hedge exposures to currency exchange rate movements on our investments in foreign operations. These currency interest rate swaps are designated as hedges of the Company's foreign net investments.

Based on our interest rate exposure as of and during the year ended June 30, 2019, including derivative and other instruments sensitive to interest rates, we believe a near-term change in interest rates, at a 95% confidence level based on historical interest rate movements, would not materially affect our financial statements.

Currency Rate Exposure on Financial Instruments. Because we manufacture and sell products and finance operations in a number of countries throughout the world, we are exposed to the impact on revenue and expenses of movements in currency exchange rates. Corporate policy prescribes the range of allowable hedging activity. To manage the exchange rate risk associated with the financing of our operations, we primarily use forward contracts and currency swaps with maturities of less than 18 months.

Based on our currency rate exposure on derivative and other instruments as of and during the year ended June 30, 2019, we believe, at a 95% confidence level based on historical currency rate movements, the impact on such instruments of a near-term change in currency rates would not materially affect our financial statements.

Commodity Price Exposure on Financial Instruments. We use raw materials that are subject to price volatility caused by weather, supply conditions, political and economic variables and other unpredictable factors. We may use futures, options and swap contracts to manage the volatility related to the above exposures.

As of and during the years ended June 30, 2019 and June 30, 2018, we did not have any commodity hedging activity.

Measures Not Defined By U.S. GAAP

In accordance with the SEC's Regulation S-K Item 10(e), the following provides definitions of the non-GAAP measures and the reconciliation to the most closely related GAAP measures. We believe that these measures provide useful perspective of underlying business trends (i.e. trends excluding non-recurring

or unusual items) and results and provide a supplemental measure of year-on-year results. The non-GAAP measures described below are used by management in making operating decisions, allocating financial resources and for business strategy purposes. These measures may be useful to investors as they provide supplemental information about business performance and provide investors a view of our business results through the eyes of management. These measures are also used to evaluate senior management and are a factor in determining their at-risk compensation. These non-GAAP measures are not intended to be considered by the user in place of the related GAAP measure, but rather as supplemental information to our business results. These non-GAAP measures may not be the same as similar measures used by other companies due to possible differences in method and in the items or events being adjusted. These measures include:

Organic Sales Growth. Organic sales growth is a non-GAAP measure of sales growth excluding the impacts of the July 1, 2018 adoption of new accounting standards for "Revenue from Contracts with Customers", acquisitions, divestitures and foreign exchange from year-over-year comparisons. The impact of the adoption of the new accounting standard for Revenue from Contracts with Customers is driven by the prospective reclassification of certain customer spending from marketing (SG&A) expense to a reduction of net sales. We believe this measure provides investors with a supplemental understanding of underlying sales trends by providing sales growth on a consistent basis, and this measure is used in assessing achievement of management goals for at-risk compensation.

The following tables provide a numerical reconciliation of organic sales growth to reported net sales growth:

Year ended June 30, 2019	Net Sales Growth	Foreign Exchange Impact	Acquisition & Divestiture Impact/Other ⁽¹⁾	Organic Sales Growth
Beauty	4 %	4%	— %	8%
Grooming	(5)%	5%	1 %	1%
Health Care	5 %	3%	(2)%	6%
Fabric & Home Care	3 %	3%	1 %	7%
Baby, Feminine & Family Care	(2)%	4%	— %	2%
TOTAL COMPANY	1 %	4%	— %	5%

⁽¹⁾ Acquisition & Divestiture Impact/Other includes the volume and mix impact of acquisitions and divestitures, the impact from the July 1, 2018 adoption of a new accounting standard for "Revenue from Contracts with Customers" and rounding impacts necessary to reconcile net sales to organic sales.

Adjusted Free Cash Flow. Adjusted free cash flow is defined as operating cash flow less capital spending and excluding certain tax payments related to the transitional tax resulting from the U.S. Tax Act (the Company incurred a transitional tax liability of approximately \$3.8 billion from the U.S. Tax Act, which is payable over a period of 8 years). Adjusted free cash flow represents the cash that the Company is able to generate

after taking into account planned maintenance and asset expansion. We view adjusted free cash flow as an important measure because it is one factor used in determining the amount of cash available for dividends, share repurchases, acquisitions and other discretionary investments.

The following table provides a numerical reconciliation of adjusted free cash flow (\$ millions):

	Operating Cash Flow	Capital Spending	Adjustments to Operating Cash Flow (1)	Adjusted Free Cash Flow
2019	\$ 15,242	\$ (3,347)	\$ 235	\$ 12,130
2018	\$ 14,867	\$ (3,717)	\$ —	\$ 11,150

(1) Adjustments to Operating Cash Flow relate to tax payments for the transitional tax resulting from the U.S. Tax Act.

Adjusted Free Cash Flow Productivity. Adjusted free cash flow productivity is defined as the ratio of adjusted free cash flow to net earnings excluding 1) the fiscal 2019 Shave Care impairment and 2) the fiscal 2019 gain on dissolution of the

PGT Healthcare partnership. We view adjusted free cash flow productivity as a useful measure to help investors understand P&G's ability to generate cash. Adjusted free cash flow productivity is used by management in making operating decisions, in allocating financial resources and for budget planning purposes. This measure is used in assessing the achievement of management goals for at-risk compensation. The Company's long-term target is to generate annual adjusted free cash flow productivity at or above 90 percent.

The following table provides a numerical reconciliation of adjusted free cash flow productivity (\$ millions):

	Net Earnings	Adjustments to Net Earnings (1)	Net Earnings Excluding Adjustments	Adjusted Free Cash Flow	Adjusted Free Cash Flow Productivity
2019	\$ 3,966	\$ 7,625	\$ 11,591	\$ 12,130	105%

(1) Adjustments to Net Earnings relate to the Shave Care impairment charges and the gain on the dissolution of the PGT Healthcare partnership in fiscal 2019.

Core EPS. Core EPS is a measure of the Company's diluted net earnings per share from continuing operations adjusted as indicated. Management views this non-GAAP measure as a useful supplemental measure of Company performance over time. Core EPS is also used in assessing the achievement of management goals for at-risk compensation. The table below provides a reconciliation of diluted net earnings per share to Core EPS, including the following reconciling items:

- **Incremental Restructuring:** The Company has had and continues to have an ongoing level of restructuring activities. Such activities have resulted in ongoing annual restructuring related charges of approximately \$250 - \$500 million before tax. In 2012, the Company began a \$10 billion strategic productivity and cost savings initiative that includes incremental restructuring activities. In 2017, we communicated details of an additional multi-year productivity and cost savings plan. This results in incremental restructuring charges to accelerate productivity efforts and cost savings. The adjustment to Core earnings includes only the restructuring costs above what we believe are the normal recurring level of restructuring costs.
- **Gain on Dissolution of the PGT Healthcare Partnership:** The Company dissolved our PGT Healthcare partnership, a venture between the Company and Teva Pharmaceuticals Industries, Ltd (Teva) in the OTC consumer healthcare business, during the year ended June 30, 2019. The transaction was accounted for as a sale of the Teva portion of the PGT business; the Company recognized an after-tax gain on the dissolution of \$353 million.
- **Transitional Impacts of the U.S. Tax Act:** As discussed in Note 5 to the Consolidated Financial Statements, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the "U.S. Tax Act") in December 2017. This resulted in a net charge of \$602 million for the fiscal year 2018. The adjustment to core earnings only includes this transitional impact. It does not include the ongoing impacts of the lower U.S. statutory rate on pre-tax earnings.
- **Early debt extinguishment charges:** In fiscal 2018, the Company recorded after-tax charges of \$243 million, due to the early extinguishment of certain long-term debt. These charges represent the difference between the reacquisition price and the par value of the debt extinguished.
- **Shave Care Impairment:** As discussed in Note 4 to the Consolidated Financial Statements and in the Significant Accounting Policies and Estimates section of the MD&A, in the fourth quarter of fiscal 2019, the Company recognized a one-time, non-cash after-tax charge of \$8.0 billion (\$8.3 billion before tax) to adjust the carrying values of the Shave Care reporting unit. This was comprised of a before and after-tax impairment charge of \$6.8 billion related to goodwill and an after-tax impairment charge of \$1.2 billion (\$1.6 billion before tax) to reduce the carrying value of the Gillette indefinite-lived intangible assets.
- **Anti-Dilutive Impacts:** As discussed in Note 6 to the Consolidated Financial Statements, the Shave Care impairment charges caused preferred shares that are normally dilutive (and hence, normally assumed converted for purposes of determining diluted earnings per share) to be anti-dilutive. Accordingly for U.S. GAAP, the preferred shares were not assumed to be converted into common shares for diluted earnings per share and the related dividends paid to the preferred shareholders were deducted from net income to calculate earnings available to common shareholders. As a result of the non-GAAP Shave Care impairment adjustment, these instruments are dilutive for non-GAAP core earnings per share.

We do not view the above items to be indicative of underlying business results and their exclusion from Core earnings measures provides a more comparable measure of year-on-year results. These items are also excluded when evaluating senior management in determining their at-risk compensation.

THE PROCTER & GAMBLE COMPANY AND SUBSIDIARIES
(Amounts in Millions Except Per Share Amounts)
Reconciliation of Non-GAAP Measures

Twelve Months Ended June 30, 2019							
	AS REPORTED (GAAP)	ANTI-DILUTIVE IMPACTS	INCREMENTAL RESTRUCTURING	SHAVE CARE IMPAIRMENT	GAIN ON DISSOLUTION OF PGT PARTNERSHIP	ROUNDING	NON-GAAP (CORE)
COST OF PRODUCTS SOLD	\$ 34,768	\$ —	\$ (426)	\$ —	\$ —	\$ —	\$ 34,342
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSE	19,084	—	23	—	—	(1)	19,106
OPERATING INCOME	5,487	—	403	8,345	—	1	14,236
INCOME TAX ON CONTINUING OPERATIONS	2,103	—	69	367	(2)	—	2,537
NET EARNINGS ATTRIBUTABLE TO P&G	3,897	—	354	7,978	(353)	1	11,877
							Core EPS
Diluted Net Earnings attributable to common shareholders ⁽¹⁾	3,634	263	354	7,978	(353)	1	11,877
Diluted Weighted Average Common Shares Outstanding ⁽¹⁾	2,539.5	90.2					2,629.7
DILUTED NET EARNINGS PER COMMON SHARE	\$ 1.43	\$ 0.06	\$ 0.13	\$ 3.03	\$ (0.13)	\$ —	\$ 4.52

⁽¹⁾ The reduction in net earnings from current period charge for the Shave Care impairment caused the preferred shares outstanding to be anti-dilutive. Accordingly, for U.S. GAAP, the preferred shares were not assumed to be converted into common shares for diluted earnings per share and the related dividends paid to the preferred shareholders were deducted from net income to calculate earnings available to common shareholders. Excluding the impairment charge results in higher non-GAAP earnings which causes the preferred shares to be dilutive. The adjustments in this row are made to reflect the dilutive preferred share impact resulting from the Shave Care impairment adjustment.

CHANGE VERSUS YEAR AGO

CORE EPS

7%

THE PROCTER & GAMBLE COMPANY AND SUBSIDIARIES
(Amounts in Millions Except Per Share Amounts)
Reconciliation of Non-GAAP Measures

Reconciliation of Non-GAAP Measures							
Twelve Months Ended June 30, 2018							
	AS REPORTED (GAAP)	INCREMENTAL RESTRUCTURING	TRANSITIONAL IMPACTS OF THE U.S. TAX ACT	EARLY DEBT EXTINGUISHMENT	ROUNDING	NON-GAAP (CORE)	
COST OF PRODUCTS SOLD	\$ 34,432	\$ (724)	\$ —	\$ —	\$ (1)	\$ 33,707	
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSE	19,037	(1)	—	—	1	19,037	
OPERATING INCOME	13,363	725	—	—	—	14,088	
INCOME TAX ON CONTINUING OPERATIONS	3,465	129	(602)	103	—	3,095	
NET EARNINGS ATTRIBUTABLE TO P&G	9,750	610	602	243	(1)	11,204	
						Core EPS	
DILUTED NET EARNINGS PER COMMON SHARE*	\$ 3.67	\$ 0.23	\$ 0.23	\$ 0.09	\$ —	\$ 4.22	

* Diluted net earnings per share are calculated on Net earnings attributable to Procter & Gamble.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

The information required by this item is incorporated by reference to the section entitled Other Information under Management's Disclosure and Analysis, and Note 9 to the Consolidated Financial Statements.

Item 8. Financial Statements and Supplementary Data.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate internal control over financial reporting of The Procter & Gamble Company (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended). Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States of America.

Strong internal controls is an objective that is reinforced through our *Worldwide Business Conduct Manual*, which sets forth our commitment to conduct business with integrity, and within both the letter and the spirit of the law. Our people are deeply committed to our Purpose, Values, and Principles, which unite us in doing what's right. Our system of internal controls includes written policies and procedures, segregation of duties, and the careful selection and development of employees. Additional key elements of our internal control structure include our Global Leadership Council, which is actively involved in oversight of the business strategies, initiatives, results and controls, our Disclosure Committee, which is responsible for evaluating disclosure implications of significant business activities and events, our Board of Directors, which provides strong and effective corporate governance, and our Audit Committee, which reviews significant accounting policies, financial reporting and internal control matters.

The Company's internal control over financial reporting includes a Control Self-Assessment Program that is conducted annually for critical financial reporting areas of the Company and is audited by our Global Internal Audit organization. Management takes the appropriate action to correct any identified control deficiencies. Global Internal Audit also performs financial and compliance audits around the world, provides training, and continuously improves our internal control processes.

Because of its inherent limitations, any system of internal control over financial reporting, no matter how well designed, may not prevent or detect misstatements due to the possibility that a control can be circumvented or overridden or that misstatements due to error or fraud may occur that are not detected. Also, because of changes in conditions, internal control effectiveness may vary over time.

Management assessed the effectiveness of the Company's internal control over financial reporting as of June 30, 2019, using criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and concluded that the Company maintained effective internal control over financial reporting as of June 30, 2019, based on these criteria.

Deloitte & Touche LLP, an independent registered public accounting firm, has audited the effectiveness of the Company's internal control over financial reporting as of June 30, 2019, as stated in their report which is included herein.

/s/ David S. Taylor

David S. Taylor

Chairman of the Board, President and Chief Executive Officer

/s/ Jon R. Moeller

Jon R. Moeller

Vice Chairman, Chief Operating Officer and Chief Financial Officer

August 6, 2019

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of The Procter & Gamble Company

Opinion on the Financial Statements

We have audited the accompanying Consolidated Balance Sheets of The Procter & Gamble Company and subsidiaries (the "Company") as of June 30, 2019 and 2018, the related Consolidated Statements of Earnings, Comprehensive Income, Shareholders' Equity and Cash Flows for each of the three years in the period ended June 30, 2019 and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of June 30, 2019 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended June 30, 2019, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of June 30, 2019, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated August 6, 2019 expressed an unqualified opinion on the Company's internal control over financial reporting.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, the Company has changed its method of accounting for revenue from contracts with customers in the year ended June 30, 2019 due to the adoption of Accounting Standards Update 2014-09, *Revenue from Contracts with Customers (Topic 606)*.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Goodwill and Intangible Assets - Shave Care Goodwill and Gillette Indefinite Lived Intangible Asset - Refer to Notes 1 and 4 to the financial statements

Critical Audit Matter Description

The Company's evaluation of goodwill and indefinite lived intangible assets for impairment involves the comparison of the fair value of each reporting unit or indefinite lived intangible asset to its carrying value. The Company estimates fair value using the income method, which is based on the present value of estimated future cash flows attributable to the respective assets. This requires management to make significant estimates and assumptions related to forecasts of future net sales and earnings, including growth rates beyond a 10-year time period, royalty rates and discount rates. Changes in the assumptions could have a significant impact on either the fair value, the amount of any impairment charge, or both. The Company performed their annual impairment assessments of the Shave Care reporting unit as of October 1, 2018 and the Gillette brand indefinite-lived intangible asset (the "Gillette brand") as of December 31, 2018. Because the estimated fair values exceeded their carrying values, no impairments were recorded. Given recent reductions in cash flows caused by currency devaluations, changing consumer grooming habits affecting demand and an increase in the competitive market environment, the Company revised their cash flow estimates and

updated their fair value estimates for both the Shave Care reporting unit and the Gillette brand as of June 30, 2019 and determined the carrying values exceeded the fair values resulting in an impairment of the Shave Care Goodwill and the Gillette brand. The Company measured the impairment of goodwill using the two-step method which requires management to make significant estimates and judgments to allocate the fair value of the Shave Care reporting unit to its identifiable assets and liabilities including estimating the fair value of property, plant and equipment and intangibles. The residual fair value of the Shave Care reporting unit was compared to the carrying value of its goodwill with the excess in carrying value of \$6.8 billion before and after tax recorded as an impairment. The impairment of the Gillette brand of \$1.6 billion before tax and \$1.2 billion after tax was measured as the difference between its fair value and carrying value. As of June 30, 2019, after recording of the impairments, the Shave Care reporting unit goodwill was \$12.6 billion, and the Gillette brand was \$14.1 billion.

We identified the Company's impairment evaluations of goodwill for the Shave Care reporting unit and the Gillette brand as a critical audit matter because of the recent reductions in cash flows and the significant judgments made by management to estimate the fair values of the reporting unit and the brand and to estimate the fair value of the reporting unit's assets and liabilities for purposes of measuring the impairment of goodwill. A high degree of auditor judgment and an increased extent of effort was required when performing audit procedures to evaluate the reasonableness of management's estimates and assumptions related to the forecasts of future net sales and earnings as well as the selection of royalty rates and discount rates and the estimation and allocation of fair value to the reporting unit's assets and liabilities including the need to involve our fair value specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to forecasts of future net sales and earnings and the selection of the royalty rates and discount rates for the Shave Care reporting unit and the Gillette brand included the following, among others:

- We tested the effectiveness of controls over goodwill and indefinite lived intangible assets, including those over the determination of fair value, such as controls related to management's development of forecasts of future net sales, earnings, the selection of royalty rates, discount rates and allocation of the reporting unit fair value to its identifiable assets and liabilities.
- We evaluated management's ability to accurately forecast net sales and earnings by comparing actual results to management's historical forecasts.
- We evaluated the reasonableness of management's forecast of net sales and earnings by comparing the forecasts to:
 - Historical net sales and earnings.
 - Underlying analysis detailing business strategies and growth plans.
 - Internal communications to management and the Board of Directors.
 - Forecasted information included in Company press releases as well as in analyst and industry reports for the Company and certain of its peer companies.
- With the assistance of our fair value specialists, we evaluated the reasonableness of the valuation methodology, net sales and earnings growth rates, royalty rates, discount rates and estimation and allocation of the reporting unit fair value to its identifiable assets and liabilities by:
 - Testing the source information underlying the determination of net sales and earnings growth rates, royalty rates, discount rates, estimation and allocation of the reporting unit fair value to its identifiable assets and liabilities and the mathematical accuracy of the calculations.
 - Developing a range of independent estimates for the discount rates and comparing those to the discount rates selected by management.

Acquisition of the over the counter healthcare business of Merck KGaA - Refer to Note 14 to the financial statements

Critical Audit Matter Description

The Company completed the acquisition of the over the counter healthcare business of Merck KGaA (Merck OTC) for \$3.7 billion on November 30, 2018. The Company accounted for this transaction under the acquisition method of accounting for business combinations. Accordingly, the purchase price was allocated, on a preliminary basis, to the assets acquired and liabilities assumed based on their respective fair values, including identified intangible assets of \$2.1 billion and resulting goodwill of \$2.1 billion. Of the identified intangible assets acquired, the most significant included brand indefinite lived intangible assets of \$946 million and brand defined life intangible assets of \$701 million (the "brand intangible assets"). The Company estimated the fair value of the brand intangible assets using the royalty savings method, which is a specific discounted cash flow method that required management to make significant estimates and assumptions related to future cash flows and the selection of royalty rates and discount rates.

We identified the brand intangible assets for Merck OTC as a critical audit matter because of the significant estimates and assumptions management makes to fair value these assets for purposes of recording the acquisition. This required a high degree of auditor judgment and an increased extent of effort when performing audit procedures to evaluate the reasonableness of management's forecasts of future cash flows as well as the selection of the royalty rates and discount rates, including the need to involve our fair value specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the forecasts of future cash flows and the selection of the royalty rates and discount rates for the brand intangible assets included the following, among others:

- We tested the effectiveness of controls over the valuation of the brand intangible assets, including management's controls over forecasts of future cash flows and selection of the royalty rates and discount rates.
 - We evaluated the reasonableness of management's forecasts of future cash flows by comparing the projections to historical results and certain peer companies.
 - With the assistance of our fair value specialists, we evaluated the reasonableness of the valuation methodology, royalty rates and discount rates by:
 - Testing the source information underlying the determination of the royalty rates and discount rates and testing the mathematical accuracy of the calculations.
 - Developing a range of independent estimates for the discount rates and comparing those to the discount rates selected by management.
-

/s/ Deloitte & Touche LLP

Cincinnati, Ohio

August 6, 2019

We have served as the Company's auditor since 1890.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of The Procter & Gamble Company

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of The Procter & Gamble Company and subsidiaries (the "Company") as of June 30, 2019, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of June 30, 2019, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended June 30, 2019, of the Company and our report dated August 6, 2019, expressed an unqualified opinion on those financial statements and included an explanatory paragraph related to the Company's change in method of accounting for revenue from contracts with customers in the year ended June 30, 2019 due to the adoption of Accounting Standards Update 2014-09, *Revenue from Contracts with Customers (Topic 606)*.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP

Cincinnati, Ohio

August 6, 2019

Consolidated Statements of Earnings

Amounts in millions except per share amounts; Years ended June 30	2019	2018	2017
NET SALES	\$ 67,684	\$ 66,832	\$ 65,058
Cost of products sold	34,768	34,432	32,638
Selling, general and administrative expense	19,084	19,037	18,654
Goodwill and indefinite lived intangibles impairment charges	8,345	—	—
OPERATING INCOME	5,487	13,363	13,766
Interest expense	509	506	465
Interest income	220	247	171
Other non-operating income/(expense), net	871	222	(215)
EARNINGS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	6,069	13,326	13,257
Income taxes on continuing operations	2,103	3,465	3,063
NET EARNINGS FROM CONTINUING OPERATIONS	3,966	9,861	10,194
NET EARNINGS FROM DISCONTINUED OPERATIONS	—	—	5,217
NET EARNINGS	3,966	9,861	15,411
Less: Net earnings attributable to noncontrolling interests	69	111	85
NET EARNINGS ATTRIBUTABLE TO PROCTER & GAMBLE	\$ 3,897	\$ 9,750	\$ 15,326
BASIC NET EARNINGS PER COMMON SHARE: ⁽¹⁾			
Earnings from continuing operations	\$ 1.45	\$ 3.75	\$ 3.79
Earnings from discontinued operations	—	—	2.01
BASIC NET EARNINGS PER COMMON SHARE	\$ 1.45	\$ 3.75	\$ 5.80
DILUTED NET EARNINGS PER COMMON SHARE: ⁽¹⁾			
Earnings from continuing operations	\$ 1.43	\$ 3.67	\$ 3.69
Earnings from discontinued operations	—	—	1.90
DILUTED NET EARNINGS PER COMMON SHARE	\$ 1.43	\$ 3.67	\$ 5.59

⁽¹⁾ Basic net earnings per common share and Diluted net earnings per common share are calculated on Net earnings attributable to Procter & Gamble.

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Comprehensive Income

Amounts in millions; Years ended June 30	2019	2018	2017
NET EARNINGS	\$ 3,966	\$ 9,861	\$ 15,411
OTHER COMPREHENSIVE INCOME/(LOSS), NET OF TAX			
Foreign currency translation (net of \$78, \$(279) and \$(186) tax, respectively)	(213)	(305)	(67)
Unrealized gains/(losses) on investment securities (net of \$0, \$0 and \$(6) tax, respectively)	184	(148)	(59)
Unrealized gains on defined benefit retirement plans (net of \$22, \$68 and \$551 tax, respectively)	169	334	1,401
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS), NET OF TAX	140	(119)	1,275
TOTAL COMPREHENSIVE INCOME	4,106	9,742	16,686
Less: Total comprehensive income attributable to noncontrolling interests	70	109	85
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO PROCTER & GAMBLE	\$ 4,036	\$ 9,633	\$ 16,601

See accompanying Notes to Consolidated Financial Statements.

Consolidated Balance Sheets

Amounts in millions; As of June 30	2019	2018
Assets		
CURRENT ASSETS		
Cash and cash equivalents	\$ 4,239	\$ 2,569
Available-for-sale investment securities	6,048	9,281
Accounts receivable	4,951	4,686
INVENTORIES		
Materials and supplies	1,289	1,335
Work in process	612	588
Finished goods	3,116	2,815
Total inventories	5,017	4,738
Prepaid expenses and other current assets	2,218	2,046
TOTAL CURRENT ASSETS	22,473	23,320
PROPERTY, PLANT AND EQUIPMENT, NET	21,271	20,600
GOODWILL	40,273	45,175
TRADEMARKS AND OTHER INTANGIBLE ASSETS, NET	24,215	23,902
OTHER NONCURRENT ASSETS	6,863	5,313
TOTAL ASSETS	\$ 115,095	\$ 118,310
Liabilities and Shareholders' Equity		
CURRENT LIABILITIES		
Accounts payable	\$ 11,260	\$ 10,344
Accrued and other liabilities	9,054	7,470
Debt due within one year	9,697	10,423
TOTAL CURRENT LIABILITIES	30,011	28,237
LONG-TERM DEBT	20,395	20,863
DEFERRED INCOME TAXES	6,899	6,163
OTHER NONCURRENT LIABILITIES	10,211	10,164
TOTAL LIABILITIES	67,516	65,427
SHAREHOLDERS' EQUITY		
Convertible Class A preferred stock, stated value \$1 per share (600 shares authorized)	928	967
Non-Voting Class B preferred stock, stated value \$1 per share (200 shares authorized)	—	—
Common stock, stated value \$1 per share (10,000 shares authorized; shares issued: 2019 - 4,009.2, 2018 - 4,009.2)	4,009	4,009
Additional paid-in capital	63,827	63,846
Reserve for ESOP debt retirement	(1,146)	(1,204)
Accumulated other comprehensive income/(loss)	(14,936)	(14,749)
Treasury stock, at cost (shares held: 2019 - 1,504.5, 2018 -1,511.2)	(100,406)	(99,217)
Retained earnings	94,918	98,641
Noncontrolling interest	385	590
TOTAL SHAREHOLDERS' EQUITY	47,579	52,883
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 115,095	\$ 118,310

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Shareholders' Equity

Dollars in millions; shares in thousands	Common Stock		Preferred Stock	Add-itional Paid-In Capital	Reserve for ESOP Debt Retirement	Accumu-lated Other Com-prehensive Income/(Loss)	Treasury Stock	Retained Earnings	Non-controlling Interest	Total Share-holders' Equity
	Shares	Amount								
BALANCE JUNE 30, 2016	2,668,074	\$4,009	\$1,038	\$63,714	(\$1,290)	(\$15,907)	(\$82,176)	\$87,953	\$642	\$57,983
Net earnings								15,326	85	15,411
Other comprehensive income/(loss)						1,275				1,275
Dividends and dividend equivalents (\$2.6981 per share):										
Common								(6,989)		(6,989)
Preferred, net of tax benefits								(247)		(247)
Treasury stock purchases ⁽¹⁾	(164,866)						(14,625)			(14,625)
Employee stock plans	45,848			(77)			3,058			2,981
Preferred stock conversions	4,241		(32)	4			28			—
ESOP debt impacts					41			81		122
Noncontrolling interest, net									(133)	(133)
BALANCE JUNE 30, 2017	2,553,297	\$4,009	\$1,006	\$63,641	(\$1,249)	(\$14,632)	(\$93,715)	\$96,124	\$594	\$55,778
Net earnings								9,750	111	9,861
Other comprehensive income/(loss)						(117)			(2)	(119)
Dividends and dividend equivalents (\$2.7860 per share):										
Common								(7,057)		(7,057)
Preferred, net of tax benefits								(265)		(265)
Treasury stock purchases	(81,439)						(7,004)			(7,004)
Employee stock plans	21,655			199			1,469			1,668
Preferred stock conversions	4,580		(39)	6			33			—
ESOP debt impacts					45			89		134
Noncontrolling interest, net									(113)	(113)
BALANCE JUNE 30, 2018	2,498,093	\$4,009	\$967	\$63,846	(\$1,204)	(\$14,749)	(\$99,217)	\$98,641	\$590	\$52,883
Impact of adoption of new accounting standards						(326)		(200)	(27)	(553)
Net earnings								3,897	69	3,966
Other comprehensive income/(loss)						139			1	140
Dividends and dividend equivalents (\$2.8975 per share):										
Common								(7,256)		(7,256)
Preferred, net of tax benefits								(263)		(263)
Treasury stock purchases	(53,714)						(5,003)			(5,003)
Employee stock plans	55,734			93			3,781			3,874
Preferred stock conversions	4,638		(39)	6			33			—
ESOP debt impacts					58			99		157
Noncontrolling interest, net				(118)					(248)	(366)
BALANCE JUNE 30, 2019	2,504,751	\$4,009	\$928	\$63,827	(\$1,146)	(\$14,936)	(\$100,406)	\$94,918	\$385	\$47,579

⁽¹⁾ Includes \$9,421 of treasury shares received as part of the share exchange in the Beauty Brands transaction (see Note 13).

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Cash Flows

Amounts in millions; Years ended June 30	2019	2018	2017
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF YEAR	\$ 2,569	\$ 5,569	\$ 8,098
OPERATING ACTIVITIES			
Net earnings	3,966	9,861	15,411
Depreciation and amortization	2,824	2,834	2,820
Loss on early extinguishment of debt	—	346	543
Share-based compensation expense	515	395	351
Deferred income taxes	(411)	(1,844)	(601)
Gain on sale of assets	(678)	(176)	(5,490)
Goodwill and indefinite-lived intangible impairment charges	8,345	—	—
Change in accounts receivable	(276)	(177)	(322)
Change in inventories	(239)	(188)	71
Change in accounts payable, accrued and other liabilities	1,856	1,385	(149)
Change in other operating assets and liabilities	(973)	2,000	(43)
Other	313	431	162
TOTAL OPERATING ACTIVITIES	15,242	14,867	12,753
INVESTING ACTIVITIES			
Capital expenditures	(3,347)	(3,717)	(3,384)
Proceeds from asset sales	394	269	571
Acquisitions, net of cash acquired	(3,945)	(109)	(16)
Purchases of short-term investments	(158)	(3,909)	(4,843)
Proceeds from sales and maturities of short-term investments	3,628	3,928	1,488
Cash transferred at closing related to the Beauty Brands divestiture	—	—	(475)
Change in other investments	(62)	27	(26)
TOTAL INVESTING ACTIVITIES	(3,490)	(3,511)	(6,685)
FINANCING ACTIVITIES			
Dividends to shareholders	(7,498)	(7,310)	(7,236)
Change in short-term debt	(2,215)	(3,437)	2,727
Additions to long-term debt	2,367	5,072	3,603
Reductions of long-term debt ⁽¹⁾	(969)	(2,873)	(4,931)
Treasury stock purchases	(5,003)	(7,004)	(5,204)
Impact of stock options and other	3,324	1,177	2,473
TOTAL FINANCING ACTIVITIES	(9,994)	(14,375)	(8,568)
EFFECT OF EXCHANGE RATE CHANGES ON CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(88)	19	(29)
CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	1,670	(3,000)	(2,529)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF YEAR	\$ 4,239	\$ 2,569	\$ 5,569

SUPPLEMENTAL DISCLOSURE

Cash payments for interest	\$ 497	\$ 529	\$ 518
Cash payment for income taxes	3,064	2,830	3,714
Divestiture of Beauty business in exchange for shares of P&G stock and assumption of debt			11,360

Assets acquired through non-cash capital leases are immaterial for all periods.

⁽¹⁾ Includes early extinguishment of debt costs of \$346 and \$543 in 2018 and 2017 respectively.

See accompanying Notes to Consolidated Financial Statements.

Notes to Consolidated Financial Statements**NOTE 1****SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****Nature of Operations**

The Procter & Gamble Company's (the "Company," "Procter & Gamble," "we" or "us") business is focused on providing branded consumer packaged goods of superior quality and value. Our products are sold in more than 180 countries and territories primarily through mass merchandisers, e-commerce, grocery stores, membership club stores, drug stores, department stores, distributors, wholesalers, baby stores, specialty beauty stores, high-frequency stores and pharmacies. We have on-the-ground operations in approximately 70 countries.

Basis of Presentation

The Consolidated Financial Statements include the Company and its controlled subsidiaries. Intercompany transactions are eliminated. Because of a lack of control over Venezuela subsidiaries caused by a number of currency and other operating controls and restrictions, our Venezuelan subsidiaries are not consolidated for any year presented. We account for those subsidiaries using the cost method of accounting.

Use of Estimates

Preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the amounts reported in the Consolidated Financial Statements and accompanying disclosures. These estimates are based on management's best knowledge of current events and actions the Company may undertake in the future. Estimates are used in accounting for, among other items, consumer and trade promotion accruals, restructuring reserves, pensions, post-employment benefits, stock options, valuation of acquired intangible assets, useful lives for depreciation and amortization of long-lived assets, future cash flows associated with impairment testing for goodwill, indefinite-lived intangible assets and other long-lived assets, deferred tax assets and liabilities, uncertain income tax positions and contingencies. Actual results may ultimately differ from estimates, although management does not generally believe such differences would materially affect the financial statements in any individual year. However, in regard to ongoing impairment testing of goodwill and indefinite-lived intangible assets, significant deterioration in future cash flow projections or other assumptions used in estimating fair values versus those anticipated at the time of the initial valuations, could result in impairment charges that materially affect the financial statements in a given year.

Revenue Recognition

Our revenue is primarily generated from the sale of finished product to customers. Those sales predominantly contain a single performance obligation and revenue is recognized at a single point in time when ownership, risks and rewards transfer, which can be on the date of shipment or the date of receipt by the customer. A provision for payment discounts and product

return allowances is recorded as a reduction of sales in the same period the revenue is recognized. The revenue recorded is presented net of sales and other taxes we collect on behalf of governmental authorities. The revenue includes shipping and handling costs, which generally are included in the list price to the customer.

Trade promotions, consisting primarily of customer pricing allowances, merchandising funds and consumer coupons, are offered through various programs to customers and consumers. Sales are recorded net of trade promotion spending, which is recognized as incurred at the time of the sale. Most of these arrangements have terms of approximately one year. Accruals for expected payouts under these programs are included as accrued marketing and promotion in the Accrued and other liabilities line item in the Consolidated Balance Sheets.

Cost of Products Sold

Cost of products sold is primarily comprised of direct materials and supplies consumed in the manufacturing of product, as well as manufacturing labor, depreciation expense and direct overhead expense necessary to acquire and convert the purchased materials and supplies into finished product. Cost of products sold also includes the cost to distribute products to customers, inbound freight costs, internal transfer costs, warehousing costs and other shipping and handling activity.

Selling, General and Administrative Expense

Selling, general and administrative expense (SG&A) is primarily comprised of marketing expenses, selling expenses, research and development costs, administrative and other indirect overhead costs, depreciation and amortization expense on non-manufacturing assets and other miscellaneous operating items. Research and development costs are charged to expense as incurred and were \$1.9 billion in 2019, \$1.9 billion in 2018 and \$1.9 billion in 2017 (reported in Net earnings from continuing operations). Advertising costs, charged to expense as incurred, include worldwide television, print, radio, internet and in-store advertising expenses and were \$6.8 billion in 2019, \$7.1 billion in 2018 and \$7.1 billion in 2017 (reported in Net earnings from continuing operations). Non-advertising related components of the Company's total marketing spending reported in SG&A include costs associated with consumer promotions, product sampling and sales aids.

Other Non-Operating Income/(Expense), Net

Other non-operating income/(expense), net primarily includes net acquisition and divestiture gains, non-service components of net defined benefit costs, investment income and other non-operating items.

Currency Translation

Financial statements of operating subsidiaries outside the U.S. generally are measured using the local currency as the functional currency. Adjustments to translate those statements into U.S. dollars are recorded in Other comprehensive income (OCI). For subsidiaries operating in highly inflationary economies, the U.S. dollar is the functional currency. Re-measurement adjustments for financial statements in highly inflationary economies and other transactional exchange gains and losses are reflected in earnings.

Amounts in millions of dollars except per share amounts or as otherwise specified.

Cash Flow Presentation

The Consolidated Statements of Cash Flows are prepared using the indirect method, which reconciles net earnings to cash flow from operating activities. Cash flows from foreign currency transactions and operations are translated at an average exchange rate for the period. Cash flows from hedging activities are included in the same category as the items being hedged. Cash flows from derivative instruments designated as net investment hedges are classified as financing activities. Realized gains and losses from non-qualifying derivative instruments used to hedge currency exposures resulting from intercompany financing transactions are also classified as financing activities. Cash flows from other derivative instruments used to manage interest rates, commodity or other currency exposures are classified as operating activities. Cash payments related to income taxes are classified as operating activities. Cash flows from the Company's discontinued operations are included in the Consolidated Statements of Cash Flows. See Note 13 for significant cash flow items related to discontinued operations.

Investments

Investment securities primarily consist of readily marketable debt securities. Unrealized gains or losses from investments classified as trading, if any, are charged to earnings. Unrealized gains or losses on debt securities classified as available-for-sale are recorded in OCI. If an available-for-sale security is other than temporarily impaired, the loss is charged to either earnings or OCI depending on our intent and ability to retain the security until we recover the full cost basis and the extent of the loss attributable to the creditworthiness of the issuer. Investment securities are included as Available-for-sale investment securities and Other noncurrent assets in the Consolidated Balance Sheets.

Investments in certain companies over which we exert significant influence, but do not control the financial and operating decisions, are accounted for as equity method investments. Other investments that are not controlled, and over which we do not have the ability to exercise significant influence, are accounted for under the cost method. Both equity and cost method investments are included as Other noncurrent assets in the Consolidated Balance Sheets.

Inventory Valuation

Inventories are valued at the lower of cost or market value. Product-related inventories are maintained on the first-in, first-out method. The cost of spare part inventories is maintained using the average-cost method.

Property, Plant and Equipment

Property, plant and equipment is recorded at cost reduced by accumulated depreciation. Depreciation expense is recognized over the assets' estimated useful lives using the straight-line method. Machinery and equipment includes office furniture and fixtures (15-year life), computer equipment and capitalized software (3- to 5-year lives) and manufacturing equipment (3- to 20-year lives). Buildings are depreciated over an estimated useful life of 40 years. Estimated useful lives are periodically reviewed and, when appropriate, changes are made prospectively. When certain events or changes in operating

conditions occur, asset lives may be adjusted and an impairment assessment may be performed on the recoverability of the carrying amounts.

Goodwill and Other Intangible Assets

Goodwill and indefinite-lived intangible assets are not amortized, but are evaluated for impairment annually or more often if indicators of a potential impairment are present. Our annual impairment testing of goodwill is performed separately from our impairment testing of indefinite-lived intangible assets.

We have acquired brands that have been determined to have indefinite lives. Those assets are evaluated annually for impairment. We evaluate a number of factors to determine whether an indefinite life is appropriate, including the competitive environment, market share, brand history, underlying product life cycles, operating plans and the macroeconomic environment of the countries in which the brands are sold. In addition, when certain events or changes in operating conditions occur, an additional impairment assessment is performed and indefinite-lived assets may be adjusted to a determinable life.

The cost of intangible assets with determinable useful lives is amortized to reflect the pattern of economic benefits consumed, either on a straight-line or accelerated basis over the estimated periods benefited. Patents, technology and other intangible assets with contractual terms are generally amortized over their respective legal or contractual lives. Customer relationships, brands and other non-contractual intangible assets with determinable lives are amortized over periods generally ranging from 5 to 30 years. When certain events or changes in operating conditions occur, an impairment assessment is performed and remaining lives of intangible assets with determinable lives may be adjusted.

For additional details on goodwill and intangible assets see Note 4.

Fair Values of Financial Instruments

Certain financial instruments are required to be recorded at fair value. Changes in assumptions or estimation methods could affect the fair value estimates; however, we do not believe any such changes would have a material impact on our financial condition, results of operations or cash flows. Other financial instruments, including cash equivalents, certain investments and short-term debt, are recorded at cost, which approximates fair value. The fair values of long-term debt and financial instruments are disclosed in Note 9.

New Accounting Pronouncements and Policies

On July 1, 2018, we adopted ASU 2014-09, "Revenue from Contracts with Customers (Topic 606)." This guidance outlines a single, comprehensive model of accounting for revenue from contracts with customers. We adopted the standard using the modified retrospective transition method, under which prior periods were not revised to reflect the impacts of the new standard. Our revenue is primarily generated from the sale of finished product to customers. Those sales predominantly contain a single delivery element and revenue is recognized at a single point in time when ownership, risks and rewards transfer. Accordingly, the timing of revenue recognition is not

Amounts in millions of dollars except per share amounts or as otherwise specified.

materially impacted by the new standard. Trade promotions, consisting primarily of customer pricing allowances, in-store merchandising funds, advertising and other promotional activities, and consumer coupons, are offered through various programs to customers and consumers. The adoption of the new standard accelerated the accrual timing for certain portions of our customer and consumer promotional spending, which resulted in a cumulative reduction to Retained earnings of \$534, net of tax, on the date of adoption. The provisions of the new standard also impact the classification of certain payments to customers, moving such payments from expense to a deduction from net sales. Had this standard been effective and adopted during fiscal 2018, the impact would have been to reclassify \$309 for the year ended June 30, 2018, with no impact to operating income. We elected certain practical expedients included in the guidance related to shipping and handling costs, which was not material to our Consolidated Financial Statements. This new guidance does not have any other material impacts on our Consolidated Financial Statements, including financial disclosures.

On July 1, 2018, we adopted ASU 2017-07, "Compensation-Retirement Benefits: Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost (Topic 715)." This guidance requires an entity to disaggregate the current service cost component from the other components of net benefit costs in the face of the income statement. It requires the service cost component to be presented with other current compensation costs for the related employees in the operating section of the income statement, with other components of net benefit cost presented outside of income from operations. We adopted the standard retrospectively, using the practical expedient which allows entities to use information previously disclosed in their pension and other postretirement benefit plans footnote as the basis to apply the retrospective presentation requirements. As such, prior periods' results have been revised to report the other components of net defined benefit costs, previously reported in Cost of products sold and SG&A, in Other non-operating income, net.

On July 1, 2018, we adopted ASU 2016-18, "Statement of Cash Flows: Restricted Cash (Topic 230)." This guidance requires the Statement of Cash Flows to present changes in the total of cash, cash equivalents and restricted cash. Prior to the adoption of this ASU, the relevant accounting guidance did not require the Statement of Cash Flows to include changes in restricted cash. We currently have no significant restricted cash balances. Historically, we had restricted cash balances and changes related to divestiture activity. Such balances were presented as Current assets held for sale on the balance sheets, with changes presented as Investing activities on the Statements of Cash Flow. In accordance with ASU 2016-08, such balances are now included in the beginning and ending balances of Cash, cash equivalents and restricted cash for all periods presented.

On July 1, 2018, we early adopted ASU 2018-02, "Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income (Topic 220)." This guidance permits companies to make an election to reclassify stranded

tax effects from the recently enacted U.S. Tax Cuts and Jobs Act included in Accumulated other comprehensive income/(loss) (AOCI) to Retained earnings. ASU 2018-02 is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years, with early adoption permitted. The reclassification from the adoption of this standard resulted in an increase of \$326 to Retained earnings and a decrease of \$326 to AOCI.

On July 1, 2018, we adopted ASU 2016-16, "Income Taxes (Topic 740): Intra-Entity transfers of Assets other than Inventory." We adopted this standard on a modified retrospective basis. The standard eliminates the prohibition in ASC 740 against the immediate recognition of the current and deferred income tax effects of intra-entity transfers of assets other than inventory. The adoption of ASU 2016-16 did not have a material impact on our Consolidated Financial Statements, including the cumulative effect adjustment required upon adoption.

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)." The standard requires lessees to recognize lease assets and lease liabilities on the balance sheet and requires expanded disclosures about leasing arrangements. In July 2018, the FASB issued ASU 2018-11, "Leases (Topic 842) Targeted Improvements". The updated guidance provides an optional transition method, which allows for the application of the standard as of the adoption date with no restatement of prior period amounts. We plan to adopt the standard on July 1, 2019 under the optional transition method described above. We are currently in the process of implementing lease accounting software as well as assessing the impact that the new standard will have on our Consolidated Financial Statements. The impact of the standard will consist primarily of a balance sheet gross up of our operating leases to show equal and offsetting lease assets and lease liabilities. Subject to the completion of our assessment, we expect the adoption of the standard to result in an increase to our total assets of approximately 1%.

In January 2017, the FASB issued ASU 2017-04, "Intangibles-Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment." The standard simplifies the accounting for goodwill impairment by requiring a goodwill impairment to be measured using a single step impairment model, whereby the impairment equals the difference between the carrying amount and the fair value of the specified reporting units in their entirety. This eliminates the second step of the current impairment model that requires companies to first estimate the fair value of all assets in a reporting unit and measure impairments based on those fair values and a residual measurement approach. It also specifies that any loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. We will adopt the standard no later than July 1, 2020. The impact of the new standard will be dependent on the specific facts and circumstances of future individual impairments, if any.

No other new accounting pronouncement issued or effective during the fiscal year had or is expected to have a material impact on our Consolidated Financial Statements.

Amounts in millions of dollars except per share amounts or as otherwise specified.

NOTE 2**SEGMENT INFORMATION**

During fiscal 2017, the Company completed the divestiture of four product categories, comprised of 43 of its beauty brands. The transactions included the global salon professional hair care and color, retail hair color, cosmetics and the fragrance businesses, along with select hair styling brands. This business is reported as discontinued operations for the year ended June 30, 2017 (see Note 13).

Under U.S. GAAP, our Global Business Units (GBUs) are aggregated into five reportable segments: 1) Beauty, 2) Grooming, 3) Health Care, 4) Fabric & Home Care and 5) Baby, Feminine & Family Care. Our five reportable segments are comprised of:

- *Beauty*: Hair Care (Conditioner, Shampoo, Styling Aids, Treatments); Skin and Personal Care (Antiperspirant and Deodorant, Personal Cleansing, Skin Care);
- *Grooming*: Shave Care (Female Blades & Razors, Male Blades & Razors, Pre- and Post-Shave Products, Other Shave Care); Appliances
- *Health Care*: Oral Care (Toothbrushes, Toothpaste, Other Oral Care); Personal Health Care (Gastrointestinal, Rapid Diagnostics, Respiratory, Vitamins/Minerals/Supplements, Pain Relief, Other Personal Health Care);
- *Fabric & Home Care*: Fabric Care (Fabric Enhancers, Laundry Additives, Laundry Detergents); Home Care (Air Care, Dish Care, P&G Professional, Surface Care); and
- *Baby, Feminine & Family Care*: Baby Care (Baby Wipes, Taped Diapers and Pants); Feminine Care (Adult Incontinence, Feminine Care); Family Care (Paper Towels, Tissues, Toilet Paper).

While none of our reportable segments are highly seasonal, components within certain reportable segments, such as Appliances (Grooming) and Personal Health Care (Health), are seasonal.

The accounting policies of the segments are generally the same as those described in Note 1. Differences between these policies and U.S. GAAP primarily reflect income taxes, which are reflected in the segments using applicable blended statutory rates. Adjustments to arrive at our effective tax rate are included in Corporate, including the impacts from the U.S. Tax Act in fiscal 2018 (see Note 5).

Corporate includes certain operating and non-operating activities that are not reflected in the operating results used internally to measure and evaluate the businesses, as well as items to adjust management reporting principles to U.S. GAAP. Operating activities in Corporate include the results of incidental businesses managed at the corporate level. Operating elements also include certain employee benefit costs, the costs of certain restructuring-type activities to maintain a competitive cost structure, including manufacturing and workforce optimization, certain significant asset impairment charges and other general Corporate items. The non-operating elements in Corporate primarily include interest expense, certain pension and other postretirement benefit

costs, certain acquisition and divestiture gains, interest and investing income and other financing costs.

Total assets for the reportable segments include those assets managed by the reportable segment, primarily inventory, fixed assets and intangible assets. Other assets, primarily cash, accounts receivable, investment securities and goodwill, are included in Corporate.

Our business units are comprised of similar product categories. Nine business units individually accounted for 5% or more of consolidated net sales as follows:

% of Sales by Business Unit ⁽¹⁾			
Years ended June 30	2019	2018	2017
Fabric Care	22%	22%	22%
Baby Care	12%	13%	14%
Hair Care	10%	10%	10%
Home Care	10%	10%	10%
Skin and Personal Care	10%	9%	8%
Family Care	9%	8%	8%
Oral Care	8%	8%	8%
Shave Care	8%	8%	9%
Feminine Care	6%	6%	6%
All Other	5%	6%	5%
TOTAL	100%	100%	100%

⁽¹⁾ % of sales by business unit excludes sales held in Corporate.

Net sales and long-lived assets in the United States and internationally were as follows (in billions):

Years ended June 30	2019	2018	2017
NET SALES			
United States	\$ 28.6	\$ 27.3	\$ 27.3
International	\$ 39.1	\$ 39.5	\$ 37.8
LONG-LIVED ASSETS ⁽¹⁾			
United States	\$ 10.0	\$ 9.7	\$ 8.8
International	\$ 11.3	\$ 10.9	\$ 11.1

⁽¹⁾ Long-lived assets consists of property, plant and equipment.

No other country's net sales or long-lived assets exceed 10% of the Company totals.

Our largest customer, Walmart Inc. and its affiliates, accounted for consolidated net sales of approximately 15%, 15% and 16% in 2019, 2018 and 2017, respectively. No other customer represents more than 10% of our consolidated net sales.

Amounts in millions of dollars except per share amounts or as otherwise specified.

Global Segment Results		Net Sales	Earnings/(Loss) from Continuing Operations Before Income Taxes	Net Earnings/(Loss) from Continuing Operations	Depreciation and Amortization	Total Assets	Capital Expenditures
BEAUTY	2019	\$ 12,897	\$ 3,282	\$ 2,637	\$ 272	\$ 5,362	\$ 634
	2018	12,406	3,042	2,320	236	4,709	766
	2017	11,429	2,546	1,914	220	4,184	599
GROOMING	2019	6,199	1,777	1,529	429	20,882	367
	2018	6,551	1,801	1,432	447	22,609	364
	2017	6,642	1,985	1,537	433	22,759	341
HEALTH CARE	2019	8,218	1,984	1,519	294	7,708	363
	2018	7,857	1,922	1,283	230	5,254	330
	2017	7,513	1,898	1,280	209	5,194	283
FABRIC & HOME CARE	2019	22,080	4,601	3,518	557	7,620	984
	2018	21,441	4,191	2,708	534	7,295	1,020
	2017	20,717	4,249	2,713	513	6,886	797
BABY, FEMININE & FAMILY CARE	2019	17,806	3,593	2,734	861	9,271	819
	2018	18,080	3,527	2,251	899	9,682	1,016
	2017	18,252	3,868	2,503	874	9,920	1,197
CORPORATE ⁽¹⁾	2019	484	(9,168)	(7,971)	411	64,252	180
	2018	497	(1,157)	(133)	488	68,761	221
	2017	505	(1,289)	247	571	71,463	167
TOTAL COMPANY	2019	\$ 67,684	\$ 6,069	\$ 3,966	\$ 2,824	\$ 115,095	\$ 3,347
	2018	66,832	13,326	9,861	2,834	118,310	3,717
	2017	65,058	13,257	10,194	2,820	120,406	3,384

⁽¹⁾ The Corporate reportable segment includes the \$8.3 billion one-time, non-cash before-tax (\$8.0 billion after-tax) goodwill and intangible asset impairment charge in fiscal 2019. For additional details on goodwill and intangible assets see Note 4. The Corporate reportable segment also includes depreciation and amortization, total assets and capital expenditures of the Beauty Brands business prior to their divestiture in fiscal 2017.

NOTE 3

SUPPLEMENTAL FINANCIAL INFORMATION

The components of property, plant and equipment were as follows:

As of June 30	2019	2018
PROPERTY, PLANT AND EQUIPMENT		
Buildings	\$ 7,746	\$ 7,188
Machinery and equipment	32,263	30,595
Land	805	841
Construction in progress	2,579	3,223
TOTAL PROPERTY, PLANT AND EQUIPMENT	43,393	41,847
Accumulated depreciation	(22,122)	(21,247)
PROPERTY, PLANT AND EQUIPMENT, NET	\$ 21,271	\$ 20,600

Selected components of current and noncurrent liabilities were as follows:

As of June 30	2019	2018
ACCRUED AND OTHER LIABILITIES - CURRENT		
Marketing and promotion	\$ 4,299	\$ 3,208
Compensation expenses	1,623	1,298
Restructuring reserves	468	513
Taxes payable	341	268
Other	2,323	2,183
TOTAL	\$ 9,054	\$ 7,470
OTHER NONCURRENT LIABILITIES		
Pension benefits	\$ 5,622	\$ 4,768
Other postretirement benefits	1,098	1,495
Uncertain tax positions	472	581
U.S. Tax Act transitional tax payable	2,343	2,654
Other	676	666
TOTAL	\$ 10,211	\$ 10,164

Amounts in millions of dollars except per share amounts or as otherwise specified.

RESTRUCTURING PROGRAM

The Company has historically incurred an ongoing annual level of restructuring-type activities to maintain a competitive cost structure, including manufacturing and workforce optimization. Before-tax costs incurred under the ongoing program have generally ranged from \$250 to \$500 annually. In fiscal 2012, the Company initiated an incremental restructuring program (covering fiscal 2012 through 2017) as part of a productivity and cost savings plan to reduce costs in the areas of supply chain, research and development, marketing activities and overhead expenses. The productivity and cost savings plan was designed to accelerate cost reductions by streamlining management decision making, manufacturing and other work processes in order to help fund the Company's growth strategy.

In fiscal 2017 the Company announced specific elements of another incremental multi-year productivity and cost savings plan to further reduce costs in the areas of supply chain, certain marketing activities and overhead expenses. This program is expected to result in incremental enrollment reductions, along with further optimization of the supply chain and other manufacturing processes.

Restructuring costs incurred consist primarily of costs to separate employees, asset-related costs to exit facilities and other costs. The Company incurred total restructuring charges of \$754 and \$1,070 for the years ended June 30, 2019 and 2018, respectively. Of the charges incurred for fiscal year 2019, \$213 were recorded in SG&A, \$521 in Costs of products sold, and \$20 in Other non-operating income/(expense), net. Of the charges incurred for fiscal year 2018, \$237 were recorded in SG&A, \$819 in Costs of products sold, and \$14 in Other non-operating income/(expense), net. The following table presents restructuring activity for the years ended June 30, 2019 and 2018:

	Asset-Related			
Amounts in millions	Separations	Costs	Other	Total
RESERVE JUNE 30, 2017				
\$	228	\$ —	\$ 49	\$ 277
Charges	310	366	394	1,070
Cash spent	(279)	—	(189)	(468)
Charges against assets	—	(366)	—	(366)
RESERVE JUNE 30, 2018				
	259	—	254	513
Charges	260	252	242	754
Cash spent	(239)	—	(308)	(547)
Charges against assets	—	(252)	—	(252)
RESERVE JUNE 30, 2019				
\$	280	\$ —	\$ 188	\$ 468

Separation Costs

Employee separation charges for the years ended June 30, 2019 and 2018 relate to severance packages for approximately 1,810 and 2,720 employees, respectively. The packages were primarily voluntary and the amounts were calculated based on salary levels and past service periods. Severance costs related to voluntary separations are generally charged to earnings when the employee accepts the offer.

Asset-Related Costs

Asset-related costs consist of both asset write-downs and accelerated depreciation. Asset write-downs relate to the establishment of a new fair value basis for assets held-for-sale or disposal. These assets were written down to the lower of their current carrying basis or amounts expected to be realized upon disposal, less minor disposal costs. Charges for accelerated depreciation relate to long-lived assets that will be taken out of service prior to the end of their normal service period. These assets relate primarily to manufacturing consolidations and technology standardizations. The asset-related charges will not have a significant impact on future depreciation charges.

Other Costs

Other restructuring-type charges are incurred as a direct result of the restructuring program. Such charges primarily include asset removal and termination of contracts related to supply chain optimization.

Consistent with our historical policies for ongoing restructuring-type activities, the restructuring program charges are funded by and included within Corporate for both management and segment reporting. Accordingly, all of the charges under the program are included within the Corporate reportable segment.

However, for informative purposes, the following table summarizes the total restructuring costs related to our reportable segments:

Years ended June 30	2019	2018	2017
Beauty	\$ 49	\$ 60	\$ 90
Grooming	65	38	45
Health Care	23	21	15
Fabric & Home Care	84	115	144
Baby, Feminine & Family Care	226	547	231
Corporate ⁽¹⁾	307	289	229
Total Company	\$ 754	\$ 1,070	\$ 754

⁽¹⁾ Corporate includes costs related to allocated overheads, including charges related to our Sales and Market Operations, Global Business Services and Corporate Functions activities, along with costs related to discontinued operations from our Beauty Brands business in 2017.

Amounts in millions of dollars except per share amounts or as otherwise specified.

NOTE 4**GOODWILL AND INTANGIBLE ASSETS**

The change in the net carrying amount of goodwill by reportable segment was as follows:

	Beauty	Grooming	Health Care	Fabric & Home Care	Baby, Feminine & Family Care	Corporate	Total Company
Balance at June 30, 2017 - Net ⁽¹⁾	\$ 12,791	\$ 19,627	\$ 5,878	\$ 1,857	\$ 4,546	\$ —	\$ 44,699
Acquisitions and divestitures	82	—	—	—	—	—	82
Translation and other	119	193	51	8	23	—	394
Balance at June 30, 2018 - Net ⁽¹⁾	12,992	19,820	5,929	1,865	4,569	—	45,175
Acquisitions and divestitures	132	—	2,084	6	57	—	2,279
Goodwill impairment charges	—	(6,783)	—	—	—	—	(6,783)
Translation and other	(139)	(156)	(41)	(16)	(46)	—	(398)
Balance at June 30, 2019 - Net ⁽¹⁾	\$ 12,985	\$ 12,881	\$ 7,972	\$ 1,855	\$ 4,580	\$ —	\$ 40,273

⁽¹⁾ Grooming goodwill balance is net of \$1.2 billion accumulated impairment losses as of June 30, 2017 and 2018 and \$7.9 billion as of June 30, 2019.

Goodwill and indefinite-lived intangibles are tested for impairment at least annually by comparing the estimated fair values of our reporting units and underlying indefinite-lived intangible assets to their respective carrying values. We typically use an income method to estimate the fair value of these assets, which is based on forecasts of the expected future cash flows attributable to the respective assets. Significant estimates and assumptions inherent in the valuations reflect a consideration of other marketplace participants, and include the amount and timing of future cash flows (including expected growth rates and profitability). Estimates utilized in the projected cash flows include consideration of macroeconomic conditions, overall category growth rates, competitive activities, cost containment and margin expansion, Company business plans, the underlying product or technology life cycles, economic barriers to entry, a brand's relative market position and the discount rate applied to the cash flows. Unanticipated market or macroeconomic events and circumstances may occur, which could affect the accuracy or validity of the estimates and assumptions.

During fiscal 2019, we determined that the estimated fair value of our Shave Care reporting unit was less than its carrying value. Therefore, we conducted step two of the goodwill impairment test. Step two requires that we allocate the fair value of the reporting unit to identifiable assets and liabilities of the reporting unit, including previously unrecognized intangible assets. Any residual fair value after this allocation is compared to the goodwill balance and any excess goodwill is charged to expense. We also determined that the Gillette indefinite-lived intangible asset was less than its carrying amount. As a result, we recorded non-cash impairment charges for both items. As previously disclosed, the fair values of the Shave Care reporting unit and the related Gillette indefinite-lived intangible asset have been reduced in recent years, including further reductions during the year and quarter ending June 30, 2019. These reductions were due in large part to significant currency devaluations in a number of countries relative to the U.S. dollar, a deceleration of category growth

caused by changing grooming habits, primarily in the developed markets, and an increased competitive market environment in the U.S. and certain other markets, which collectively have resulted in reduced cash flow projections. A non-cash before and after-tax impairment charge of \$6.8 billion was recognized to reduce the carrying amount of goodwill for the Shave Care reporting unit. Following the impairment charge, the carrying value of the Shave Care goodwill is \$12.6 billion. Additionally, a non-cash, before-tax impairment charge of \$1.6 billion (\$1.2 billion after-tax) was recognized to reduce the carrying amount of the Gillette indefinite-lived intangible asset to its estimated fair value as of June 30, 2019. Following the impairment charge, the carrying value of the Gillette indefinite-lived intangible asset is \$14.1 billion.

We believe the estimates and assumptions utilized in our impairment testing are reasonable and are comparable to those that would be used by other marketplace participants. However, actual events and results could differ substantially from those used in our valuations. To the extent such factors result in a failure to achieve the level of projected cash flows initially used to estimate fair value for purposes of establishing or subsequently impairing the carrying amount of goodwill and related intangible assets, we may need to record additional non-cash impairment charges in the future.

During fiscal 2019, the Company completed the acquisition of the over the counter (OTC) healthcare business of Merck KGaA (Merck OTC), which is included in the Health Care reportable segment (see Note 14), along with other minor acquisitions in the Beauty, the Baby, Feminine & Family Care and the Fabric & Home Care reportable segments. Goodwill increases due to acquisitions were partially offset by the divestiture of the Teva portion of the PGT business in the Health Care reportable segment and currency translation.

The change in goodwill during fiscal 2018 was primarily due to acquisitions of two brands within the Beauty reportable segment and currency translation across all reportable segments.

Amounts in millions of dollars except per share amounts or as otherwise specified.

Identifiable intangible assets were comprised of:

As of June 30	2019		2018	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
INTANGIBLE ASSETS WITH DETERMINABLE LIVES				
Brands	\$ 3,836	\$ (2,160)	\$ 3,146	\$ (2,046)
Patents and technology	2,776	(2,434)	2,617	(2,350)
Customer relationships	1,787	(691)	1,372	(616)
Other	145	(91)	241	(144)
TOTAL	\$ 8,544	\$ (5,376)	\$ 7,376	\$ (5,156)
INTANGIBLE ASSETS WITH INDEFINITE LIVES				
Brands	21,047	—	21,682	—
TOTAL	\$ 29,591	\$ (5,376)	\$ 29,058	\$ (5,156)

Amortization expense of intangible assets was as follows:

Years ended June 30	2019	2018	2017
Intangible asset amortization	\$ 349	\$ 302	\$ 325

Estimated amortization expense over the next five fiscal years is as follows:

Years ending June 30	2020	2021	2022	2023	2024
Estimated amortization expense	\$ 359	\$ 309	\$ 290	\$ 278	\$ 267

NOTE 5

INCOME TAXES

Income taxes are recognized for the amount of taxes payable for the current year and for the impact of deferred tax assets and liabilities, which represent future tax consequences of events that have been recognized differently in the financial statements than for tax purposes. Deferred tax assets and liabilities are established using the enacted statutory tax rates and are adjusted for any changes in such rates in the period of change.

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the "U.S. Tax Act"). The U.S. Tax Act significantly revised the future ongoing U.S. corporate income tax by, among other things, lowering the U.S. corporate income tax rates and implementing a hybrid territorial tax system. As the Company has a June 30 fiscal year-end, the lower corporate income tax rate was phased in, resulting in a U.S. statutory federal rate of approximately 28% for our fiscal year ended June 30, 2018, and 21% for subsequent fiscal years. However, the U.S. Tax Act eliminated the domestic manufacturing deduction and moved to a hybrid territorial system, which also largely eliminated the ability to credit certain foreign taxes that existed prior to enactment of the U.S. Tax Act.

There are also certain transitional impacts of the U.S. Tax Act. As part of the transition to the new hybrid territorial tax system,

the U.S. Tax Act imposed a one-time repatriation tax on deemed repatriation of historical earnings of foreign subsidiaries. In addition, the reduction of the U.S. corporate tax rate caused us to adjust our U.S. deferred tax assets and liabilities to the lower federal base rate of 21%. These transitional impacts resulted in a provisional net charge of \$602 for the fiscal year ended June 30, 2018, comprised of an estimated repatriation tax charge of \$3.8 billion (comprised of U.S. repatriation taxes and foreign withholding taxes) and an estimated net deferred tax benefit of \$3.2 billion. The transitional impact was finalized during the fiscal year ended June 30, 2019, with no significant impact on income tax expense.

Any legislative changes, as well as any other new or proposed Treasury regulations to address questions that arise because of the U.S. Tax Act, may result in additional income tax impacts which could be material in the period any such changes are enacted.

The Global Intangible Low-Taxed Income ("GILTI") provision of the U.S. Tax Act requires the Company to include in its U.S. Income tax return foreign subsidiary earnings in excess of an allowable return on the foreign subsidiary's tangible assets. An accounting policy election is available to account for the tax effects of GILTI either as a current period expense when incurred, or to recognize deferred taxes for book and tax basis differences expected to reverse as GILTI in future years. We have elected to account for the tax effects of GILTI as a current period expense when incurred.

Earnings from continuing operations before income taxes consisted of the following:

Years ended June 30	2019	2018	2017
United States	\$ 1,659	\$ 9,277	\$ 9,031
International	4,410	4,049	4,226
TOTAL	\$ 6,069	\$ 13,326	\$ 13,257

Income taxes on continuing operations consisted of the following:

Years ended June 30	2019	2018	2017
CURRENT TAX EXPENSE			
U.S. federal	\$ 1,064	\$ 3,965	\$ 1,531
International	1,259	1,131	1,243
U.S. state and local	191	213	241
	2,514	5,309	3,015
DEFERRED TAX EXPENSE			
U.S. federal	(296)	(1,989)	28
International and other	(115)	145	20
	(411)	(1,844)	48
TOTAL TAX EXPENSE	\$ 2,103	\$ 3,465	\$ 3,063

Amounts in millions of dollars except per share amounts or as otherwise specified.

A reconciliation of the U.S. federal statutory income tax rate to our actual income tax rate on continuing operations is provided below:

<u>Years ended June 30</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
U.S. federal statutory income tax rate	21.0 %	28.1 %	35.0 %
Country mix impacts of foreign operations	(0.5)%	(4.7)%	(6.8)%
Changes in uncertain tax positions	(0.3)%	(0.3)%	(2.0)%
Excess tax benefits from the exercise of stock options	(3.8)%	(0.4)%	(1.3)%
Goodwill impairment	22.8 %	— %	— %
Net transitional impact of U.S. Tax Act	— %	4.5 %	— %
Other	(4.5)%	(1.2)%	(1.8)%
EFFECTIVE INCOME TAX RATE	<u>34.7 %</u>	<u>26.0 %</u>	<u>23.1 %</u>

Country mix impacts of foreign operations includes the effects of foreign subsidiaries' earnings taxed at rates other than the U.S. statutory rate, the U.S. tax impacts of non-U.S. earnings repatriation and any net impacts of intercompany transactions. Changes in uncertain tax positions represent changes in our net liability related to prior year tax positions. Excess tax benefits from the exercise of stock options reflect the excess of actual tax benefits received on employee exercise of stock options and other share-based payments (which generally equals the income taxable to the employee) over the amount of tax benefits that were calculated at the grant dates of such instruments.

Tax costs charged to shareholders' equity totaled \$80 for the year ended June 30, 2019. This primarily relates to the tax effects of Net Investment hedges and certain adjustments to pension obligations recorded in stockholders' equity. Tax benefits credited to shareholders' equity totaled \$342 for the year ended June 30, 2018. This primarily relates to the tax effects of Net Investment hedges, partially offset by the impact of certain adjustments to pension obligations recorded in stockholders' equity.

Prior to the passage of the U.S. Tax Act, the Company asserted that substantially all of the undistributed earnings of its foreign subsidiaries were considered indefinitely invested and accordingly, no deferred taxes were provided. Pursuant to the provisions of the U.S. Tax Act, these earnings were subjected to a one-time transition tax, for which a provisional charge has been recorded. This charge included taxes for all U.S. income taxes and for the related foreign withholding taxes for the portion of those earnings which are no longer considered indefinitely invested. We have not provided deferred taxes on approximately \$27 billion of earnings that are considered permanently reinvested.

A reconciliation of the beginning and ending liability for uncertain tax positions is as follows:

<u>Years ended June 30</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
BEGINNING OF YEAR	\$ 470	\$ 465	\$ 857
Increases in tax positions for prior years	85	26	87
Decreases in tax positions for prior years	(94)	(38)	(147)
Increases in tax positions for current year	71	87	75
Settlements with taxing authorities	(37)	(45)	(381)
Lapse in statute of limitations	(27)	(20)	(22)
Currency translation	(2)	(5)	(4)
END OF YEAR	<u>\$ 466</u>	<u>\$ 470</u>	<u>\$ 465</u>

Included in the total liability for uncertain tax positions at June 30, 2019 is \$159 that, depending on the ultimate resolution, could impact the effective tax rate in future periods.

The Company is present in approximately 70 countries and over 150 taxable jurisdictions and, at any point in time, has 40-50 jurisdictional audits underway at various stages of completion. We evaluate our tax positions and establish liabilities for uncertain tax positions that may be challenged by local authorities and may not be fully sustained, despite our belief that the underlying tax positions are fully supportable. Uncertain tax positions are reviewed on an ongoing basis and are adjusted in light of changing facts and circumstances, including progress of tax audits, developments in case law and the closing of statutes of limitation. Such adjustments are reflected in the tax provision as appropriate. We have tax years open ranging from 2008 and forward. We are generally not able to reliably estimate the ultimate settlement amounts until the close of the audit. Based on information currently available, we anticipate that over the next 12 month period, audit activity could be completed related to uncertain tax positions in multiple jurisdictions for which we have accrued existing liabilities of approximately \$140, including interest and penalties.

We recognize the additional accrual of any possible related interest and penalties relating to the underlying uncertain tax position in income tax expense. As of June 30, 2019, 2018 and 2017, we had accrued interest of \$133, \$99 and \$100 and accrued penalties of \$17, \$15 and \$20, respectively, which are not included in the above table. During the fiscal years ended June 30, 2019, 2018 and 2017, we recognized \$40, \$22 and \$(62) in interest expense/(benefit) and \$2, \$5 and \$0 in penalties expense, respectively. The net benefits recognized resulted primarily from the favorable resolution of tax positions for prior years.

Amounts in millions of dollars except per share amounts or as otherwise specified.

Deferred income tax assets and liabilities were comprised of the following:

As of June 30	2019	2018
DEFERRED TAX ASSETS		
Pension and postretirement benefits	\$ 1,591	\$ 1,478
Loss and other carryforwards	1,007	1,067
Stock-based compensation	421	476
Fixed assets	232	223
Accrued marketing and promotion	334	223
Unrealized loss on financial and foreign exchange transactions	73	61
Inventory	41	35
Accrued interest and taxes	15	17
Advance payments	—	4
Other	931	699
Valuation allowances	(442)	(457)
TOTAL	\$ 4,203	\$ 3,826
DEFERRED TAX LIABILITIES		
Goodwill and intangible assets	\$ 6,506	\$ 6,168
Fixed assets	1,413	1,276
Foreign withholding tax on earnings to be repatriated	239	244
Unrealized gain on financial and foreign exchange transactions	147	169
Other	351	161
TOTAL	\$ 8,656	\$ 8,018

Net operating loss carryforwards were \$3.5 billion at June 30, 2019 and \$3.5 billion at June 30, 2018. If unused, \$1.0 billion will expire between 2019 and 2037. The remainder, totaling \$2.5 billion at June 30, 2019, may be carried forward indefinitely.

NOTE 6

EARNINGS PER SHARE

Basic net earnings per common share are calculated by dividing Net earnings attributable to Procter & Gamble less preferred dividends (net of related tax benefits) by the weighted average number of common shares outstanding during the year. For fiscal years 2018 and 2017, Diluted net earnings per common share are calculated by dividing Net earnings attributable to Procter & Gamble by the diluted weighted average number of common shares outstanding during the year. The diluted shares are determined using the treasury stock method on the basis of the weighted average number of common shares outstanding plus the dilutive effect of stock options and other stock-based awards (see Note 7) and the assumed conversion of preferred stock (see Note 8).

For fiscal year 2019, Diluted net earnings per common share do not include the assumed conversion of preferred stock because to do so would have been antidilutive, due to the lower Net earnings driven by the Shave Care impairment charges (see Note 4). Therefore, Diluted net earnings per common share are calculated by dividing Net earnings attributable to Procter & Gamble less preferred dividends (net of related tax benefit) by the diluted weighted average number of common shares outstanding during the year. The diluted shares are determined using the treasury stock method on the basis of the weighted average number of common shares outstanding plus the dilutive effect of stock options and other stock-based awards.

Amounts in millions of dollars except per share amounts or as otherwise specified.

Net earnings per share were calculated as follows:

Years ended June 30	2019	2018	2017		
CONSOLIDATED AMOUNTS	Total	Total	Continuing Operations	Discontinued Operations	Total
Net earnings	\$ 3,966	\$ 9,861	\$ 10,194	\$ 5,217	\$ 15,411
Less: Net earnings attributable to noncontrolling interests	69	111	85	—	85
Net earnings attributable to P&G	3,897	9,750	10,109	5,217	15,326
Less: Preferred dividends, net of tax	263	265	247	—	247
Net earnings attributable to P&G available to common shareholders (Basic)	\$ 3,634	\$ 9,485	\$ 9,862	\$ 5,217	\$ 15,079
Net earnings attributable to P&G available to common shareholders (Diluted)	\$ 3,634	\$ 9,750	\$ 10,109	\$ 5,217	\$ 15,326
SHARES IN MILLIONS					
Basic weighted average common shares outstanding	2,503.6	2,529.3	2,598.1	2,598.1	2,598.1
Add: Effect of dilutive securities					
Impact of stock options and other unvested equity awards ⁽¹⁾	35.9	32.5	43.0	43.0	43.0
Conversion of preferred shares ⁽²⁾	—	94.9	99.3	99.3	99.3
Diluted weighted average common shares outstanding	2,539.5	2,656.7	2,740.4	2,740.4	2,740.4
NET EARNINGS PER SHARE ⁽³⁾					
Basic	\$ 1.45	\$ 3.75	\$ 3.79	\$ 2.01	\$ 5.80
Diluted	\$ 1.43	\$ 3.67	\$ 3.69	\$ 1.90	\$ 5.59

⁽¹⁾ Weighted average outstanding stock options of approximately 13 million in 2019, 48 million in 2018 and 20 million in 2017 were not included in the Diluted net earnings per share calculation because the options were out of the money or to do so would have been antidilutive (i.e., the assumed proceeds upon exercise would have exceeded the market value of the underlying common shares).

⁽²⁾ Despite being included in Diluted net earnings per common share, the actual conversion to common stock occurs when the preferred shares are sold. Shares may only be sold after being allocated to the ESOP participants pursuant to the repayment of the ESOP's obligations through 2035. In fiscal year 2019, weighted average outstanding preferred shares of 90 million were not included in the Diluted net earnings per share calculation because to do so would have been antidilutive, due to lower Net earnings driven by the Shave Care impairment charges (see Note 4).

⁽³⁾ Net earnings per share are calculated on Net earnings attributable to Procter & Gamble.

NOTE 7

STOCK-BASED COMPENSATION

We have two primary stock-based compensation programs under which we annually grant stock option, restricted stock unit (RSU) and performance stock unit (PSU) awards to key managers and directors.

In our main long-term incentive program, key managers can elect to receive options or RSUs. All options vest after three years and have a 10-year life. Exercise prices on options are set equal to the market price of the underlying shares on the date of the grant. Effective in fiscal year 2017, RSUs vest and settle in shares of common stock three years from the grant date. RSUs granted prior to fiscal year 2017 vest and settle in shares of common stock five years from the grant date.

Senior-level executives participate in an additional long-term incentive program that awards PSUs, which are paid in shares after the end of a three-year performance period subject to pre-established performance goals. Effective in fiscal year 2019, we added a Relative Total Shareholder Return (R-TSR) modifier to the PSU, under which the number of shares ultimately granted is also impacted by the Company's actual

shareholder return relative to our consumer products competitive peer set.

In addition to these long-term incentive programs, we award RSUs to the Company's non-employee directors and make other minor stock option and RSU grants to employees for which the terms are not substantially different from our long-term incentive awards.

A total of 185 million shares of common stock were authorized for issuance under the stock-based compensation plan approved by shareholders in 2014, of which 41 million shares remain available for grant.

The Company recognizes stock-based compensation expense based on the fair value of the awards at the date of grant. The fair value is amortized on a straight-line basis over the requisite service period. Awards to employees eligible for retirement prior to the award becoming fully vested are recognized as compensation expense from the grant date through the date the employee first becomes eligible to retire and is no longer required to provide services to earn the award. Stock-based compensation expense is included as part of Cost of products sold and SG&A in the Consolidated Statement of Earnings and

Amounts in millions of dollars except per share amounts or as otherwise specified.

includes an estimate of forfeitures, which is based on historical data. Total expense and related tax benefit were as follows:

Years ended June 30	2019	2018	2017 ⁽¹⁾
Stock options	\$ 246	\$ 220	\$ 216
RSUs and PSUs	269	175	150
Total stock-based expense	\$ 515	\$ 395	\$ 366
Income tax benefit	\$ 101	\$ 87	\$ 111

⁽¹⁾ Includes amounts related to discontinued operations, which are not material.

We utilize an industry standard lattice-based valuation model to calculate the fair value for stock options granted. Assumptions utilized in the model, which are evaluated and revised to reflect market conditions and experience, were as follows:

Years ended June 30	2019	2018	2017
Interest rate	2.5 - 2.7%	1.9 - 2.9%	0.8 - 2.6%
Weighted average interest rate	2.6%	2.8%	2.6%
Dividend yield	3.0%	3.1%	3.2%
Expected volatility	17%	18%	15%
Expected life in years	9.2	9.2	9.6

Lattice-based option valuation models incorporate ranges of assumptions for inputs and those ranges are disclosed in the preceding table. Expected volatilities are based on a combination of historical volatility of our stock and implied volatilities of call options on our stock. We use historical data to estimate option exercise and employee termination patterns within the valuation model. The expected life of options granted is derived from the output of the option valuation model and represents the average period of time that options granted are expected to be outstanding. The interest rate for periods within the contractual life of the options is based on the U.S. Treasury yield curve in effect at the time of grant.

A summary of options outstanding under the plans as of June 30, 2019 and activity during the year then ended is presented below:

Options	Options (in thousands)	Weighted Average Exercise Price	Weighted Average Contract-ual Life in Years	Aggregate Intrinsic Value
Outstanding, beginning of year	205,654	\$ 74.21		
Granted	13,451	95.78		
Exercised	(53,670)	62.99		
Forfeited/expired	(694)	81.58		
OUTSTANDING, END OF YEAR	164,741	\$ 79.59	5.6	\$ 4,951
EXERCISABLE	110,504	\$ 75.07	4.2	\$ 3,822

The following table provides additional information on stock options:

Years ended June 30	2019	2018	2017
Weighted average grant-date fair value of options granted	\$ 13.60	\$ 11.89	\$ 10.45
Intrinsic value of options exercised	1,770	500	1,334
Grant-date fair value of options that vested	180	209	246
Cash received from options exercised	3,381	1,245	2,630
Actual tax benefit from options exercised	221	127	421

At June 30, 2019, there was \$174 of compensation cost that has not yet been recognized related to stock option grants. That cost is expected to be recognized over a remaining weighted average period of 1.9 years.

A summary of non-vested RSUs and PSUs outstanding under the plans as of June 30, 2019 and activity during the year then ended is presented below:

RSU and PSU awards	RSUs		PSUs	
	Units (in thousands)	Weighted Average Grant Date Fair Value	Units (in thousands)	Weighted Average Grant Date Fair Value
Non-vested at July 1, 2018	5,376	\$ 77.17	1,385	\$ 84.08
Granted	1,970	96.74	555	112.83
Vested	(1,685)	78.40	(642)	91.40
Forfeited	(168)	79.67	(3)	92.72
Non-vested at June 30, 2019	5,493	\$ 84.00	1,295	\$ 92.98

At June 30, 2019, there was \$261 of compensation cost that has not yet been recognized related to RSUs and PSUs. That cost is expected to be recognized over a remaining weighted average period of 2.0 years. The total grant date fair value of shares vested was \$205, \$175 and \$163 in 2019, 2018 and 2017, respectively.

The Company settles equity issuances with treasury shares. We have no specific policy to repurchase common shares to mitigate the dilutive impact of options, RSUs and PSUs. However, we have historically made adequate discretionary purchases, based on cash availability, market trends and other factors, to offset the impacts of such activity.

NOTE 8

POSTRETIREMENT BENEFITS AND EMPLOYEE STOCK OWNERSHIP PLAN

We offer various postretirement benefits to our employees.

Defined Contribution Retirement Plans

We have defined contribution plans, which cover the majority of our U.S. employees, as well as employees in certain other countries. These plans are fully funded. We generally make contributions to participants' accounts based on individual base salaries and years of service. Total global defined contribution

Amounts in millions of dollars except per share amounts or as otherwise specified.

expense was \$272, \$292 and \$270 in 2019, 2018 and 2017, respectively.

The primary U.S. defined contribution plan (the U.S. DC plan) comprises the majority of the expense for the Company's defined contribution plans. For the U.S. DC plan, the contribution rate is set annually. Total contributions for this plan approximated 14% of total participants' annual wages and salaries in 2019, 2018 and 2017.

We maintain The Procter & Gamble Profit Sharing Trust (Trust) and Employee Stock Ownership Plan (ESOP) to provide a portion of the funding for the U.S. DC plan and other retiree benefits (described below). Operating details of the ESOP are provided at the end of this Note. The fair value of the ESOP Series A shares allocated to participants reduces our cash contribution required to fund the U.S. DC plan.

Defined Benefit Retirement Plans and Other Retiree Benefits

We offer defined benefit retirement pension plans to certain employees. These benefits relate primarily to local plans outside the U.S. and, to a lesser extent, plans assumed in previous acquisitions covering U.S. employees.

We also provide certain other retiree benefits, primarily health care and life insurance, for the majority of our U.S. employees who become eligible for these benefits when they meet minimum age and service requirements. Generally, the health care plans require cost sharing with retirees and pay a stated percentage of expenses, reduced by deductibles and other coverages. These benefits are primarily funded by ESOP Series B shares and certain other assets contributed by the Company.

Obligation and Funded Status. The following provides a reconciliation of benefit obligations, plan assets and funded status of these defined benefit plans:

Years ended June 30	Pension Benefits ⁽¹⁾		Other Retiree Benefits ⁽²⁾	
	2019	2018	2019	2018
CHANGE IN BENEFIT OBLIGATION				
Benefit obligation at beginning of year ⁽³⁾	\$ 15,658	\$ 16,160	\$ 4,778	\$ 5,187
Service cost	259	280	101	112
Interest cost	339	348	187	177
Participants' contributions	12	13	76	73
Amendments	9	12	—	(231)
Net actuarial loss/(gain)	1,587	(722)	37	(308)
Acquisitions/(divestitures)	49	—	—	—
Special termination benefits	13	8	8	7
Currency translation and other	(283)	148	20	5
Benefit payments	(606)	(589)	(243)	(244)
BENEFIT OBLIGATION AT END OF YEAR ⁽³⁾	\$ 17,037	\$ 15,658	\$ 4,964	\$ 4,778
CHANGE IN PLAN ASSETS				
Fair value of plan assets at beginning of year	\$ 11,267	\$ 10,829	\$ 3,259	\$ 3,831
Actual return on plan assets	739	553	1,918	(481)
Acquisitions/(divestitures)	4	—	—	—
Employer contributions	178	406	31	33
Participants' contributions	12	13	76	73
Currency translation and other	(212)	55	(1)	(3)
ESOP debt impacts ⁽⁴⁾	—	—	56	50
Benefit payments	(606)	(589)	(243)	(244)
FAIR VALUE OF PLAN ASSETS AT END OF YEAR	\$ 11,382	\$ 11,267	\$ 5,096	\$ 3,259
FUNDED STATUS	\$ (5,655)	\$ (4,391)	\$ 132	\$ (1,519)

⁽¹⁾ Primarily non-U.S.-based defined benefit retirement plans.

⁽²⁾ Primarily U.S.-based other postretirement benefit plans.

⁽³⁾ For the pension benefit plans, the benefit obligation is the projected benefit obligation. For other retiree benefit plans, the benefit obligation is the accumulated postretirement benefit obligation.

⁽⁴⁾ Represents the net impact of ESOP debt service requirements, which is netted against plan assets for other retiree benefits.

The underfunding of pension benefits is primarily a function of the different funding incentives that exist outside of the U.S. In certain countries, there are no legal requirements or financial incentives provided to companies to pre-fund pension obligations prior to their due date. In these instances, benefit payments are typically paid directly from the Company's cash as they become due.

Amounts in millions of dollars except per share amounts or as otherwise specified.

As of June 30	Pension Benefits		Other Retiree Benefits	
	2019	2018	2019	2018
CLASSIFICATION OF NET AMOUNT RECOGNIZED				
Noncurrent assets	\$ 19	\$ 420	\$ 1,257	\$ —
Current liabilities	(52)	(43)	(27)	(24)
Noncurrent liabilities	(5,622)	(4,768)	(1,098)	(1,495)
NET AMOUNT RECOGNIZED	\$ (5,655)	\$ (4,391)	\$ 132	\$ (1,519)
AMOUNTS RECOGNIZED IN ACCUMULATED OTHER COMPREHENSIVE INCOME (AOCI)				
Net actuarial loss	\$ 5,062	\$ 3,787	\$ 874	\$ 2,366
Prior service cost/(credit)	214	244	(424)	(478)
NET AMOUNTS RECOGNIZED IN AOCI	\$ 5,276	\$ 4,031	\$ 450	\$ 1,888

The accumulated benefit obligation for all defined benefit pension plans was \$15,790 and \$14,370 as of June 30, 2019 and 2018, respectively. Pension plans with accumulated benefit obligations in excess of plan assets and plans with projected benefit obligations in excess of plan assets consisted of the following:

As of June 30	Accumulated Benefit Obligation Exceeds the Fair Value of Plan Assets		Projected Benefit Obligation Exceeds the Fair Value of Plan Assets	
	2019	2018	2019	2018
Projected benefit obligation	\$ 11,604	\$ 8,467	\$ 16,304	\$ 8,962
Accumulated benefit obligation	10,711	7,573	15,096	7,974
Fair value of plan assets	6,026	3,740	10,630	4,150

Net Periodic Benefit Cost. Components of the net periodic benefit cost were as follows:

Years ended June 30	Pension Benefits			Other Retiree Benefits		
	2019	2018	2017	2019	2018	2017
AMOUNTS RECOGNIZED IN NET PERIODIC BENEFIT COST						
Service cost	\$ 259	\$ 280	\$ 310 ⁽¹⁾	\$ 101	\$ 112	\$ 133 ⁽¹⁾
Interest cost	339	348	300	187	177	175
Expected return on plan assets	(732)	(751)	(675)	(447)	(451)	(431)
Amortization of net actuarial loss	225	295	375	66	69	122
Amortization of prior service cost/(credit)	26	28	28	(48)	(41)	(45)
Amortization of net actuarial loss/prior service cost due to settlements and curtailments	9	—	186 ⁽²⁾	—	—	16 ⁽²⁾
Special termination benefits	13	8	4	8	7	21 ⁽²⁾
GROSS BENEFIT COST/(CREDIT)	139	208	528	(133)	(127)	(9)
Dividends on ESOP preferred stock	—	—	—	(28)	(37)	(45)
NET PERIODIC BENEFIT COST/(CREDIT)	\$ 139	\$ 208	\$ 528	\$ (161)	\$ (164)	\$ (54)
CHANGE IN PLAN ASSETS AND BENEFIT OBLIGATIONS RECOGNIZED IN AOCI						
Net actuarial loss/(gain) - current year	\$ 1,580	\$ (524)		\$ (1,434)	\$ 624	
Prior service cost/(credit) - current year	9	12		—	(231)	
Amortization of net actuarial loss	(225)	(295)		(66)	(69)	
Amortization of prior service (cost)/credit	(26)	(28)		48	41	
Amortization of net actuarial loss/prior service costs due to settlements and curtailments	(9)	—		—	—	
Currency translation and other	(84)	73		14	(3)	
TOTAL CHANGE IN AOCI	1,245	(762)		(1,438)	362	
NET AMOUNTS RECOGNIZED IN PERIODIC BENEFIT COST AND AOCI	\$ 1,384	\$ (554)		\$ (1,599)	\$ 198	

⁽¹⁾ Service cost includes amounts related to discontinued operations in fiscal year ended June 30, 2017, which are not material.

⁽²⁾ For fiscal year ended June 30, 2017, amortization of net actuarial loss/prior service cost due to settlement and curtailments and \$18 of the special termination benefits are included in Net earnings from discontinued operations.

Amounts in millions of dollars except per share amounts or as otherwise specified.

The service cost component of the net periodic benefit cost is included in the Consolidated Statements of Earnings in Cost of products sold and SG&A, unless otherwise noted. All other components are included in the Consolidated Statements of Earnings in Other non-operating income/(expense), net, unless otherwise noted.

Amounts expected to be amortized from AOCI into net periodic benefit cost during the year ending June 30, 2020, are as follows:

	Pension Benefits		Other Retiree Benefits	
Net actuarial loss	\$	344	\$	68
Prior service cost/(credit)		25		(48)

Assumptions. We determine our actuarial assumptions on an annual basis. These assumptions are weighted to reflect each country that may have an impact on the cost of providing retirement benefits. The weighted average assumptions used to determine benefit obligations recorded on the Consolidated Balance Sheets as of June 30, were as follows: ⁽¹⁾

As of June 30	Pension Benefits		Other Retiree Benefits	
	2019	2018	2019	2018
Discount rate	1.9%	2.5%	3.7%	4.2%
Rate of compensation increase	2.6%	2.6%	N/A	N/A
Health care cost trend rates assumed for next year	N/A	N/A	6.6%	6.6%
Rate to which the health care cost trend rate is assumed to decline (ultimate trend rate)	N/A	N/A	4.9%	4.9%
Year that the rate reaches the ultimate trend rate	N/A	N/A	2026	2025

⁽¹⁾ Determined as of end of fiscal year.

The weighted average assumptions used to determine net benefit cost recorded on the Consolidated Statement of Earnings for the years ended June 30, were as follows: ⁽¹⁾

Years ended June 30	Pension Benefits			Other Retiree Benefits		
	2019	2018	2017	2019	2018	2017
Discount rate	2.5%	2.4%	2.1%	4.2%	3.9%	3.6%
Expected return on plan assets	6.6%	6.8%	6.9%	8.3%	8.3%	8.3%
Rate of compensation increase	2.6%	3.0%	2.9%	N/A	N/A	N/A

⁽¹⁾ Determined as of beginning of fiscal year.

For plans that make up the majority of our obligation, the Company calculates the benefit obligation and the related impacts on service and interest costs using specific spot rates along the corporate bond yield curve. For the remaining plans, the Company determines these amounts utilizing a single weighted-average discount rate derived from the corporate bond yield curve used to measure the plan obligations.

Several factors are considered in developing the estimate for the long-term expected rate of return on plan assets. For the defined benefit retirement plans, these factors include historical rates of return of broad equity and bond indices and projected long-term rates of return obtained from pension investment consultants. The expected long-term rates of return for plan assets are 8 - 9% for equities and 5 - 6% for bonds. For other retiree benefit plans, the expected long-term rate of return reflects that the assets are comprised primarily of Company stock. The expected rate of return on Company stock is based on the long-term projected return of 8.5% and reflects the historical pattern of returns.

Assumed health care cost trend rates could have a significant effect on the amounts reported for the other retiree benefit plans. A one percentage point change in assumed health care cost trend rates would have the following effects:

	One-Percentage Point Increase		One-Percentage Point Decrease	
Effect on the total service and interest cost components	\$	60	\$	(45)
Effect on the accumulated postretirement benefit obligation		755		(619)

Plan Assets. Our investment objective for defined benefit retirement plan assets is to meet the plans' benefit obligations and to improve plan self-sufficiency for future benefit obligations. The investment strategies focus on asset class diversification, liquidity to meet benefit payments and an appropriate balance of long-term investment return and risk. Target ranges for asset allocations are determined by assessing different investment risks and matching the actuarial projections of the plans' future liabilities and benefit payments with current as well as expected long-term rates of return on the assets, taking into account investment return volatility and correlations across asset classes. Plan assets are diversified across several investment managers and are generally

Amounts in millions of dollars except per share amounts or as otherwise specified.

invested in liquid funds that are selected to track broad market equity and bond indices. Investment risk is carefully controlled with plan assets rebalanced to target allocations on a periodic basis and with continual monitoring of investment managers' performance relative to the investment guidelines established with each investment manager. Our target asset allocation for the year ended June 30, 2019, and actual asset allocation by asset category as of June 30, 2019 and 2018, were as follows:

Asset Category	Target Asset Allocation		Actual Asset Allocation at June 30			
	Pension Benefits	Other Retiree Benefits	Pension Benefits		Other Retiree Benefits	
			2019	2018	2019	2018
Cash	—%	2%	1%	2%	3%	1%
Debt securities	67%	3%	63%	59%	2%	4%
Equity securities	33%	95%	36%	39%	95%	95%
TOTAL	100%	100%	100%	100%	100%	100%

The following tables set forth the fair value of the Company's plan assets as of June 30, 2019 and 2018 segregated by level within the fair value hierarchy (refer to Note 9 for further discussion on the fair value hierarchy and fair value principles). Company stock listed as Level 1 in the hierarchy represents Company common stock; Level 2 represents preferred shares which are valued based on the value of Company common stock. The majority of our Level 3 pension assets are insurance contracts. Their fair values are based on their cash equivalent or models that project future cash flows and discount the future amounts to a present value using market-based observable inputs, including credit risk and interest rate curves. There was no significant activity within the Level 3 pension and other retiree benefits plan assets during the years presented. Investments valued using net asset value as a practical expedient are primarily equity and fixed income collective funds. These assets are not valued using the fair value hierarchy, but rather valued using the net asset value reported by the managers of the funds and as supported by the unit prices of actual purchase and sale transactions.

As of June 30	Pension Benefits			Other Retiree Benefits		
	Fair Value Hierarchy Level	2019	2018	Fair Value Hierarchy Level	2019	2018
ASSETS AT FAIR VALUE						
Cash and cash equivalents	1	\$ 47	\$ 136	1	\$ 111	\$ 5
Company stock ⁽¹⁾		—	—	1 & 2	4,836	3,092
Other ⁽²⁾	1, 2 & 3	378	400	1	1	4
TOTAL ASSETS IN THE FAIR VALUE HEIRARCHY		425	536		4,948	3,101
Investments valued at net asset value		10,957	10,731		148	158
TOTAL ASSETS AT FAIR VALUE		\$ 11,382	11,267		\$ 5,096	3,259

⁽¹⁾ Company stock is net of ESOP debt discussed below.

⁽²⁾ The Company's other pension plan assets measured at fair value are generally classified as Level 3 within the fair value hierarchy. There are no material other pension plan asset balances classified as Level 1 or Level 2 within the fair value hierarchy.

Cash Flows. Management's best estimate of cash requirements and discretionary contributions for the defined benefit retirement plans and other retiree benefit plans for the year ending June 30, 2020, is \$156 and \$39, respectively. For the defined benefit retirement plans, this is comprised of \$94 in expected benefit payments from the Company directly to participants of unfunded plans and \$62 of expected contributions to funded plans. For other retiree benefit plans, this is comprised of \$27 in expected benefit payments from the Company directly to participants of unfunded plans and \$12 of expected contributions to funded plans. Expected contributions are dependent on many variables, including the variability of the market value of the plan assets as compared to the benefit obligation and other market or regulatory conditions. In addition, we take into consideration our business investment opportunities and resulting cash requirements.

Accordingly, actual funding may differ significantly from current estimates.

Total benefit payments expected to be paid to participants, which include payments funded from the Company's assets and payments from the plans are as follows:

Years ending June 30	Pension Benefits	Other Retiree Benefits
EXPECTED BENEFIT PAYMENTS		
2020	\$ 518	\$ 191
2021	536	203
2022	549	214
2023	574	224
2024	583	233
2025 - 2029	3,220	1,283

Amounts in millions of dollars except per share amounts or as otherwise specified.

Employee Stock Ownership Plan

We maintain the ESOP to provide funding for certain employee benefits discussed in the preceding paragraphs.

The ESOP borrowed \$1.0 billion in 1989 and the proceeds were used to purchase Series A ESOP Convertible Class A Preferred Stock to fund a portion of the U.S. DC plan. Principal and interest requirements of the borrowing were paid by the Trust from dividends on the preferred shares and from advances provided by the Company. The original borrowing of \$1.0 billion has been repaid in full, and advances from the Company of \$42 remain outstanding at June 30, 2019. Each share is convertible at the option of the holder into one share of the Company's common stock. The dividend for the current year was equal to the common stock dividend of \$2.90 per share. The liquidation value is \$6.82 per share.

In 1991, the ESOP borrowed an additional \$1.0 billion. The proceeds were used to purchase Series B ESOP Convertible Class A Preferred Stock to fund a portion of retiree health care benefits. These shares, net of the ESOP's debt, are considered plan assets of the other retiree benefits plan discussed above. Debt service requirements are funded by preferred stock dividends, cash contributions and advances provided by the Company, of which \$876 are outstanding at June 30, 2019. Each share is convertible at the option of the holder into one share of the Company's common stock. The dividend for the current year was equal to the common stock dividend of \$2.90 per share. The liquidation value is \$12.96 per share.

Our ESOP accounting practices are consistent with current ESOP accounting guidance, including the permissible continuation of certain provisions from prior accounting guidance. ESOP debt, which is guaranteed by the Company, is recorded as debt (see Note 10) with an offset to the Reserve for ESOP debt retirement, which is presented within Shareholders' equity. Advances to the ESOP by the Company are recorded as an increase in the Reserve for ESOP debt retirement. Interest incurred on the ESOP debt is recorded as Interest expense. Dividends on all preferred shares, net of related tax benefits, are charged to Retained earnings.

The series A and B preferred shares of the ESOP are allocated to employees based on debt service requirements. The number of preferred shares outstanding at June 30 was as follows:

<u>Shares in thousands</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Allocated	31,600	34,233	36,488
Unallocated	3,259	4,117	5,060
TOTAL SERIES A	34,859	38,350	41,548
Allocated	26,790	25,895	25,378
Unallocated	26,471	28,512	30,412
TOTAL SERIES B	53,261	54,407	55,790

For purposes of calculating diluted net earnings per common share, the preferred shares held by the ESOP are considered converted from inception.

Amounts in millions of dollars except per share amounts or as otherwise specified.

NOTE 9

RISK MANAGEMENT ACTIVITIES AND FAIR VALUE MEASUREMENTS

As a multinational company with diverse product offerings, we are exposed to market risks, such as changes in interest rates, currency exchange rates and commodity prices. We evaluate exposures on a centralized basis to take advantage of natural exposure correlation and netting. To the extent we choose to manage volatility associated with the net exposures, we enter into various financial transactions that we account for using the applicable accounting guidance for derivative instruments and hedging activities. These financial transactions are governed by our policies covering acceptable counterparty exposure, instrument types and other hedging practices.

If the Company elects to do so and if the instrument meets certain specified accounting criteria, management designates derivative instruments as cash flow hedges, fair value hedges or net investment hedges. We record derivative instruments at fair value and the accounting for changes in the fair value depends on the intended use of the derivative, the resulting designation and the effectiveness of the instrument in offsetting the risk exposure it is designed to hedge. We generally have a high degree of effectiveness between the exposure being hedged and the hedging instrument.

Credit Risk Management

We have counterparty credit guidelines and normally enter into transactions with investment grade financial institutions, to the extent commercially viable. Counterparty exposures are monitored daily and downgrades in counterparty credit ratings are reviewed on a timely basis. We have not incurred, and do not expect to incur, material credit losses on our risk management or other financial instruments.

Substantially all of the Company's financial instruments used in hedging transactions are governed by industry standard netting and collateral agreements with counterparties. If the Company's credit rating were to fall below the levels stipulated in the agreements, the counterparties could demand either collateralization or termination of the arrangements. The aggregate fair value of the instruments covered by these contractual features that are in a net liability position as of June 30, 2019, was not material. The Company has not been required to post collateral as a result of these contractual features.

Interest Rate Risk Management

Our policy is to manage interest cost using a mixture of fixed-rate and variable-rate debt. To manage this risk in a cost-efficient manner, we enter into interest rate swaps whereby we agree to exchange with the counterparty, at specified intervals, the difference between fixed and variable interest amounts calculated by reference to a notional amount.

We designate certain interest rate swaps that meet specific accounting criteria as fair value hedges. For fair value hedges, the changes in the fair value of both the hedging instruments and the underlying debt obligations are immediately recognized in earnings. Historically, we had certain interest

rate swaps designated as cash flow hedges. For the years ended June 30, 2019 and 2018, we did not have any such contracts outstanding.

Foreign Currency Risk Management

We manufacture and sell our products and finance our operations in a number of countries throughout the world. As a result, we are exposed to movements in foreign currency exchange rates. We leverage the Company's diversified portfolio of exposures as a natural hedge. In certain cases, we enter into non-qualifying foreign currency contracts to hedge certain balance sheet items subject to revaluation. The change in fair value of these instruments and the underlying exposure are both immediately recognized in earnings.

To manage exchange rate risk related to our intercompany financing, we primarily use forward contracts and currency swaps. The change in fair value of these non-qualifying instruments is immediately recognized in earnings, substantially offsetting the foreign currency mark-to-market impact of the related exposure.

Historically, we had utilized foreign currency swaps to offset the effect of exchange rate fluctuations on intercompany loans denominated in foreign currencies; these swaps were accounted for as cash flow hedges. For the years ended June 30, 2019 and 2018, we did not have any such contracts outstanding.

Net Investment Hedging

We hedge certain net investment positions in foreign subsidiaries. To accomplish this, we either borrow directly in foreign currencies and designate all or a portion of the foreign currency debt as a hedge of the applicable net investment position or we enter into foreign currency swaps that are designated as hedges of net investments. Changes in the fair value of these instruments are recognized in the Foreign Currency Translation component of OCI and offset the change in the value of the net investment being hedged. The time value component of the net investment hedge currency swaps is excluded from the assessment of hedge effectiveness. Changes in the fair value of the swap, including changes in the fair value of the excluded time value component, are recognized in OCI and offset the value of the underlying net assets. The time value component is subsequently reported in income on a systematic basis.

Commodity Risk Management

Certain raw materials used in our products or production processes are subject to price volatility caused by weather, supply conditions, political and economic variables and other unpredictable factors. To manage the volatility related to anticipated purchases of certain of these materials, we have historically, on a limited basis, used futures and options with maturities generally less than one year and swap contracts with maturities up to five years. As of and during the years ended June 30, 2019 and 2018, we did not have any commodity hedging activity.

Insurance

We self-insure for most insurable risks. However, we purchase insurance for Directors and Officers Liability and certain other coverage where it is required by law or by contract.

Fair Value Hierarchy

Accounting guidance on fair value measurements for certain financial assets and liabilities requires that financial assets and liabilities carried at fair value be classified and disclosed in one of the following categories:

- Level 1: Quoted market prices in active markets for identical assets or liabilities.
- Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.
- Level 3: Unobservable inputs reflecting the reporting entity's own assumptions or external inputs from inactive markets.

When applying fair value principles in the valuation of assets and liabilities, we are required to maximize the use of quoted market prices and minimize the use of unobservable inputs. The Company has not changed its valuation techniques used in measuring the fair value of any financial assets or liabilities during the year.

When active market quotes are not available for financial assets and liabilities, we use industry standard valuation models. Where applicable, these models project future cash flows and discount the future amounts to a present value using market-based observable inputs including credit risk, interest rate curves and forward and spot prices for currencies. In circumstances where market-based observable inputs are not available, management judgment is used to develop assumptions to estimate fair value. Generally, the fair value of our Level 3 instruments is estimated as the net present value of expected future cash flows based on external inputs.

The following table sets forth the Company's financial assets as of June 30, 2019 and 2018 that were measured at fair value on a recurring basis during the period:

As of June 30	Fair Value Asset	
	2019	2018
Investments:		
U.S. government securities	\$ 3,648	\$ 5,544
Corporate bond securities	2,400	3,737
Other investments	169	141
TOTAL	\$ 6,217	\$ 9,422

Investment securities are presented in Available-for-sale investment securities and Other noncurrent assets. The amortized cost of the U.S. government securities with maturities less than one year was \$100 and \$2,003 as of June 30, 2019 and 2018, respectively. The amortized cost of the U.S. government securities with maturities between one and five years was \$3,556 and \$3,659 as of June 30, 2019 and 2018, respectively. The amortized cost of corporate bond securities with maturities of less than a year was \$1,347 and \$1,291 as of June 30, 2019 and 2018, respectively. The amortized cost of corporate bond securities with maturities between one and five years was \$1,057 and \$2,503 as of

Amounts in millions of dollars except per share amounts or as otherwise specified.

June 30, 2019 and 2018, respectively. The Company's investments measured at fair value are generally classified as Level 2 within the fair value hierarchy. Within cash and cash equivalents, we have money market funds of \$2,956 and \$1,516 as of June 30, 2019 and 2018, respectively. These funds are classified as Level 1 within the fair value hierarchy. There are no other material investment balances classified as Level 1 or Level 3 within the fair value hierarchy, or using net asset value as a practical expedient. Fair values are generally estimated based upon quoted market prices for similar instruments.

The fair value of long-term debt was \$25,378 and \$23,402 as of June 30, 2019 and 2018, respectively. This includes the current portion of debt instruments (\$3,390 and \$1,769 as of June 30, 2019 and 2018, respectively). Certain long-term debt (debt designated as a fair value hedge) is recorded at fair value. All other long-term debt is recorded at amortized cost, but is measured at fair value for disclosure purposes. We consider our debt to be Level 2 in the fair value hierarchy. Fair values are generally estimated based on quoted market prices for identical or similar instruments.

Disclosures about Financial Instruments

The notional amounts and fair values of financial instruments used in hedging transactions as of June 30, 2019 and 2018 are as follows:

As of June 30	Notional Amount		Fair Value Asset		Fair Value (Liability)	
	2019	2018	2019	2018	2019	2018
DERIVATIVES IN FAIR VALUE HEDGING RELATIONSHIPS						
Interest rate contracts	\$ 7,721	\$ 4,587	\$ 177	\$ 125	\$ (1)	\$ (53)
DERIVATIVES IN NET INVESTMENT HEDGING RELATIONSHIPS						
Foreign currency interest rate contracts	\$ 3,157	\$ 1,848	\$ 35	\$ 41	\$ (24)	\$ (75)
TOTAL DERIVATIVES DESIGNATED AS HEDGING INSTRUMENTS	\$ 10,878	\$ 6,435	\$ 212	\$ 166	\$ (25)	\$ (128)
DERIVATIVES NOT DESIGNATED AS HEDGING INSTRUMENTS						
Foreign currency contracts	\$ 6,431	\$ 7,358	\$ 27	\$ 30	\$ (20)	\$ (56)
TOTAL DERIVATIVES AT FAIR VALUE	\$ 17,309	\$ 13,793	\$ 239	\$ 196	\$ (45)	\$ (184)

All derivative assets are presented in Prepaid expenses and other current assets or Other noncurrent assets. All derivative liabilities are presented in Accrued and other liabilities or Other noncurrent liabilities.

The fair value of the interest rate derivative asset/liability directly offsets the cumulative amount of the fair value hedging adjustment included in the carrying amount of the underlying debt obligation. The carrying amount of the underlying debt obligation, which includes the unamortized discount or premium and the fair value adjustment, was \$7,860 and \$4,639 as of June 30, 2019 and 2018, respectively. In addition to the foreign currency derivative contracts designated as net investment hedges, certain of our foreign currency denominated debt instruments are designated as net investment hedges. The carrying value of those debt instruments designated as net investment hedges, which includes the adjustment for the foreign currency transaction gain or loss on those instruments, was \$17,154 and \$15,012 as of June 30, 2019 and 2018, respectively. The increase in the notional balance of interest rate fair value hedges is due to additional swaps in the current period driven by the favorable Euro swap curve. The increase in the notional balance of the net investment hedges, including the debt instruments designated as net investment hedges, is primarily driven by the increase in foreign currency net assets as a result of the Merck acquisition.

All of the Company's derivative assets and liabilities measured at fair value are classified as Level 2 within the fair value hierarchy. The Company recognizes transfers between levels within the fair value hierarchy, if any, at the end of each quarter. There were no transfers between levels during the periods presented. In addition, there was no significant activity within the Level 3 assets and liabilities during the periods presented. Except for the impairment of the Gillette indefinite-lived intangible asset discussed in Note 4, there were no significant assets or liabilities that were re-measured at fair value on a non-recurring basis during the years ended June 30, 2019 and 2018.

Amounts in millions of dollars except per share amounts or as otherwise specified.

Before tax gains/(losses) on our financial instruments in hedging relationships are categorized as follows:

Years ended June 30	Amount of Gain/(Loss) Recognized in OCI on Derivatives	
	2019	2018
DERIVATIVES IN NET INVESTMENT HEDGING RELATIONSHIPS (1) (2)		
Foreign currency interest rate contracts	\$ 47	\$ (187)

(1) For the derivatives in net investment hedging relationships, the amount of gain/(loss) excluded from effectiveness testing, which was recognized in earnings, was \$70 and \$138 for the fiscal year ended June 30, 2019 and 2018, respectively.

(2) In addition to the foreign currency derivative contracts designated as net investment hedges, certain of our foreign currency denominated debt instruments are designated as net investment hedges. The amount of gain/(loss) recognized in AOCI for such instruments was \$299 and \$(391), as of June 30, 2019 and 2018, respectively.

Years ended June 30	Amount of Gain/(Loss) Recognized in Earnings	
	2019	2018
DERIVATIVES IN FAIR VALUE HEDGING RELATIONSHIPS		
Interest rate contracts	\$ 104	\$ (106)
DERIVATIVES NOT DESIGNATED AS HEDGING INSTRUMENTS		
Foreign currency contracts	\$ 54	\$ (1)

The gain/(loss) on the derivatives in fair value hedging relationships is fully offset by the mark-to-market impact of the related exposure. These are both recognized in the Consolidated Statement of Earnings in Interest Expense. The gain/(loss) on derivatives not designated as hedging instruments is substantially offset by the currency mark-to-market of the related exposure. These are both recognized in the Consolidated Statements of Earnings in SG&A. To the extent we have any derivatives used for cash flow hedging relationships, the gain/(loss) reclassified from AOCI into earnings on such derivatives would be recognized in the same period during which the related item affects earnings, typically in SG&A.

NOTE 10

SHORT-TERM AND LONG-TERM DEBT

As of June 30	2019	2018
DEBT DUE WITHIN ONE YEAR		
Current portion of long-term debt	\$ 3,388	\$ 1,772
Commercial paper	6,183	7,761
Other	126	890
TOTAL	\$ 9,697	\$ 10,423

Short-term weighted average interest rates (1)

(1) Short-term weighted average interest rates include the effects of interest rate swaps discussed in Note 9.

As of June 30	2019	2018
LONG-TERM DEBT		
1.75% USD note due October 2019	\$ 600	\$ 600
1.90% USD note due November 2019	550	550
0.28% JPY note due May 2020	929	903
1.90% USD note due October 2020	600	600
4.13% EUR note due December 2020	682	698
9.36% ESOP debentures due 2019-2021 (1)	228	327
1.85% USD note due February 2021	600	600
1.70% USD note due November 2021	875	875
2.00% EUR note due November 2021	852	873
2.30% USD note due February 2022	1,000	1,000
2.15% USD note due August 2022	1,250	1,250
2.00% EUR note due August 2022	1,137	1,164
3.10% USD note due August 2023	1,000	1,000
1.13% EUR note due November 2023	1,421	1,455
0.50% EUR note due October 2024	568	582
0.63% EUR note due October 2024	909	—
2.70% USD note due February 2026	600	600
2.45% USD note due November 2026	875	875
4.88% EUR note due May 2027	1,137	1,164
2.85% USD note due August 2027	750	750
1.20% EUR note due October 2028	909	—
1.25% EUR note due October 2029	568	582
5.55% USD note due March 2037	763	763
1.88% EUR note due October 2038	568	—
3.50% USD note due October 2047	600	600
Capital lease obligations	33	107
All other long-term debt	3,779	4,717
Current portion of long-term debt	(3,388)	(1,772)
TOTAL	\$ 20,395	\$ 20,863
Long-term weighted average interest rates (2)	2.4%	2.5%

(1) Debt issued by the ESOP is guaranteed by the Company and is recorded as debt of the Company, as discussed in Note 8.

(2) Long-term weighted average interest rates include the effects of interest rate swaps discussed in Note 9.

Long-term debt maturities during the next five fiscal years are as follows:

Years ending June 30	2020	2021	2022	2023	2024
Debt maturities	\$3,388	\$2,009	\$2,840	\$2,465	\$2,461

The Procter & Gamble Company fully and unconditionally guarantees the registered debt and securities issued by its 100% owned finance subsidiaries.

Amounts in millions of dollars except per share amounts or as otherwise specified.

NOTE 11**ACCUMULATED OTHER COMPREHENSIVE INCOME/(LOSS)**

The table below presents the changes in Accumulated other comprehensive income/(loss) attributable to Procter & Gamble (AOCI), including the reclassifications out of AOCI by component:

Changes in Accumulated Other Comprehensive Income/(Loss) by Component

	Investment Securities	Pension and Other Retiree Benefits	Foreign Currency Translation	Total AOCI
BALANCE at JUNE 30, 2017	\$ (25)	\$ (4,397)	\$ (10,210)	\$ (14,632)
OCI before reclassifications ⁽¹⁾	(141)	74	(305)	(372)
Amounts reclassified from AOCI into the Consolidated Statement of Earnings ⁽²⁾	(7)	260	—	253
Net current period OCI	(148)	334	(305)	(119)
Less: Other comprehensive income/(loss) attributable to non-controlling interests	—	(5)	3	(2)
BALANCE at JUNE 30, 2018	(173)	(4,058)	(10,518)	(14,749)
OCI before reclassifications ⁽³⁾	167	(43)	(213)	(89)
Amounts reclassified from AOCI into the Consolidated Statement of Earnings ⁽⁴⁾	17	212	—	229
Net current period OCI	184	169	(213)	140
Reclassification to retained earnings in accordance with ASU 2018-02 ⁽⁵⁾	—	(308)	(18)	(326)
Less: Other comprehensive income/(loss) attributable to non-controlling interests	—	1	—	1
BALANCE at JUNE 30, 2019	\$ 11	\$ (4,198)	\$ (10,749)	\$ (14,936)

⁽¹⁾ Net of tax (benefit) / expense of \$0, \$(23) and \$(279) for gains/losses on investment securities, pension and other retiree benefit items and foreign currency translation, respectively, for the period ended June 30, 2018.

⁽²⁾ Net of tax (benefit) / expense of \$0, \$91 and \$0 for gains/losses on investment securities, pension and other retiree benefit items and foreign currency translation, respectively, for the period ended June 30, 2018.

⁽³⁾ Net of tax (benefit) / expense of \$0, \$(44) and \$78 for gains/losses on investment securities, pension and other retiree benefit items and foreign currency translation, respectively, for the period ended June 30, 2019.

⁽⁴⁾ Net of tax (benefit) / expense of \$0, \$66, \$0 for gains/losses on investment securities, pension and other retiree benefit items and foreign currency translation, respectively, for the period ended June 30, 2019.

⁽⁵⁾ Adjustment made to early adopt ASU 2018-02: "Reclassification of Certain Effects from Accumulated Other Comprehensive Income," as discussed in Note 1.

The below provides additional details on amounts reclassified from AOCI into the Consolidated Statement of Earnings:

- Investment securities: amounts reclassified from AOCI into Other non-operating income, net.
- Pension and other retiree benefits: amounts reclassified from AOCI into Other non-operating income, net and included in the computation of net periodic postretirement costs (see Note 8 for additional details).
- Foreign currency translation: this number includes financial statement translation and net investment hedges. See Note 9 for classification of gains and losses from hedges in the Consolidated Statements of Earnings.

NOTE 12**COMMITMENTS AND CONTINGENCIES****Guarantees**

In conjunction with certain transactions, primarily divestitures, we may provide routine indemnifications (e.g., indemnification for representations and warranties and retention of previously existing environmental, tax and employee liabilities) for which terms range in duration and, in some circumstances, are not explicitly defined. The maximum obligation under some indemnifications is also not explicitly stated and, as a result, the overall amount of these obligations cannot be reasonably estimated. Other than obligations recorded as liabilities at the time of divestiture, we have not

made significant payments for these indemnifications. We believe that if we were to incur a loss on any of these matters, the loss would not have a material effect on our financial position, results of operations or cash flows.

In certain situations, we guarantee loans for suppliers and customers. The total amount of guarantees issued under such arrangements is not material.

Off-Balance Sheet Arrangements

We do not have off-balance sheet financing arrangements, including variable interest entities, that have a material impact on our financial statements.

Amounts in millions of dollars except per share amounts or as otherwise specified.

Purchase Commitments and Operating Leases

We have purchase commitments for materials, supplies, services and property, plant and equipment as part of the normal course of business. Commitments made under take-or-pay obligations are as follows:

<u>Years ending June 30</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>There-after</u>
Purchase obligations	\$ 633	\$ 221	\$ 176	\$ 87	\$ 106	\$ 268

Such amounts represent minimum commitments under take-or-pay agreements with suppliers and are in line with expected usage. These amounts include purchase commitments related to service contracts for information technology, human resources management and facilities management activities that have been outsourced to third-party suppliers. Due to the proprietary nature of many of our materials and processes, certain supply contracts contain penalty provisions for early termination. We do not expect to incur penalty payments under these provisions that would materially affect our financial position, results of operations or cash flows.

We also lease certain property and equipment for varying periods. Future minimum rental commitments under non-cancelable operating leases are as follows:

<u>Years ending June 30</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>There-after</u>
Operating leases	\$ 255	\$ 213	\$ 162	\$ 166	\$ 134	\$ 288

Litigation

We are subject, from time to time, to certain legal proceedings and claims arising out of our business, which cover a wide range of matters, including antitrust and trade regulation, product liability, advertising, contracts, environmental, patent and trademark matters, labor and employment matters and tax.

While considerable uncertainty exists, in the opinion of management and our counsel, the ultimate resolution of the various lawsuits and claims will not materially affect our financial position, results of operations or cash flows.

We are also subject to contingencies pursuant to environmental laws and regulations that in the future may require us to take action to correct the effects on the environment of prior manufacturing and waste disposal practices. Based on currently available information, we do not believe the ultimate resolution of environmental remediation will materially affect our financial position, results of operations or cash flows.

NOTE 13

DISCONTINUED OPERATIONS

During the year ended June 30, 2017, the Company completed the divestiture of four product categories to Coty, Inc. ("Coty"). The divestiture included 41 of the Company's beauty brands ("Beauty Brands"), including the global salon professional hair care and color, retail hair color, cosmetics and a majority of the fine fragrance businesses, along with select hair styling brands. The form of the divestiture transaction was a Reverse Morris Trust split-off, in which P&G shareholders were given the election to exchange their P&G shares for shares of a new

corporation that held the Beauty Brands (Galleria Co.), and then immediately exchange those shares for Coty shares. The value P&G received in the transaction was \$11.4 billion. The value was comprised of 105 million shares of common stock of the Company, which were tendered by shareholders of the Company and exchanged for the Galleria Co. shares, valued at approximately \$9.4 billion, and the assumption of \$1.9 billion of debt by Galleria Co. The shares tendered in the transaction were reflected as an addition to treasury stock and the cash received related to the debt assumed by Coty was reflected as an investing activity in the Consolidated Statement of Cash Flows. The Company recorded an after-tax gain on the final transaction of \$5.3 billion, net of transaction and related costs.

Two of the fine fragrance brands, Dolce & Gabbana and Christina Aguilera, were excluded from the divestiture. These brands were subsequently divested at amounts that approximated their adjusted carrying values.

In accordance with applicable accounting guidance for the disposal of long-lived assets, the results of the Beauty Brands are presented as discontinued operations and, as such, have been excluded from both continuing operations and segment results for the year ended June 30, 2017. The Beauty Brands were historically part of the Company's Beauty reportable segment.

The following is selected financial information included in Net earnings from discontinued operations for the Beauty Brands:

<u>Years ended June 30</u>	<u>Beauty Brands</u> <u>2017</u>
Net sales	\$ 1,159
Cost of products sold	450
Selling, general and administrative expense	783
Interest expense	14
Other non-operating income/(expense), net	16
Loss from discontinued operations before income taxes	(72)
Income taxes on discontinued operations	46
Gain on sale of business before income taxes	5,197
Income tax expense/(benefit) on sale of business ⁽¹⁾	(138)
Net earnings from discontinued operations	\$ 5,217

- ⁽¹⁾ The income tax benefit of the Beauty Brands divestiture represents the reversal of underlying deferred tax balances partially offset by current tax expense related to the transaction.

Amounts in millions of dollars except per share amounts or as otherwise specified.

The following is selected financial information included in cash flows from discontinued operations for the Beauty Brands:

Years ended June 30	Beauty Brands
	2017
NON-CASH OPERATING ITEMS	
Depreciation and amortization	\$ 24
Deferred income tax benefit	(649)
Gain on sale of businesses	5,210
Net increase in accrued taxes	93
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash taxes paid	\$ 418
CASH FLOWS FROM INVESTING ACTIVITIES	
Capital expenditures	\$ 38

NOTE 14

MERCK ACQUISITION

On November 30, 2018, we completed our acquisition of the over the counter (OTC) healthcare business of Merck KGaA (Merck OTC) for \$3.7 billion (based on exchange rates at the time of closing) in an all-cash transaction. This business primarily sells OTC consumer healthcare products, mainly in Europe, Latin America and Asia markets. The results of Merck OTC, which are not material to the Company, are reported in our consolidated financial statements beginning December 1, 2018.

The following table presents the preliminary allocation of purchase price related to the Merck OTC business as of the date of acquisition. The preliminary allocation of the purchase price is based on the best estimates of management and is subject to revision based on final determination of fair values of the assets and liabilities acquired, which will be completed as we complete our analysis of the underlying assets and acquired liabilities, such as pensions, litigation cases, environmental issues, and tax positions.

Amounts in millions	November 30, 2018
Current assets	\$ 419
Property, plant and equipment	121
Intangible assets	2,143
Goodwill	2,138
Other non-current assets	143
Total Assets Acquired	\$ 4,964
Current liabilities	\$ 233
Deferred income taxes	767
Non-current liabilities	87
Total Liabilities Acquired	\$ 1,087
Noncontrolling Interest (1)	\$ 169
Net Assets Acquired	\$ 3,708

(1) Represents a 48% minority ownership interest in the Merck India company.

We have preliminarily estimated the fair value of Merck OTC's identifiable intangible assets as \$2.1 billion. The preliminary allocation of identifiable intangible assets and their average useful lives is as follows:

Amounts in millions	Estimated Fair Value	Avg Remaining Useful Life
Intangible Assets with Determinable Lives		
Brands	\$ 701	14
Patents and technology	162	10
Customer relationships	334	20
Total	\$ 1,197	15
Intangible Assets with Indefinite Lives		
Brands	946	
Total Intangible Assets	\$ 2,143	

The majority of the intangible valuation relates to brand intangibles. Our preliminary assessment as to brand intangibles that have an indefinite life and those that have a definite life was based on a number of factors, including competitive environment, market share, brand history, product life cycles, operating plan and the macroeconomic environment of the countries in which the brands are sold. The indefinite-lived brand intangibles include Neurobion and Dolo Neurobion. The definite-lived brand intangibles primarily include regional or local brands. The definite-lived brand intangibles have estimated lives ranging from 10 to 20 years. The technology intangibles are related to R&D and manufacturing know-how; these intangibles have a 10-year estimated life. The customer relationships intangibles have a 20-year estimated life and reflect the historical and projected attrition rates for Merck OTC's relationships with health care professionals, retailers and distributors. The acquisition resulted in \$2.1 billion in goodwill, of which approximately \$180 million is expected to be deductible for tax purposes. All of this goodwill was allocated to the Health Care Segment.

Amounts in millions of dollars except per share amounts or as otherwise specified.

NOTE 15**QUARTERLY RESULTS (UNAUDITED)**

Quarters Ended		Sep 30	Dec 31	Mar 31	Jun 30	Total Year
NET SALES	2018-2019	\$ 16,690	\$ 17,438	\$ 16,462	\$ 17,094	\$ 67,684
	2017-2018	16,653	17,395	16,281	16,503	66,832
OPERATING INCOME	2018-2019	3,554	3,896	3,229	(5,192)	5,487
	2017-2018	3,648	3,919	3,209	2,587	13,363
GROSS MARGIN	2018-2019	49.2%	48.9%	48.8%	47.7%	48.6%
	2017-2018	50.3%	49.9%	48.5%	45.0%	48.5%
NET EARNINGS/(LOSS):						
Net earnings/(loss)	2018-2019	3,211	3,216	2,776	(5,237)	3,966
	2017-2018	2,870	2,561	2,540	1,890	9,861
Net earnings/(loss) attributable to Procter and Gamble	2018-2019	3,199	3,194	2,745	(5,241)	3,897
	2017-2018	2,853	2,495	2,511	1,891	9,750
DILUTED NET EARNINGS/(LOSS) PER COMMON SHARE ^{(1) (2)}	2018-2019	\$ 1.22	\$ 1.22	\$ 1.04	\$ (2.12)	\$ 1.43
	2017-2018	1.06	0.93	0.95	0.72	3.67

⁽¹⁾ Diluted net earnings per share is calculated on Net earnings attributable to Procter & Gamble.

⁽²⁾ Diluted net earnings/(loss) per share in each quarter is computed using the weighted average number of shares outstanding during that quarter while Diluted net earnings/(loss) per share for the full year is computed using the weighted average number of shares outstanding during the year. In the quarter ended June 30, 2019, the Company reported a Net loss attributable to P&G, driven by the Shave Care impairment charges discussed in Note 4. This caused certain of our equity instruments to be antidilutive for the full year (preferred shares) and for the quarter ended June 30, 2019 (preferred shares and equity awards). Because these securities were dilutive during the first three quarters of this fiscal year, the sum of the four quarters' Diluted net earnings/(loss) per share will not equal the full-year Diluted net earnings per common share.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

Not applicable.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures.

The Company's President and Chief Executive Officer, David S. Taylor, and the Company's Chief Financial Officer, Jon R. Moeller, performed an evaluation of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 (Exchange Act)) as of the end of the period covered by this Annual Report on Form 10-K.

Messrs. Taylor and Moeller have concluded that the Company's disclosure controls and procedures were effective to ensure that information required to be disclosed in reports we file or

submit under the Exchange Act is (1) recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms, and (2) accumulated and communicated to our management, including Messrs. Taylor and Moeller, to allow their timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting.

There were no changes in our internal control over financial reporting that occurred during the Company's fourth fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information.

Not applicable.

Amounts in millions of dollars except per share amounts or as otherwise specified.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The Board of Directors has determined that the following member of the Audit Committee is independent and is an Audit Committee financial expert as defined by SEC rules: Ms. Patricia A. Woertz (Chair).

The information required by this item is incorporated by reference to the following sections of the 2019 Proxy Statement filed pursuant to Regulation 14A: the section entitled Election of Directors; the subsection of the Corporate Governance section entitled Board Meetings and Committees of the Board; the subsection of the Corporate Governance section entitled Code of Ethics; the subsections of the Other Matters section entitled Director Nominations for Inclusion in the 2020 Proxy Statement and entitled Shareholder Recommendations of Board Nominees and Committee Process for Recommending

Board Nominees; and the section entitled Delinquent Section 16(a) Reports. Pursuant to the Instruction to Item 401 of Regulation S-K, Executive Officers of the Registrant are reported in Part I of this report.

Item 11. Executive Compensation.

The information required by this item is incorporated by reference to the following sections of the 2019 Proxy Statement filed pursuant to Regulation 14A: the subsections of the Corporate Governance section entitled Board Meetings and Committees of the Board and entitled Compensation Committee Interlocks and Insider Participation; and the portion beginning with the section entitled Director Compensation up to but not including the section entitled Security Ownership of Management and Certain Beneficial Owners.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The following table gives information about the Company's common stock that may be issued upon the exercise of options, warrants and rights under all of the Company's equity compensation plans as of June 30, 2019. The table includes the following plans: The Procter & Gamble 1992 Stock Plan; The Procter & Gamble 2001 Stock and Incentive Compensation Plan; The Procter & Gamble 2003 Non-Employee Directors' Stock Plan; The Procter & Gamble 2009 Stock and Incentive Compensation Plan; and The Procter & Gamble 2014 Stock and Incentive Compensation Plan.

<u>Plan Category</u>	<u>(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights</u>	<u>(b) Weighted-average exercise price of outstanding options, warrants and rights</u>	<u>(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</u>
Equity compensation plans approved by security holders			
Options	164,812,514	\$79.5921	(1)
Restricted Stock Units (RSUs)/Performance Stock Units (PSUs)	11,579,025	N/A	(1)
TOTAL	176,391,539	\$79.5921	(2)

(1) Of the plans listed above, only The Procter & Gamble 2014 Stock and Incentive Compensation Plan allow for future grants of securities. The maximum number of shares that may be granted under this plan is 185 million shares. Stock options and stock appreciation rights are counted on a one for one basis while full value awards (such as RSUs and PSUs) will be counted as 5 shares for each share awarded. Total shares available for future issuance under this plan is 41 million.

(2) Weighted average exercise price of outstanding options only.

Additional information required by this item is incorporated by reference to the 2019 Proxy Statement filed pursuant to Regulation 14A, beginning with the subsection of the Beneficial Ownership section entitled Security Ownership of Management and Certain Beneficial Owners and up to but not including the subsection entitled Delinquent Section 16(a) Reports.

Item 13. Certain Relationships and Related Transactions and Director Independence.

The information required by this item is incorporated by reference to the following sections of the 2019 Proxy Statement filed pursuant to Regulation 14A: the subsections of the Corporate Governance section entitled Director Independence, Review and Approval of Transactions with Related Persons, and Compensation Committee Interlocks and Insider Participation.

Item 14. Principal Accountant Fees and Services.

The information required by this item is incorporated by reference to the following section of the 2019 Proxy Statement

filed pursuant to Regulation 14A: Report of the Audit Committee, which ends with the subsection entitled Services Provided by Deloitte.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

1. Financial Statements:

The following Consolidated Financial Statements of The Procter & Gamble Company and subsidiaries, management's report and the reports of the independent registered public accounting firm are incorporated by reference in Part II, Item 8 of this Form 10-K.

- Management's Report on Internal Control over Financial Reporting
- Report of Independent Registered Public Accounting Firm on Internal Control over Financial Reporting
- Report of Independent Registered Public Accounting Firm on Consolidated Financial Statements
- Consolidated Statements of Earnings - for years ended June 30, 2019, 2018 and 2017
- Consolidated Statements of Other Comprehensive Income - for years ended June 30, 2019, 2018 and 2017
- Consolidated Balance Sheets - as of June 30, 2019 and 2018
- Consolidated Statements of Shareholders' Equity - for years ended June 30, 2019, 2018 and 2017
- Consolidated Statements of Cash Flows - for years ended June 30, 2019, 2018 and 2017
- Notes to Consolidated Financial Statements

2. Financial Statement Schedules:

These schedules are omitted because of the absence of the conditions under which they are required or because the information is set forth in the Consolidated Financial Statements or Notes thereto.

EXHIBITS

- | | | |
|---------|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Exhibit | (3-1) - | Amended Articles of Incorporation (as amended by shareholders at the annual meeting on October 11, 2011 and consolidated by the Board of Directors on April 8, 2016) (Incorporated by reference to Exhibit (3-1) of the Company's Annual Report on Form 10-K for the year ended June 30, 2016). |
| | (3-2) - | Regulations (as approved by the Board of Directors on April 8, 2016, pursuant to authority granted by shareholders at the annual meeting on October 13, 2009) (Incorporated by reference to Exhibit (3-2) of the Company's Annual Report on Form 10-K for the year ended June 30, 2016). |
| Exhibit | (4-1) - | Indenture, dated as of September 3, 2009, between the Company and Deutsche Bank Trust Company Americas, as Trustee (Incorporated by reference to Exhibit (4-1) of the Company's Annual Report on Form 10-K for the year ended June 30, 2015). |
| | (4-2) - | The Company agrees to furnish to the Securities and Exchange Commission, upon request, a copy of any other instrument defining the rights of holders of the Company's long-term debt. |
| | (4-3) - | Description of the Company's Common Stock+. |
| | (4-4) - | Description of the Company's 0.625% Notes due 2024, 1.200% Notes due 2028, and 1.875% Notes due 2038. + |
| | (4-5) - | Description of the Company's 4.125% EUR notes due December 2020, 4.875% EUR notes due May 2027, 6.250% GBP notes due January 2030, and 5.250% GBP notes due January 2033. + |
| | (4-6) - | Description of the Company's 0.500% Notes due 2024 and 1.250% Notes due 2029. + |
| | (4-7) - | Description of the Company's 1.375% Notes due 2025 and 1.800% Notes due 2029. + |
| | (4-8) - | Description of the Company's 1.125% Notes due 2023. + |
| | (4-9) - | Description of the Company's 0.275% Notes due 2020. + |
| | (4-10) - | Description of the Company's 2.000% Notes due 2021. + |
| | (4-11) - | Description of the Company's 2.000% Notes due 2022. + |
| Exhibit | (10-1) - | The Procter & Gamble 2001 Stock and Incentive Compensation Plan (as amended), which was originally adopted by shareholders at the annual meeting on October 9, 2001 (Incorporated by reference to Exhibit (10-1) of the Company's Annual Report on Form 10-K for the year ended June 30, 2018; and related correspondence and terms and conditions (Incorporated by reference to Exhibit (10-1) of the Company's Form 10-Q for the quarter ended December 31, 2013). |

- (10-2) - The Procter & Gamble 1992 Stock Plan (as amended December 11, 2001), which was originally adopted by the shareholders at the annual meeting on October 12, 1992 (Incorporated by reference to Exhibit (10-2) of the Company's Annual Report on Form 10-K for the year ended June 30, 2018).
 - (10-3) - The Procter & Gamble Executive Group Life Insurance Policy (Incorporated by reference to Exhibit (10-3) of the Company's Annual Report on Form 10-K for the year ended June 30, 2018).
 - (10-4) - Summary of the Company's Retirement Plan Restoration Program (Incorporated by reference to Exhibit (10-27) of the Company's Annual Report on Form 10-K for the year ended June 30, 2016); and related correspondence and terms and conditions (Incorporated by reference to Exhibit (10-8) of the Company's Form 10-Q for the quarter ended September 30, 2015). *
 - (10-5) - The Procter & Gamble 1993 Non-Employee Directors' Stock Plan (as amended September 10, 2002), which was originally adopted by the shareholders at the annual meeting on October 11, 1994 (Incorporated by reference to Exhibit (10-5) of the Company's Annual Report on Form 10-K for the year ended June 30, 2018).
 - (10-6) - Summary of the Company's Long-Term Incentive Program (Incorporated by reference to Exhibit (10-2) of the Company's Form 10-Q for the quarter ended December 31, 2018); related correspondence and terms and conditions. +
 - (10-7) - The Procter & Gamble 2003 Non-Employee Directors' Stock Plan (as amended), which was originally adopted by the shareholders at the annual meeting on October 14, 2003, and related correspondence and terms and conditions (Incorporated by reference to Exhibit (10-8) of the Company's Annual Report on Form 10-K for the year ended June 30, 2018).
 - (10-8) - The Procter & Gamble Company Executive Deferred Compensation Plan (Incorporated by reference to Exhibit (10-2) of the Company's Form 10-Q for the quarter ended September 30, 2018) +.
 - (10-9) - Summary of the Company's Short Term Achievement Reward Program (Incorporated by reference to Exhibit (10-10) of the Company's Annual Report on Form 10-K for the year ended June 30, 2018); related correspondence and terms and conditions (Incorporated by reference to Exhibit (10-2) of the Company's Form 10-Q for the quarter ended September 30, 2015).
 - (10-10) - Company's Forms of Separation Agreement & Release +; Company's Form of Separation Letter and Release (Incorporated by reference to Exhibit (10-2)) of the Company's Form 10-Q for the quarter ended March 31, 2018).
 - (10-11) - Summary of personal benefits available to certain officers and non-employee directors (Incorporated by reference to Exhibit (10-3) of the Company's Form 10-Q for the quarter ended September 30, 2018).
 - (10-12) - The Gillette Company 2004 Long-Term Incentive Plan (as amended on August 14, 2007) (Incorporated by reference to Exhibit (10-13) of the Company's Annual Report on Form 10-K for the year ended June 30, 2018).
 - (10-13) - The Gillette Company Executive Life Insurance Program (Incorporated by reference to Exhibit (10-14) of the Company's Annual Report on Form 10-K for the year ended June 30, 2017). *
 - (10-14) - The Gillette Company Personal Financial Planning Reimbursement Program (Incorporated by reference to Exhibit (10-15) of the Company's Annual Report on Form 10-K for the year ended June 30, 2017). *
 - (10-15) - The Gillette Company Senior Executive Financial Planning Program (Incorporated by reference to Exhibit (10-16) of the Company's Annual Report on Form 10-K for the year ended June 30, 2017). *
 - (10-16) - The Gillette Company Estate Preservation (Incorporated by reference to Exhibit (10-17) of the Company's Annual Report on Form 10-K for the year ended June 30, 2017). *
 - (10-17) - The Gillette Company Deferred Compensation Plan (Incorporated by reference to Exhibit (10-18) of the Company's Annual Report on Form 10-K for the year ended June 30, 2017). *
 - (10-18) - Senior Executive Recoupment Policy (Incorporated by reference to Exhibit (10-19) of the Company's Annual Report on Form 10-K for the year ended June 30, 2018).
 - (10-19) - The Gillette Company Deferred Compensation Plan (for salary deferrals prior to January 1, 2005) as amended through August 21, 2006 (Incorporated by reference to Exhibit (10-20) of the Company's Annual Report on Form 10-K for the year ended June 30, 2017). *
 - (10-20) - The Procter & Gamble 2009 Stock and Incentive Compensation Plan, which was originally adopted by shareholders at the annual meeting on October 13, 2009 (Incorporated by reference to Exhibit (10-21) of the Company's Annual Report on Form 10-K for the year ended June 30, 2017), and the Regulations of the Compensation and Leadership Development Committee for The Procter & Gamble 2009 Stock and Incentive Compensation Plan, The Procter & Gamble 2001 Stock and Incentive Compensation Plan, The Procter & Gamble 1992 Stock Plan, The Procter & Gamble 1992 Stock Plan (Belgium Version), The Gillette Company 2004 Long-Term Incentive Plan and the Gillette Company 1971 Stock Option Plan (Incorporated by reference to Exhibit (10-21) of the Company's Annual Report on Form 10-K for the year ended June 30, 2018). *
 - (10-21) - The Procter & Gamble 2009 Stock and Incentive Compensation Plan - Additional terms and conditions and related correspondence (Incorporated by reference to Exhibit (10-2) of the Company Form 10-Q for the quarter ended December 31, 2013). *
 - (10-22) - The Procter & Gamble Performance Stock Program Summary (Incorporated by reference to Exhibit (10-1) of the Company's Form 10-Q for the quarter ended December 31, 2018); related correspondence and terms and conditions. +
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- (10-23) - The Procter & Gamble 2013 Non-Employee Directors' Stock Plan (Incorporated by reference to Exhibit (10-3) of the Company's Form 10-Q for the quarter ended December 31, 2013). *
- (10-24) - The Procter & Gamble 2014 Stock and Incentive Compensation Plan, which was originally adopted by shareholders at the annual meeting on October 14, 2014 (Incorporated by reference to Exhibit (10-25) of the Company's Annual Report on Form 10-K for the year ended June 30, 2016); and the Regulations of the Compensation and Leadership Development Committee for The Procter & Gamble 2014 Stock and Incentive Compensation Plan (Incorporated by reference to Exhibit (10-1) of the Company's Form 10-Q for the quarter ended December 31, 2017). *
- (10-25) - The Procter & Gamble 2014 Stock and Incentive Compensation Plan - Additional terms and conditions (Incorporated by reference to Exhibit (10-26) of the Company's Annual Report on Form 10-K for the year ended June 30, 2017), and The Procter & Gamble 2014 Stock and Incentive Compensation Plan - Related correspondence (Incorporated by reference to Exhibit (10-1) of the Company's Form 10-Q for the quarter ended December 31, 2016). *
- Exhibit (21) - Subsidiaries of the Registrant. +
- Exhibit (23) - Consent of Independent Registered Public Accounting Firm. +
- Exhibit (31) - Rule 13a-14(a)/15d-14(a) Certifications. +
- Exhibit (32) - Section 1350 Certifications. +
- Exhibit (99-1) - Summary of Directors and Officers Insurance Program. +
- 101.INS (1) XBRL Instance Document
- 101.SCH (1) XBRL Taxonomy Extension Schema Document
- 101.CAL (1) XBRL Taxonomy Extension Calculation Linkbase Document
- 101.DEF (1) XBRL Taxonomy Definition Linkbase Document
- 101.LAB (1) XBRL Taxonomy Extension Label Linkbase Document
- 101.PRE (1) XBRL Taxonomy Extension Presentation Linkbase Document
- (1) Pursuant to Rule 406T of Regulation S-T, these interactive data files are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933 or Section 18 of the Securities Exchange Act of 1934 and otherwise are not subject to liability.
- * Compensatory plan or arrangement.
- + Filed herewith.

Item 16. Form 10-K Summary.

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized in the city of Cincinnati, State of Ohio.

THE PROCTER & GAMBLE COMPANY

By /s/ DAVID S. TAYLOR

(David S. Taylor)

Chairman of the Board, President and Chief Executive Officer

August 6, 2019

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

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ DAVID S. TAYLOR</u> (David S. Taylor)	Chairman of the Board, President and Chief Executive Officer (Principal Executive Officer)	August 6, 2019
<u>/s/ JON R. MOELLER</u> (Jon R. Moeller)	Vice Chairman, Chief Operating Officer and Chief Financial Officer (Principal Financial Officer)	August 6, 2019
<u>/s/ VALARIE L. SHEPPARD</u> (Valarie L. Sheppard)	Controller and Treasurer and Executive Vice President - Company Transition Leader (Principal Accounting Officer)	August 6, 2019
<u>/s/ FRANCIS S. BLAKE</u> (Francis S. Blake)	Director	August 6, 2019
<u>/s/ ANGELA F. BRALY</u> (Angela F. Braly)	Director	August 6, 2019
<u>/s/ AMY L. CHANG</u> (Amy L. Chang)	Director	August 6, 2019
<u>/s/ SCOTT D. COOK</u> (Scott D. Cook)	Director	August 6, 2019
<u>/s/ JOSEPH JIMENEZ</u> (Joseph Jimenez)	Director	August 6, 2019
<u>/s/ TERRY J. LUNDGREN</u> (Terry J. Lundgren)	Director	August 6, 2019
<u>/s/ W. JAMES MCNERNEY, JR.</u> (W. James McNerney, Jr.)	Director	August 6, 2019
<u>/s/ NELSON PELTZ</u> (Nelson Peltz)	Director	August 6, 2019
<u>/s/ MARGARET C. WHITMAN</u> (Margaret C. Whitman)	Director	August 6, 2019
<u>/s/ PATRICIA A. WOERTZ</u> (Patricia A. Woertz)	Director	August 6, 2019

EXHIBIT INDEX

- Exhibit (3-1) - [Amended Articles of Incorporation \(as amended by shareholders at the annual meeting on October 11, 2011 and consolidated by the Board of Directors on April 8, 2016\) \(Incorporated by reference to Exhibit \(3-1\) of the Company's Annual Report on Form 10-K for the year ended June 30, 2016\).](#)
- (3-2) - [Regulations \(as approved by the Board of Directors on April 8, 2016, pursuant to authority granted by shareholders at the annual meeting on October 13, 2009\) \(Incorporated by reference to Exhibit \(3-2\) of the Company's Annual Report on Form 10-K for the year ended June 30, 2016\).](#)
- Exhibit (4-1) - [Indenture, dated as of September 3, 2009, between the Company and Deutsche Bank Trust Company Americas, as Trustee \(Incorporated by reference to Exhibit \(4-1\) of the Company's Annual Report on Form 10-K for the year ended June 30, 2015\).](#)
- (4-2) - The Company agrees to furnish to the Securities and Exchange Commission, upon request, a copy of any other instrument defining the rights of holders of the Company's long-term debt.
- (4-3) - [Description of the Company's Common Stock](#)+
- (4-4) - [Description of the Company's 0.625% Notes due 2024, 1.200% Notes due 2028, and 1.875% Notes due 2038.](#) +
- (4-5) - [Description of the Company's 4.125% EUR Notes due December 2020, 4.875% EUR Notes due May 2027, 6.250% GBP Notes due January 2030, and 5.250% GBP Notes due January 2033.](#) +
- (4-6) - [Description of the Company's 0.500% Notes due 2024 and 1.250% Notes due 2029.](#) +
- (4-7) - [Description of the Company's 1.375% Notes due 2025 and 1.800% Notes due 2029.](#) +
- (4-8) - [Description of the Company's 1.125% Notes due 2023.](#) +
- (4-9) - [Description of the Company's 0.275% Notes due 2020.](#) +
- (4-10) - [Description of the Company's 2.000% Notes due 2021.](#) +
- (4-11) - [Description of the Company's 2.000% Notes due 2022.](#) +
- Exhibit (10-1) - [The Procter & Gamble 2001 Stock and Incentive Compensation Plan \(as amended\), which was originally adopted by shareholders at the annual meeting on October 9, 2001 \(Incorporated by reference to Exhibit \(10-1\) of the Company's Annual Report on Form 10-K for the year ended June 30, 2018; and related correspondence and terms and conditions \(Incorporated by reference to Exhibit \(10-1\) of the Company's Form 10-Q for the quarter ended December 31, 2013\).](#)
- (10-2) - [The Procter & Gamble 1992 Stock Plan \(as amended December 11, 2001\), which was originally adopted by the shareholders at the annual meeting on October 12, 1992 \(Incorporated by reference to Exhibit \(10-2\) of the Company's Annual Report on Form 10-K for the year ended June 30, 2018\).](#)
- (10-3) - [The Procter & Gamble Executive Group Life Insurance Policy \(Incorporated by reference to Exhibit \(10-3\) of the Company's Annual Report on Form 10-K for the year ended June 30, 2018\).](#)
- (10-4) - [Summary of the Company's Retirement Plan Restoration Program \(Incorporated by reference to Exhibit \(10-27\) of the Company's Annual Report on Form 10-K for the year ended June 30, 2016\); and related correspondence and terms and conditions \(Incorporated by reference to Exhibit \(10-8\) of the Company's Form 10-Q for the quarter ended September 30, 2015\).](#)
- (10-5) - [The Procter & Gamble 1993 Non-Employee Directors' Stock Plan \(as amended September 10, 2002\), which was originally adopted by the shareholders at the annual meeting on October 11, 1994 \(Incorporated by reference to Exhibit \(10-5\) of the Company's Annual Report on Form 10-K for the year ended June 30, 2018\).](#)
- (10-6) - [Summary of the Company's Long-Term Incentive Program \(Incorporated by reference to Exhibit \(10-2\) of the Company's Form 10-Q for the quarter ended December 31, 2018\); related correspondence and terms and conditions.](#) +
- (10-7) - [The Procter & Gamble 2003 Non-Employee Directors' Stock Plan \(as amended\), which was originally adopted by the shareholders at the annual meeting on October 14, 2003, and related correspondence and terms and conditions \(Incorporated by reference to Exhibit \(10-8\) of the Company's Annual Report on Form 10-K for the year ended June 30, 2018\).](#)
- (10-8) - [The Procter & Gamble Company Executive Deferred Compensation Plan \(Incorporated by reference to Exhibit \(10-2\) of the Company's Form 10-Q for the quarter ended September 30, 2018\).](#)
- (10-9) - [Summary of the Company's Short Term Achievement Reward Program \(Incorporated by reference to Exhibit \(10-10\) of the Company's Annual Report on Form 10-K for the year ended June 30, 2018\); related correspondence and terms and conditions \(Incorporated by reference to Exhibit \(10-2\) of the Company's Form 10-Q for the quarter ended September 30, 2015\).](#)
- (10-10) - [Company's Forms of Separation Agreement & Release +; Company's Form of Separation Letter and Release \(Incorporated by reference to Exhibit \(10-2\)\) of the Company's Form 10-Q for the quarter ended March 31, 2018\).](#)
- (10-11) - [Summary of personal benefits available to certain officers and non-employee directors \(Incorporated by reference to Exhibit \(10-3\) of the Company's Form 10-Q for the quarter ended September 30, 2018\).](#)
- (10-12) - [The Gillette Company 2004 Long-Term Incentive Plan \(as amended on August 14, 2007\) \(Incorporated by reference to Exhibit \(10-13\) of the Company's Annual Report on Form 10-K for the year ended June 30, 2018\).](#)

- (10-13) - [The Gillette Company Executive Life Insurance Program \(Incorporated by reference to Exhibit \(10-14\) of the Company's Annual Report on Form 10-K for the year ended June 30, 2017\).](#)
- (10-14) - [The Gillette Company Personal Financial Planning Reimbursement Program \(Incorporated by reference to Exhibit \(10-15\) of the Company's Annual Report on Form 10-K for the year ended June 30, 2017\).](#)
- (10-15) - [The Gillette Company Senior Executive Financial Planning Program \(Incorporated by reference to Exhibit \(10-16\) of the Company's Annual Report on Form 10-K for the year ended June 30, 2017\).](#)
- (10-16) - [The Gillette Company Estate Preservation \(Incorporated by reference to Exhibit \(10-17\) of the Company's Annual Report on Form 10-K for the year ended June 30, 2017\).](#)
- (10-17) - [The Gillette Company Deferred Compensation Plan \(Incorporated by reference to Exhibit \(10-18\) of the Company's Annual Report on Form 10-K for the year ended June 30, 2017\).](#)
- (10-18) - [Senior Executive Recoupment Policy \(Incorporated by reference to Exhibit \(10-19\) of the Company's Annual Report on Form 10-K for the year ended June 30, 2018\).](#)
- (10-19) - [The Gillette Company Deferred Compensation Plan \(for salary deferrals prior to January 1, 2005\) as amended through August 21, 2006 \(Incorporated by reference to Exhibit \(10-20\) of the Company's Annual Report on Form 10-K for the year ended June 30, 2017\).](#)
- (10-20) - [The Procter & Gamble 2009 Stock and Incentive Compensation Plan, which was originally adopted by shareholders at the annual meeting on October 13, 2009 \(Incorporated by reference to Exhibit \(10-21\) of the Company's Annual Report on Form 10-K for the year ended June 30, 2017\), and the Regulations of the Compensation and Leadership Development Committee for The Procter & Gamble 2009 Stock and Incentive Compensation Plan, The Procter & Gamble 2001 Stock and Incentive Compensation Plan, The Procter & Gamble 1992 Stock Plan, The Procter & Gamble 1992 Stock Plan \(Belgium Version\), The Gillette Company 2004 Long-Term Incentive Plan and the Gillette Company 1971 Stock Option Plan \(Incorporated by reference to Exhibit \(10-21\) of the Company's Annual Report on Form 10-K for the year ended June 30, 2018\).](#)
- (10-21) - [The Procter & Gamble 2009 Stock and Incentive Compensation Plan - Additional terms and conditions and related correspondence \(Incorporated by reference to Exhibit \(10-2\) of the Company Form 10-Q for the quarter ended December 31, 2013\).](#)
- (10-22) - [The Procter & Gamble Performance Stock Program Summary \(Incorporated by reference to Exhibit \(10-1\) of the Company's Form 10-Q for the quarter ended December 31, 2018\); related correspondence and terms and conditions.](#) +
- (10-23) - [The Procter & Gamble 2013 Non-Employee Directors' Stock Plan \(Incorporated by reference to Exhibit \(10-3\) of the Company's Form 10-Q for the quarter ended December 31, 2013\).](#)
- (10-24) - [The Procter & Gamble 2014 Stock and Incentive Compensation Plan, which was originally adopted by shareholders at the annual meeting on October 14, 2014 \(Incorporated by reference to Exhibit \(10-25\) of the Company's Annual Report on Form 10-K for the year ended June 30, 2016\); and the Regulations of the Compensation and Leadership Development Committee for The Procter & Gamble 2014 Stock and Incentive Compensation Plan \(Incorporated by reference to Exhibit \(10-1\) of the Company's Form 10-Q for the quarter ended December 31, 2017\).](#)
- (10-25) - [The Procter & Gamble 2014 Stock and Incentive Compensation Plan - Additional terms and conditions \(Incorporated by reference to Exhibit \(10-26\) of the Company's Annual Report on Form 10-K for the year ended June 30, 2017\), and The Procter & Gamble 2014 Stock and Incentive Compensation Plan - Related correspondence \(Incorporated by reference to Exhibit \(10-1\) of the Company's Form 10-Q for the quarter ended December 31, 2016\).](#)

Exhibit (21) - [Subsidiaries of the Registrant.](#) +

Exhibit (23) - [Consent of Independent Registered Public Accounting Firm.](#) +

Exhibit (31) - [Rule 13a-14\(a\)/15d-14\(a\) Certifications.](#) +

Exhibit (32) - [Section 1350 Certifications.](#) +

Exhibit (99-1) - [Summary of Directors and Officers Insurance Program.](#) +

- 101.INS (1) XBRL Instance Document
- 101.SCH (1) XBRL Taxonomy Extension Schema Document
- 101.CAL (1) XBRL Taxonomy Extension Calculation Linkbase Document
- 101.DEF (1) XBRL Taxonomy Definition Linkbase Document
- 101.LAB (1) XBRL Taxonomy Extension Label Linkbase Document
- 101.PRE (1) XBRL Taxonomy Extension Presentation Linkbase Document

- (1) Pursuant to Rule 406T of Regulation S-T, these interactive data files are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933 or Section 18 of the Securities Exchange Act of 1934 and otherwise are not subject to liability.

+ Filed herewith.

Exhibit (4-3)

Description of the Company's Common Stock

**Description of the Company's Common Stock Registered
Under Section 12 of the Exchange Act of 1934**

The following summary of The Procter & Gamble Company's common stock is based on and qualified by the Company's Amended Articles of Incorporation (the "Amended Articles of Incorporation") and Code of Regulations ("Regulations"). For a complete description of the terms and provisions of the Company's equity securities, including its common stock, refer to the Amended Articles of Incorporation and Regulations, both of which are filed as exhibits to this Annual Report on Form 10-K.

The Company's Amended Articles of Incorporation authorize the issuance of 10,000,000,000 shares of Common Stock, 600,000,000 shares of Class A Preferred Stock and 200,000,000 shares of Class B Preferred Stock, all of which are without par value ("Common Stock," "Class A Preferred Stock," and "Class B Preferred Stock," respectively). There are no shares of Class B Preferred Stock currently outstanding.

The holders of Common Stock and Class A Preferred Stock are entitled to one vote per share on each matter submitted to a vote of shareholders. The holders of Class B Preferred Stock, if any, are not entitled to vote other than as provided by law. The Company's Board of Directors (the "Board") is not classified and each member is elected annually. The Company's Amended Articles of Incorporation provide for directors in uncontested director elections to be elected by a simple majority vote. Additionally, to the extent that Ohio law would otherwise impose a supermajority vote requirement on actions to be taken at meetings of the Company's shareholders, the Company's Amended Articles of Incorporation require only a vote of a majority of the Company's outstanding capital stock that is entitled to vote on such matters.

The holders of Class A Preferred Stock and, if issued, Class B Preferred Stock have the right to receive dividends prior to the payment of dividends on the Common Stock. The Board has the power to determine certain terms relative to any Class A Preferred Stock and Class B Preferred Stock to be issued, such as the power to establish different series and to set dividend rates, the dates of payment of dividends, the cumulative dividend rights and dates, redemption rights and prices, sinking fund requirements, restrictions on the issuance of such shares or any series thereof, liquidation price and conversion rights. Also, the Board may fix such other express terms as may be permitted or required by law. In the event of any liquidation or dissolution, the holders of the Common Stock are entitled to receive as a class, pro rata, the residue of the assets after payment of the liquidation price to the holders of Class A Preferred Stock and, if issued, Class B Preferred Stock.

The Board has determined the terms of shares of Class A Preferred Stock issued as Series A ESOP Convertible Class A Preferred Stock, which can only be held by a trustee or trustees of an employee stock ownership plan or other benefit plan of the Company. Upon transfer of Series A ESOP Convertible Class A Preferred Stock to any other person, such transferred shares shall be automatically converted into shares of Common Stock. Each share of Series A ESOP Convertible Class A Preferred Stock has a cumulative dividend of \$.5036075 per year and a liquidation price of \$6.82 per share (as adjusted for the stock splits on October 20, 1989, May 15, 1992, August 22, 1997 and May 21, 2004, and the Smucker transaction effective June 1, 2002), is redeemable by the Company or the holder without regard to any arrearage in the payment of dividends, is convertible at the option of the holder into one share of Common Stock and has certain anti-dilution protections associated with the conversion rights. Appropriate adjustments to dividends and liquidation price will be made to give effect to any future stock splits, stock dividends or similar changes to the Series A ESOP Convertible Class A Preferred Stock.

The Board has also determined the terms of shares of Class A Preferred Stock issued as Series B ESOP Convertible Class A Preferred Stock. Each share of Series B ESOP Convertible Class A Preferred Stock has a cumulative dividend of \$1.022 per year and a liquidation price of \$12.96 per share (as adjusted for the stock splits on August 22, 1997 and May 21, 2004, and the Smucker transaction effective June 1, 2002), is redeemable by the Company or the holder under certain circumstances, is convertible at the option of the holder into one share of Common Stock and has certain anti-dilution protections associated with the conversion rights. Appropriate adjustments to dividends and liquidation price will be made to give effect to any future stock splits, stock dividends or similar changes to the Series B ESOP Convertible Class A Preferred Stock.

All of the issued shares of Common Stock of the Company are fully paid and non-assessable. Common Stock does not have any conversion rights and is not subject to any redemption provisions. No holder of shares of any class of the Company's capital stock has or will have any right, pre-emptive or other, to subscribe for or to purchase from the Company any of the shares of any class of the Company hereafter issued or sold. No shares of any class of the Company's capital stock are subject to any sinking fund provisions or to calls, assessments by, or liabilities of the Company.

Exhibit (4-4)

Description of the Company's 0.625% Notes due 2024, 1.200% Notes due 2028, and
1.875% Notes due 2038

Description of the Company's 0.625% Notes due 2024, 1.200% Notes due 2028, and 1.875% Notes due 2038, Registered Under Section 12 of the Securities Exchange Act of 1934

The following summary of The Procter & Gamble Company's above referenced debt securities is based on and qualified by the Indenture, dated as of September 3, 2009, between the Company and Deutsche Bank Trust Company Americas, as Trustee (the "Indenture") and the 0.625% Notes due 2024, the 1.200% Notes due 2028 and the 1.875% Notes due 2038 (collectively, the "Notes"). For a complete description of the terms and provisions of the Company's Notes, refer to the Indenture, which is filed as an exhibit to this Annual Report on Form 10-K and to the forms of Notes, which are filed as exhibits to the Form 8-A filed with the Securities and Exchange Commission on October 30, 2018. Throughout this exhibit, references to "we," "our," and "us" refer to The Procter & Gamble Company.

General

The 0.625% notes:

- were issued in an aggregate initial principal amount of €800,000,000, which remains the amount outstanding, subject to our ability to issue additional 0.625% notes which may be of the same series as the 0.625% notes as described under "-Further Issues,"
- mature on October 30, 2024,
- bear interest at a rate of 0.625% per annum, payable annually in arrear,
- are unsecured
- are our senior debt, ranking equally with all of our other present and future unsecured and unsubordinated indebtedness,
- issued as a separate series under the Indenture, in registered, book-entry form only,
- are repayable at par at maturity,
- are redeemable by us at any time prior to maturity as described below under "-Optional Redemption" and in connection with certain events involving United States taxation,
- are subject to defeasance and covenant defeasance, and
- are not subject to any sinking fund.

The 1.200% notes:

- were issued in an aggregate initial principal amount of €800,000,000, which remains the amount outstanding, subject to our ability to issue additional 1.200% notes which may be of the same series as the 1.200% notes as described under "-Further Issues,"
- mature on October 30, 2028,
- bear interest at a rate of 1.200% per annum, payable annually in arrear,
- are unsecured
- are our senior debt, ranking equally with all of our other present and future unsecured and unsubordinated indebtedness,
- issued as a separate series under the Indenture, in registered, book-entry form only,
- are repayable at par at maturity,
- are redeemable by us at any time prior to maturity as described below under "-Optional Redemption" and in connection with certain events involving United States taxation,
- are subject to defeasance and covenant defeasance, and
- are not subject to any sinking fund.

The 1.875% notes:

- were issued in an aggregate initial principal amount of €500,000,000, which remains the amount outstanding, subject to our ability to issue additional 1.875% notes which may be of the same series as the 1.875% notes as described under "-Further Issues,"
-

- mature on October 30, 2038,
- bear interest at a rate of 1.875% per annum, payable annually in arrear,
- are unsecured
- are our senior debt, ranking equally with all of our other present and future unsecured and unsubordinated indebtedness,
- issued as a separate series under the Indenture, in registered, book-entry form only,
- are repayable at par at maturity,
- are redeemable by us at any time prior to maturity as described below under “-Optional Redemption” and in connection with certain events involving United States taxation,
- are subject to defeasance and covenant defeasance, and
- are not subject to any sinking fund.

The Indenture and the notes do not limit the amount of indebtedness which may be incurred or the amount of securities which may be issued by us or our subsidiaries, and contain no financial or similar restrictions on us or our subsidiaries, except as described under the captions “Restrictions on Secured Debt” and “Restrictions on Sales and Leasebacks.”

Interest

We pay interest on the 0.625% notes, the 1.200% notes and the 1.875% notes annually on October 30 of each year, and on any maturity date (each, an “interest payment date”), commencing October 30, 2019 and ending on any maturity date, to the persons in whose names the 0.625% notes, the 1.200% notes and the 1.875% notes are registered at the close of business on the Business Day immediately before the next interest payment date; provided, however, that interest payable on any maturity date shall be payable to the person to whom the principal of such notes shall be payable.

Interest payable on any interest payment date or maturity date shall be the amount of interest accrued from, and including, the immediately preceding interest payment date in respect of which interest has been paid or duly provided for (or from and including the original issue date, if no interest has been paid or duly provided for with respect to the notes) to, but excluding, such interest payment date or maturity date, as the case may be. If any interest payment date is not a Business Day at the relevant place of payment, we will pay interest on the next day that is a Business Day at such place of payment as if payment were made on the date such payment was due, and no interest will accrue on the amounts so payable for the period from and after such date to the immediately succeeding Business Day. If the maturity date or redemption date of the notes is not a Business Day at the relevant place of payment, we will pay interest, if any, and principal and premium, if any, on the next day that is a Business Day at such place of payment as if payment were made on the date such payment was due, and no interest will accrue on the amounts so payable for the period from and after such date to the immediately succeeding Business Day.

Where interest is to be calculated in respect of a period which is equal to or shorter than the relevant period for which interest is to be calculated (an “Interest Period”), it will be calculated on the basis of the actual number of days in the relevant period, from and including the date from which interest begins to accrue, to, but excluding, the date on which it falls due, divided by the number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last).

“Business Day” means any day that is not a Saturday or Sunday and that is not a day on which banking institutions are authorized or obligated by law or executive order to close in the City of New York or London and, for any place of payment outside of the City of New York or London, in such place of

payment, and on which the Trans-European Automated Real-time Gross Settlement Express Transfer system (the TARGET2 system), or any successor thereto, operates.

The term “maturity,” when used with respect to a note, means the date on which the principal of such note or an installment of principal becomes due and payable as therein provided or as provided in the Indenture, whether at the stated maturity or by declaration of acceleration, call for redemption, repayment or otherwise.

Optional Redemption

We have the option to redeem the notes of any series, in whole or in part, at our option at any time, at a redemption price equal to the greater of (1) 100% of the principal amount of the notes to be redeemed, plus accrued interest on the notes to be redeemed to, but excluding, the date on which the notes are to be redeemed, or (2) the sum of the present values of the remaining scheduled payments of principal and interest on the notes to be redeemed, not including any portion of these payments of interest accrued as of the date of which the notes are to be redeemed, discounted to the date on which the notes are to be redeemed on an annual basis (ACTUAL/ACTUAL (ICMA)) at the applicable Comparable Government Bond Rate (as defined below), plus 15 basis points with respect to the 0.625% notes, at the applicable Comparable Government Bond Rate, plus 15 basis points with respect to the 1.200% notes and at the applicable Comparable Government Bond Rate, plus 20 basis points with respect to the 1.875% notes, plus accrued interest on the notes to be redeemed to, but excluding, the date on which the notes are to be redeemed.

“Comparable Government Bond Rate” means the price, expressed as a percentage (rounded to three decimal places, with 0.0005 being rounded upwards), at which the gross redemption yield on the notes to be redeemed, if they were to be purchased at such price on the third Business Day prior to the date fixed for redemption, would be equal to the gross redemption yield on such Business Day of the Comparable Government Bond (as defined below) on the basis of the middle market price of the Comparable Government Bond prevailing at 11:00 a.m. (London time) on such Business Day as determined by an independent investment bank selected by us.

“Comparable Government Bond” means, in relation to any Comparable Government Bond Rate calculation, at the discretion of an independent investment bank selected by us, a German government bond whose maturity is closest to the maturity of the notes to be redeemed, or if such independent investment bank in its discretion determines that such similar bond is not in issue, such other German government bond as such independent investment bank may, with the advice of three brokers of, and/or market makers in, German government bonds selected by us, determine to be appropriate for determining the Comparable Government Bond Rate.

In the case of a partial redemption of any series of notes, selection of the notes for redemption will be made by the depositary by lot on a pro rata basis or by any other equitable method as the depositary may decide. If any note is to be redeemed in part only, the notice of redemption that relates to the note will state the portion of the principal amount of the note to be redeemed; provided that the unredeemed portion of the note shall be €100,000 in principal amount and €1,000 multiples above that amount. A new note in a principal amount equal to the unredeemed portion of the note will be issued in the name of the holder of the note upon surrender of the original note.

Notice of any redemption will be sent at least 15 days but not more than 45 days before the redemption date to each holder of notes of the applicable series to be redeemed.

The notes of each series are also subject to redemption if certain events occur involving United States taxation. See “-Tax Redemption.”

Additional Amounts

All payments of principal and interest in respect of the notes will be made free and clear of, and without deduction or withholding for or on account of any present or future taxes, duties, assessments or other governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by the United States or any political subdivision or taxing authority of or in the United States (collectively, “Taxes”), unless such withholding or deduction is required by law.

In the event such withholding or deduction of Taxes is required by law, subject to the limitations described below, we will pay to the holder or beneficial owner of any note that is not a United States holder such additional amounts (“Additional Amounts”) as may be necessary in order that every net payment by us or any paying agent of principal of or interest on the notes (including upon redemption), after deduction or withholding for or on account of such Taxes, will not be less than the amount provided for in such note to be then due and payable before deduction or withholding for or on account of such Taxes.

However, our obligation to pay Additional Amounts shall not apply to:

(a) any Taxes which would not have been so imposed but for:

(1) the existence of any present or former connection between such holder or beneficial owner (or between a fiduciary, settlor, beneficiary, member or shareholder or other equity owner of, or a person having a power over, such holder or beneficial owner, if such holder or beneficial owner is an estate, a trust, a limited liability company, a partnership, a corporation or other entity) and the United States, including, without limitation, such holder or beneficial owner (or such fiduciary, settlor, beneficiary, member, shareholder or other equity owner or person having such a power) being or having been a citizen or resident or treated as a resident of the United States or being or having been engaged in a trade or business in the United States or being or having been present in the United States or having had a permanent establishment in the United States;

(2) the failure of such holder or beneficial owner to comply with any requirement under United States tax laws and regulations to establish entitlement to a partial or complete exemption from such Taxes (including, but not limited to, the requirement to provide Internal Revenue Service Form W-8BEN, Form W-8BEN-E, Form W-8ECI, or any subsequent versions thereof or successor thereto); or

(3) such holder’s or beneficial owner’s present or former status as a personal holding company or a foreign personal holding company with respect to the United States, as a controlled foreign corporation with respect to the United States, as a passive foreign investment company with respect to the United States, as a foreign tax exempt organization with respect to the United States or as a corporation which accumulates earnings to avoid U.S. federal income tax;

(b) any Taxes imposed by reason of the holder or beneficial owner:

(1) owning or having owned, directly or indirectly, actually or constructively, 10% or more of the total combined voting power of all classes of our stock,

(2) being a bank receiving interest described in section 881(c)(3)(A) of the Internal Revenue Code of 1986, as amended (the “Code”), or

(3) being a controlled foreign corporation with respect to the United States that is related to us by stock ownership;

(c) any Taxes which would not have been so imposed but for the presentation by the holder or beneficial owner of such note for payment on a date more than 10 days after the date on which such payment became due and payable or the date on which payment of the note is duly provided for and notice is given to holders, whichever occurs later, except to the extent that the holder or beneficial owner would have been entitled to such additional amounts on presenting such note on any date during such 10-day period;

(d) any estate, inheritance, gift, sales, transfer, personal property, wealth, interest equalization or similar Taxes;

(e) any Taxes which are payable otherwise than by withholding from payment of principal of or interest on such note;

(f) any Taxes which are payable by a holder that is not the beneficial owner of the note, or a portion of the note, or that is a fiduciary, partnership, limited liability company or other similar entity, but only to the extent that a beneficial owner, a beneficiary or settlor with respect to such fiduciary or member of such partnership, limited liability company or similar entity would not have been entitled to the payment of an additional amount had such beneficial owner, settlor, beneficiary or member received directly its beneficial or distributive share of the payment;

(g) any Taxes required to be withheld by any paying agent from any payment of principal of or interest on any note, if such payment can be made without such withholding by any other paying agent;

(h) any Taxes imposed under Sections 1471 through 1474 of the Code (or any amended or successor provisions that are substantively comparable) and any current or future regulations or official interpretations thereof; or

(i) any combination of items (a), (b), (c), (d), (e), (f), (g) and (h).

For purposes of this section, the acquisition, ownership, enforcement or holding of or the receipt of any payment with respect to a note will not constitute a connection (1) between the holder or beneficial owner and the United States or (2) between a fiduciary, settlor, beneficiary, member or shareholder or other equity owner of, or a person having a power over, such holder or beneficial owner if such holder or beneficial owner is an estate, a trust, a limited liability company, a partnership, a corporation or other entity and the United States.

Any reference in this exhibit to principal or interest shall be deemed to refer also to Additional Amounts which may be payable under the provisions of this section.

We will pay all stamp and other duties, if any, which may be imposed by the United States or any political subdivision thereof or taxing authority therein with respect to the issuance of the notes.

Except as specifically provided in the notes, we will not be required to make any payment with respect to any tax, duty, assessment or other governmental charge imposed by any government or any political subdivision or taxing authority of or in the United States.

Tax Redemption

The notes of any series may be redeemed at our option, in whole but not in part, at a redemption price equal to 100% of the principal amount of the notes to be redeemed, together with interest accrued and unpaid to the date fixed for redemption, at any time, on giving not less than 15 nor more than 45 days' notice if:

(a) we have or will become obligated to pay Additional Amounts as a result of any change in or amendment to the laws, regulations or rulings of the United States or any political subdivision or any taxing authority of or in the United States affecting taxation, or any change in or amendment to an official application, interpretation, administration or enforcement of such laws, regulations or rulings, which change or amendment is announced or becomes effective on or after October 24, 2018, or

(b) any action shall have been taken by a taxing authority, or any action has been brought in a court of competent jurisdiction, in the United States or any political subdivision or taxing authority of or in the United States, including any of those actions specified in (a) above, whether or not such action was taken or brought with respect to us, or any change, clarification, amendment, application or interpretation of such laws, regulations or rulings shall be officially proposed, in any such case on or after October 24, 2018, which results in a substantial likelihood that we will be required to pay Additional Amounts on the next interest payment date.

However, no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which we would be, in the case of a redemption for the reasons specified in (a) above, or there would be a substantial likelihood that we would be, in the case of a redemption for the reasons specified in (b) above, obligated to pay such Additional Amounts if a payment in respect of the notes were then due and at the time such notification of redemption is given such circumstances remain in effect.

Such notice, once delivered by us to the trustee, will be irrevocable.

Prescription

Under New York's statute of limitations, any legal action to enforce our payment obligations evidenced by the notes or the coupons must be commenced within six years after the payment thereof is due; thereafter our payment obligations will generally become unenforceable.

Further Issues

We may from time to time, without notice to or the consent of the registered holders of notes of any series, create and issue further notes ranking equally with the notes of any series in all respects. Such further notes may be consolidated and form a single series with the notes of any such series and have the same terms as to status, redemption or otherwise as the other notes of such series (other than the issue date of such further notes and first payment of interest following the issue date of such further notes).

Restrictions on Secured Debt

If we or any Domestic Subsidiary shall incur, issue, assume or guarantee any Debt secured by a Mortgage on any Principal Domestic Manufacturing Property of ours or any Domestic Subsidiary's or on any shares of stock of any Domestic Subsidiary that owns a Principal Domestic Manufacturing Property, we will secure, or cause such Domestic Subsidiary to secure, the debt securities then outstanding equally and ratably with (or prior to) such Debt. However, we will not be restricted by this covenant if, after giving effect to the particular Debt so secured the total amount of all Debt so secured, together with all Attributable Debt in respect of sale and leaseback transactions involving Principal Domestic

Manufacturing Properties, would not exceed 15% of our and our consolidated subsidiaries' Consolidated Net Tangible Assets.

In addition, the restriction will not apply to, and there shall be excluded in computing secured Debt for the purpose of the restriction, Debt secured by

(1) with respect to any series of debt securities, Mortgages existing on the date of the original issuance of the debt securities of such series;

(2) Mortgages on property of, or on any shares of stock of, any corporation existing at the time the corporation becomes a Domestic Subsidiary or at the time it is merged into or consolidated with us or a Domestic Subsidiary;

(3) Mortgages in favor of us or a Domestic Subsidiary;

(4) Mortgages in favor of U.S., State or foreign governmental bodies to secure progress or advance payments;

(5) Mortgages on property or shares of stock existing at the time of their acquisition, including acquisition through merger or consolidation, purchase money Mortgages and construction or improvement cost Mortgages; and

(6) any extension, renewal or refunding of any Mortgage referred to in the immediately preceding clauses (1) through (5), inclusive.

The Indenture does not restrict the incurrence of unsecured debt by us or our subsidiaries.

Restrictions on Sales and Leasebacks

Neither we nor any Domestic Subsidiary may enter into any sale and leaseback transaction involving any Principal Domestic Manufacturing Property, the completion of construction and commencement of full operation of which has occurred more than 180 days prior to the transaction, unless

- we or the Domestic Subsidiary could incur a lien on the property under the restrictions described above under "Restrictions on Secured Debt" in an amount equal to the Attributable Debt with respect to the sale and leaseback transaction without equally and ratably securing the debt securities then outstanding, or
- we, within 180 days, apply to either (or a combination of) the investment in one or more other Principal Domestic Manufacturing Properties or the retirement of our Funded Debt an amount not less than the greater of (1) the net proceeds of the sale of the Principal Domestic Manufacturing Property leased pursuant to such arrangement or (2) the fair market value of the Principal Domestic Manufacturing Property so leased, subject to credits for various voluntary retirements of Funded Debt.

This restriction will not apply to any sale and leaseback transaction

- between us and a Domestic Subsidiary,
- between Domestic Subsidiaries, or
- involving the taking back of a lease for a period of less than three years.

Definitions Applicable to Covenants

The term “Attributable Debt” means the lesser of (1) the fair market value of the Principal Domestic Manufacturing Property sold and leased back at the time of entering into a sale and leaseback transaction and (2) the total net amount of rent, discounted at 10% per annum compounded annually, required to be paid during the remaining term of any lease.

The term “Consolidated Net Tangible Assets” means our total assets, less net goodwill and other intangible assets, less total current liabilities, all as described on our and our consolidated subsidiaries’ most recent balance sheet and calculated based on positions as reported in our consolidated financial statements in accordance with generally accepted accounting principles.

The term “Debt” means notes, bonds, debentures or other similar evidences of indebtedness for money borrowed.

The term “Domestic Subsidiary” means any of our subsidiaries except a subsidiary which neither transacts any substantial portion of its business nor regularly maintains any substantial portion of its fixed assets within the United States or which is engaged primarily in financing our and our subsidiaries’ operations outside the United States.

The term “Funded Debt” means Debt having a maturity of more than 12 months from its date of creation.

The term “Mortgage” means pledges, mortgages and other liens.

The term “Principal Domestic Manufacturing Property” means any facility (together with the land on which it is erected and fixtures comprising a part of the land) used primarily for manufacturing or processing, located in the United States, owned or leased by us or one of our subsidiaries and having a gross book value in excess of 1.0% of Consolidated Net Tangible Assets. However, the term “Principal Domestic Manufacturing Property” does not include any facility or portion of a facility (1) which is financed by obligations the interest on which is exempt from U.S. federal income tax pursuant to Section 103 of the Code (or any predecessor or successor provision thereof), or (2) which, in the opinion of our board of directors, is not of material importance to the total business conducted by us and our subsidiaries as an entirety.

Events of Default

Any one of the following are events of default under the Indenture with respect to debt securities of any series:

- (1) our failure to pay principal of or premium, if any, on any debt security of that series when due;
 - (2) our failure to pay any interest on any debt security of that series when due, continued for 30 days;
 - (3) our failure to deposit any sinking fund payment, when due, in respect of any debt security of that series;
 - (4) our failure to perform any other of our covenants in the Indenture which affects or is applicable to the debt securities of that series, other than a covenant included in the Indenture solely for the benefit of other series of debt securities, continued for 90 days after written notice as provided in the Indenture;
-

- (5) certain events involving bankruptcy, insolvency or reorganization; and
- (6) any other event of default provided with respect to debt securities of that series.

If an event of default with respect to outstanding debt securities of any series shall occur and be continuing, either the trustee or the holders of at least 25% in principal amount of the outstanding debt securities of that series may declare the principal amount (or, if the debt securities of that series are original issue discount securities, the portion of the principal amount as may be specified in the terms of that series) of all the debt securities of that series to be due and payable immediately. At any time after a declaration of acceleration with respect to debt securities of any series has been made, but before a judgment or decree based on acceleration has been obtained, the holders of a majority in principal amount of the outstanding debt securities of that series may, under some circumstances, rescind and annul the acceleration. For information as to waiver of defaults, see the section below entitled “Modification and Waiver.”

During default, the trustee has a duty to act with the required standard of care. Otherwise, the Indenture provides that the trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request or direction of any of the holders, unless the holders shall have offered to the trustee reasonable indemnity. If the provisions for indemnification of the trustee have been satisfied, the holders of a majority in principal amount of the outstanding debt securities of any series will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising any trust or power conferred on the trustee, with respect to the debt securities of that series.

We will furnish to the trustee annually a certificate as to our compliance with all conditions and covenants under the Indenture.

Defeasance and Discharge

We will be discharged from any and all obligations in respect of the debt securities of any series if we deposit with the trustee, in trust, money and/or U.S. government securities which through the payment of interest and principal will provide money in an amount sufficient to pay the principal of and premium, if any, and each installment of interest on the debt securities of the series on the dates those payments are due and payable.

If we defease a series of debt securities, the holders of the debt securities of the series will not be entitled to the benefits of the Indenture, except for

- the rights of holders to receive from the trust funds payment of principal, premium and interest on the debt securities,
- our obligation to register the transfer or exchange of debt securities of the series,
- our obligation to replace stolen, lost or mutilated debt securities of the series,
- our obligation to maintain paying agencies,
- our obligation to hold monies for payment in trust, and
- the rights of holders to benefit, as applicable, from the rights, powers, trusts, duties and immunities of the trustee.

We may defease a series of debt securities only if, among other things, we have delivered to the trustee an opinion of counsel to the effect that we have received from, or there has been published by, the U.S.

Internal Revenue Service a ruling to the effect that holders and beneficial owners of the debt securities of the series will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the deposit, defeasance and discharge and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if the deposit, defeasance and discharge had not occurred.

Defeasance of Covenants and Events of Default

We may omit to comply with the covenants described above under “Restrictions on Secured Debt” and “Restrictions on Sales and Leasebacks”, and the failure to comply with these covenants will not be deemed an event of default, if we deposit with the trustee, in trust, money and/or U.S. government securities which through the payment of interest and principal will provide money in an amount sufficient to pay the principal of and premium, if any, and each installment of interest on the debt securities of the series on the dates those payments are due and payable. Our obligations under the Indenture and the debt securities of the series will remain in full force and effect, other than with respect to the defeased covenants and related events of default.

We may defease the covenants and the related events of default described above only if, among other things, we have delivered to the trustee an opinion of counsel, who may be our employee or counsel, to the effect that the holders and beneficial owners of the debt securities of the series will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the deposit and defeasance of the covenants and events of default, and the holders and beneficial owners of the debt securities of the series will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if the deposit and defeasance had not occurred.

If we choose covenant defeasance with respect to the debt securities of any series as described above and the debt securities of the series are declared due and payable because of the occurrence of any event of default other than the event of default described in clause (4) under “Events of Default,” the amount of money and U.S. government securities on deposit with the trustee will be sufficient to pay amounts due on the debt securities of the series at the time of their stated maturity. The amount on deposit with the trustee may not be sufficient to pay amounts due on the debt securities of the series at the time of the acceleration resulting from the event of default. However, we will remain liable for these payments.

Modification and Waiver

Procter & Gamble and the trustee may make modifications of and amendments to the Indenture if the holders of at least a majority in principal amount of the outstanding debt securities of each series affected by the modification or amendment consent to the modification or amendment.

However, the consent of the holder of each debt security affected is required for any modification or amendment that

- changes the stated maturity of the principal of, or any installment of principal of or interest on, any debt security,
 - reduces the principal amount of, or the premium, if any, or interest, if any, on, any debt security,
 - reduces the amount of principal of an original issue discount security payable upon acceleration of the maturity of the security,
 - changes the place or currency of payment of principal of, or premium, if any, or interest, if any, on, any debt security,
 - impairs the right to institute suit for the enforcement of any payment on any debt security, or
-

- reduces the percentage in principal amount of debt securities of any series necessary to modify or amend the Indenture or to waive compliance with various provisions of the Indenture or to waive various defaults.

Without the consent of any holder of debt securities, we and the trustee may make modifications or amendments to the Indenture in order to

- evidence the succession of another person to us and the assumption by that person of the covenants in the Indenture,
- add to the covenants for the benefit of the holders,
- add additional events of default,
- permit or facilitate the issuance of securities in bearer form or uncertificated form,
- add to, change, or eliminate any provision of the Indenture in respect of a series of debt securities to be created in the future,
- secure the securities as required by “Restrictions on Secured Debt,”
- establish the form or terms of securities of any series,
- evidence the appointment of a successor trustee, or
- cure any ambiguity, correct or supplement any provision which may be inconsistent with another provision, or make any other provision, provided that any action may not adversely affect the interests of holders of debt securities in any material respect.

The holders of at least a majority in principal amount of the outstanding debt securities of any series may on behalf of the holders of all debt securities of that series waive compliance by us with various restrictive provisions of the Indenture.

The holders of a majority in principal amount of the outstanding debt securities of any series may on behalf of the holders of all debt securities of that series waive any past default with respect to that series, except

- a default in the payment of the principal of or premium, if any, or interest on any debt security of that series, or
- a default in respect of a provision which under the Indenture cannot be modified or amended without the consent of the holder of each outstanding debt security of that series that would be affected.

Consolidation, Merger and Sale of Assets

If the conditions below are met, we may, without the consent of any holders of outstanding debt securities:

- consolidate or merge with or into another entity, or
- transfer or lease our assets as an entirety to another entity.

We have agreed that we will engage in a consolidation, merger or transfer or lease of assets as an entirety only if

- either we are the surviving entity or the entity formed by the consolidation or into which we are merged or which acquires or leases our assets is a corporation, partnership, limited liability company or trust organized and existing under the laws of any United States jurisdiction and assumes our obligations on the debt securities and under the Indenture,
 - after giving effect to the transaction no event of default would have happened and be continuing, and
-

- various other conditions are met.

Regarding the Trustee

Deutsche Bank Trust Company Americas is the trustee under the Indenture. In addition, affiliates of Deutsche Bank Trust Company Americas may perform various commercial banking and investment banking services for Procter & Gamble and its subsidiaries from time to time in the ordinary course of business.

Exhibit (4-5)

Description of the Company's 4.125% EUR notes due December 2020, 4.875% EUR notes due May 2027, 6.250% GBP notes due January 2030, and 5.250% GBP notes due January 2033.

Description of the Company's 4.125% EUR notes due December 2020, 4.875% EUR notes due May 2027, 6.250% GBP notes due January 2030, and 5.250% GBP notes due January 2033, Registered Under Section 12 of the Securities Exchange Act of 1934

The following summary of The Procter & Gamble Company's above referenced debt securities is based on and qualified by the relevant Fiscal Agency Agreements and/or Indenture referenced in the description of each debt security provided below and the 4.125% EUR notes due December 2020, 4.875% EUR notes due May 2027, 6.250% GBP notes due January 2030, and 5.250% GBP notes due January 2033 (collectively, the "Notes"). For a complete description of the terms and provisions of the Company's Notes, refer to the relevant Fiscal Agency Agreement or Indenture and to the forms of Notes, all of which are filed as exhibits to the Form 8-A filed with the Securities and Exchange Commission on November 3, 2017. Throughout this exhibit, references to "we," "our," and "us" refer to The Procter & Gamble Company.

4.125% EUR Notes

General

The 4.125% EUR Notes were issued under a fiscal agency agreement (the "Fiscal Agency Agreement"), dated as of December 7, 2005, between the Company and JPMorgan Chase Bank, N.A., London Branch, as fiscal agent and principal paying agent and certain paying agents. The Bank of New York Mellon Trust Company N.A., as successor-in-interest to JPMorgan Chase Bank, N.A., London Branch, currently serves as fiscal agent (the "Fiscal Agent"). The Bank of New York Mellon (London Branch), as successor-in-interest to JPMorgan Chase Bank, N.A., London Branch, currently serves as principal paying agent. The Company initially issued €600 million aggregate principal amount of 4.125% EUR Notes, all of which remain outstanding.

The 4.125% EUR Notes bear interest at the rate of 4.125% per annum payable annually in arrears on December 7 (an "Interest Payment Date") of each year. If any Interest Payment Date would otherwise be a day which is not a Business Day (as defined below), the Interest Payment Date will be postponed to the next day which is a Business Day and no additional interest will be payable on account of such delayed payment. "Business Day" means any day, other than a Saturday or Sunday, on which banks in New York City and the relevant place of payment are open for business.

The first interest period began on December 7, 2005.

The 4.125% EUR Notes are general, direct, unsecured and unsubordinated obligations of the Company, ranking equally among themselves and equally with all other present and future unsecured and unsubordinated indebtedness of the Company. Neither the Fiscal Agency Agreement nor the 4.125% EUR Notes limits other indebtedness or securities which may be incurred or issued by the Company or its subsidiaries and contain no financial or similar restrictions on the Company or its subsidiaries except as described below under "Certain Covenants of the Company."

The 4.125% EUR Notes were issued in Euros.

Redemption

The 4.125% EUR Notes may be redeemed, in whole but not in part, prior to maturity as set out below. Unless previously redeemed or repurchased and cancelled, the 4.125% EUR Notes will be payable at par including Additional Amounts, as described below, if any, on December 7, 2020 or such earlier date on

which the same will be due and payable in accordance with the terms and conditions of the 4.125% EUR Notes; provided that if the maturity date of the 4.125% EUR Notes is not a Business Day, the 4.125% EUR Notes will be payable on the next succeeding Business Day (and no interest will accrue for the period from December 7, 2020).

Redemption for Tax Reasons

The 4.125% EUR Notes also may be redeemed at the option of the Company, in whole but not in part, at a redemption price equal to 100% of the principal amount of the 4.125% EUR Notes to be redeemed, together with interest accrued and unpaid to the date fixed for redemption, at any time, on giving not less than 30 nor more than 60 days' notice (which notice will be irrevocable), if (a) the Company has or will become obligated to pay Additional Amounts as a result of any change in or amendment to the laws, regulations or rulings of the United States or any political subdivision or any taxing authority thereof or therein affecting taxation, or any change in or amendment to an official application, interpretation, administration or enforcement of such laws, regulations or rulings (including a holding by a court of competent jurisdiction in the United States) or (b) any action will have been taken by any taxing authority, or any action has been brought in a court of competent jurisdiction, in the United States or any political subdivision or taxing authority thereof or therein, including any of those actions specified in (a) above (whether or not such action was taken or brought with respect to the Company) or any change, clarification, amendment, application or interpretation of such laws, regulations or rulings will be officially proposed, which results in a substantial likelihood that the Company will be required to pay Additional Amounts on the next Interest Payment Date relating to such 4.125% EUR Notes; provided, however, that no such notice of redemption will be given earlier than 90 days prior to the earliest date on which the Company would be, in the case of a redemption for the reasons specified in (a) above, or there would be a substantial likelihood that the Company would be, in the case of a redemption for the reasons specified in (b) above, obligated to pay such Additional Amounts if a payment in respect of such 4.125% EUR Notes were then due.

Special Tax Redemption

In addition, if the Company determines, based upon a written opinion of independent legal counsel of recognized standing, that any payment made outside the United States by the Company or any paying agent (acting as agent for the Company and not as agent for the beneficial owner of a 4.125% EUR Note or coupon) of the full amount of principal or interest due with respect to any 4.125% EUR Notes or coupon would, under any present or future laws or regulations of the United States, be subject to any certification, identification, documentation, information or other reporting requirement of any kind, the effect of which is the disclosure to the Company, any paying agent or any governmental authority of the nationality, residence or identity (as distinguished from, for example, status as a United States Alien as defined under "Payment of Additional Amounts") of a beneficial owner of such 4.125% EUR Note or coupon who is a United States Alien (other than such a requirement which (a) would not be applicable to payment made by the Company or any one of its paying agents (i) directly to the beneficial owner or (ii) to any custodian, nominee or other agent of the beneficial owner, (b) can be satisfied by the holder who is not the beneficial owner thereof or the custodian, nominee or other agent certifying that the beneficial owner is a United States Alien, (c) would be applicable only to a payment by a custodian, nominee or other agent of the beneficial owner to the beneficial owner, or (d) would be applicable to a payment to any custodian, nominee, or other agent of the beneficial owner who is a United States person or a U.S. Controlled Person; provided that in each case referred to in clauses (a)(ii) and (b), payment by such custodian, nominee or other agent of such beneficial owner is not otherwise subject to any such requirement other than any such requirement which is imposed on a custodian, nominee, or other agent described in clause (d)) the Company at its election will either (x) redeem all of the 4.125% EUR Notes,

upon not less than 30 nor more than 60 days' prior notice as described under "Notices" below, at a redemption price equal to 100% of their principal amount, together with accrued and unpaid interest to the redemption date, or (y) if and so long as the certification, identification, documentation, information or other reporting requirements referred to in this paragraph would be fully satisfied with respect to such 4.125% EUR Notes by payment of a United States withholding, backup withholding or similar tax, pay such Additional Amounts as are necessary in order that, following the effective date of such requirements, every net payment made outside the United States by the Company or any paying agent of the principal of and interest on such 4.125% EUR Note or a coupon appertaining thereto to a beneficial owner who is a United States Alien (but without any requirement that the nationality, residence or identity (as distinguished from, for example, status as a United States Alien) of the beneficial owner be disclosed to the Company, any paying agent or any United States governmental authority), after deduction or withholding for or on account of such United States withholding, backup withholding or similar tax (other than a withholding, backup withholding or similar tax which would not be applicable in the circumstances referred to in the second parenthetical clause of the first sentence of this paragraph) but before deduction or withholding on account of any tax, duty, assessment or other governmental charge described in (a) through (j) of the first paragraph under "Payment of Additional Amounts", will not be less than the amount provided in such 4.125% EUR Note or the coupon to be then due and payable. The Company will make such determination and election and notify the Fiscal Agent as soon as practicable, and the Fiscal Agent will promptly give notice of such determination in the manner provided under "Notices" below (the "Determination Notice") stating the effective date of such certification, identification, documentation, information or other reporting requirement, whether the Company will redeem the relevant 4.125% EUR Notes or will pay the Additional Amounts specified in this paragraph and (if applicable) the last date by which the redemption of the relevant 4.125% EUR Notes must take place. If the Company elects to redeem such 4.125% EUR Notes, such redemption will take place on such date, not later than one year after publication of the Determination Notice, as the Company elects by notice in writing to the Fiscal Agent at least 60 days before such date, unless shorter notice is acceptable to the Fiscal Agent. Notwithstanding the foregoing, the Company will not so redeem such 4.125% EUR Notes if the Company, based upon a written opinion of independent legal counsel of recognized standing, subsequently determines, not less than 30 days prior to the redemption date, that subsequent payments would not be subject to any such requirement, in which case the Company will notify the Fiscal Agent in writing, and the Fiscal Agent will promptly give notice to the holders of such 4.125% EUR Notes of that determination and any earlier redemption notice will thereupon be revoked and of no further effect. If the Company elects as provided in clause (y) above to pay Additional Amounts, (A) the Company may, as long as the Company is obligated to pay such Additional Amounts, redeem all of the 4.125% EUR Notes, at any time, upon not less than 30 nor more than 60 days' prior notice as described under "Notices" below, at a redemption price equal to 100% of their principal amount, together with accrued and unpaid interest to the redemption date but without deduction for applicable United States withholding taxes with respect to which the Company is obligated to pay Additional Amounts and (B) if the condition specified in clause (y) above is no longer satisfied, the Company will redeem all of the 4.125% EUR Notes in accordance with the provisions of this paragraph.

Payment of Additional Amounts

All payments of principal and interest in respect of the 4.125% EUR Notes or coupons will be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or other governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by the United States or any political subdivision or taxing authority thereof or therein, unless such withholding or deduction is required by law. In the event such withholding or deduction is required by law, subject to the limitations set forth below, the Company will pay as additional

interest on the 4.125% EUR Notes or coupons to the holder or beneficial owner of any 4.125% EUR Note or coupon who is a United States Alien such additional amounts (“Additional Amounts”) as may be necessary in order that every net payment by the Company or any paying agent of principal of or interest on the 4.125% EUR Notes or coupons (including upon redemption), after deduction or withholding for or on account of any present or future tax, duty, assessment or other governmental charge imposed upon or as a result of such payment by the United States or any political subdivision or taxing authority thereof or therein, will not be less than the amount provided for in such 4.125% EUR Note or coupon to be then due and payable before any such tax, duty, assessment or other governmental charge; provided, however, that the foregoing obligation to pay Additional Amounts will not apply to:

(a) any tax, duty, assessment or other governmental charge which would not have been so imposed but for (i) the existence of any present or former connection between such holder or beneficial owner (or between a fiduciary, settlor, beneficiary, member, shareholder or other equity owner of, or a person having a power over, such holder or beneficial owner, if such holder or beneficial owner is an estate, a trust, a limited liability company, a partnership, a corporation or other entity) and the United States, including, without limitation, such holder or beneficial owner (or such fiduciary, settlor, beneficiary, member, shareholder or other equity owner or person having such a power) being or having been a citizen or resident or treated as a resident thereof or being or having been engaged in a trade or business therein or being or having been present therein or having or having had a permanent establishment therein, (ii) the failure of such holder or beneficial owner to comply with any requirement under United States income tax laws and regulations to establish entitlement to a partial or complete exemption from such tax, duty, assessment or other governmental charge (other than any such exemption which is conditioned upon the disclosure to the Company, any paying agent or any governmental authority of the nationality, residence or identity of the beneficial owner of the 4.125% EUR Note or coupon), or (iii) such holder or beneficial owner being or having been with respect to the United States a personal holding company, a foreign personal holding company, a controlled foreign corporation, a passive foreign investment company, a foreign private foundation, a foreign tax exempt organization or a corporation which accumulates earnings to avoid United States federal income tax;

(b) any tax, duty, assessment or other governmental charge imposed by reason of the holder or beneficial owner (i) owning or having owned, directly or indirectly, actually or constructively, 10% or more of the total combined voting power of all classes of stock of the Company, (ii) being a bank receiving interest described in section 881(c)(3)(A) of the United States Internal Revenue Code of 1986, as amended or (iii) being a controlled foreign corporation with respect to the United States that is related to the Company by stock ownership;

(c) any tax, duty, assessment or other governmental charge which would not have been so imposed but for the presentation by the holder or beneficial owner of such 4.125% EUR Note or coupon for payment on a date more than 10 days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for and notice is given to holders, whichever occurs later, except to the extent that the holder or beneficial owner would have been entitled to such Additional Amounts on presenting such 4.125% EUR Note or coupon on any date during such 10-day period;

(d) any estate, inheritance, gift, sales, transfer, personal property, wealth, interest equalization or any similar tax, assessment or governmental charge;

(e) any tax, duty, assessment or other governmental charge which is payable otherwise than by withholding from payment of principal of or interest on such 4.125% EUR Note or coupon;

(f) any tax, duty, assessment or other governmental charge which is payable by a holder that is not the beneficial owner of the 4.125% EUR Note or the coupon, or a portion of either, or that is a fiduciary, partnership, limited liability company or other similar entity, but only to the extent that a beneficial owner, a beneficiary or settlor with respect to such fiduciary or member of such partnership, limited liability company or similar entity would not have been entitled to the payment of an Additional Amount had such beneficial owner, settlor, beneficiary or member received directly its beneficial or distributive share of the payment;

(g) any tax, duty, assessment or other governmental charge required to be withheld by any paying agent from any payment of principal of or interest on any 4.125% EUR Note or coupon, if such payment can be made without such withholding by any other paying agent;

(h) any tax, duty, assessment or other governmental charge required to be withheld or deducted where such withholding or deduction is imposed on a payment to an individual pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such European Council Directive;

(i) any tax, duty, assessment or other governmental charge that would not have been imposed in respect of any 4.125% EUR Note or coupon if such 4.125% EUR Note or coupon had been presented to another paying agent in a Member State of the European Union; or

(j) any combination of items (a), (b), (c), (d), (e), (f), (g), (h) and (i).

For purposes of the foregoing, the holding of or the receipt of any payment with respect to a 4.125% EUR Note or a coupon will not constitute a connection between the holder or beneficial owner (or between a fiduciary, settlor, beneficiary, member or shareholder or other equity owner of, or a person having a power over, such holder or beneficial owner if such holder or beneficial owner is an estate, a trust, a limited liability company, a partnership, a corporation or other entity) and the United States.

Any reference herein to principal or interest will be deemed to refer to Additional Amounts which may be payable under the provisions of this section.

Except as specifically provided in the 4.125% EUR Notes, the Company will not be required to make any payment with respect to any tax, duty, assessment or other governmental charge imposed by any government or any political subdivision or taxing authority thereof or therein.

“United States Alien” means a person that is not a “United States person” for United States federal income tax purposes. “United States person” for such purposes means a citizen of the United States, a resident of the United States for such purposes, a corporation, partnership or other entity organized in or under the laws of the United States or any political subdivision thereof (other than any partnership treated as foreign under regulations that may be promulgated), an estate that is subject to United States federal income taxation without regard to the source of its income, or a trust that is subject to the primary supervision of a court within the United States and the control of a United States person or that has a valid election in effect under applicable regulations to be treated as a “United States person.”

Certain Covenants of the Company

Restrictions on Secured Debt

If the Company or any Domestic Subsidiary will incur, assume or guarantee any Debt secured by a Mortgage of any Principal Domestic Manufacturing Property or on any shares of stock or debt of any

Domestic Subsidiary, the Company will secure, or cause such Domestic Subsidiary to secure, the 4.125% EUR Notes then outstanding equally and ratably with (or prior to) such Debt, unless after giving effect thereto the aggregate amount of all such Debt so secured, together with all Attributable Debt of the Company and its Domestic Subsidiaries in respect of sale and leaseback transactions involving Principal Domestic Manufacturing Properties, would not exceed 5% of the Consolidated Net Tangible Assets of the Company and its consolidated subsidiaries. The restriction will not apply to, and there will be excluded in computing secured Debt for the purpose of such restriction, Debt secured by (a) Mortgages on property of, or on any shares of stock or Debt of, any corporation existing at the time such corporation becomes a Domestic Subsidiary, (b) Mortgages in favor of the Company or a Domestic Subsidiary, (c) Mortgages in favor of U.S. governmental bodies to secure progress or advance payments, (d) Mortgages on property, shares of stock or Debt existing at the time of acquisition thereof (including acquisition through merger or consolidation), purchase money Mortgages and construction cost Mortgages and (e) any extension, renewal or refunding of any Mortgage referred to in the foregoing clauses (a) through (d), inclusive. The Fiscal Agency Agreement does not restrict the occurrence of unsecured debt by the Company or its subsidiaries.

Restrictions on Sales and Leasebacks

Neither the Company nor any Domestic Subsidiary may enter into any sale and leaseback transaction involving any Principal Domestic Manufacturing Property, the completion of construction and commencement of full operation of which has occurred more than 120 days prior thereto, unless (a) the Company or such Domestic Subsidiary could incur a lien on such property under the restrictions described above under “Restrictions on Secured Debt” in an amount equal to the Attributable Debt with respect to the sale and leaseback transaction without equally and ratably securing the 4.125% EUR Notes then outstanding or (b) the Company, within 120 days, applies to the retirement of its Funded Debt an amount not less than the greater of (i) the net proceeds of the sale of the Principal Domestic Manufacturing Property leased pursuant to such arrangement or (ii) the fair value of the Principal Domestic Manufacturing Property so leased (subject to credits for certain voluntary retirements of Funded Debt). This restriction will not apply to any sale and leaseback transaction (a) between the Company and a Domestic Subsidiary or between Domestic Subsidiaries or (b) involving the taking back of a lease for a period of less than three years.

Certain Definitions

The term “Attributable Debt” means the total net amount of rent (discounted at 10% per annum compounded annually) required to be paid during the remaining term of any lease.

The term “Consolidated Net Tangible Assets” means the aggregate amount of assets (less applicable reserves and other properly deductible items) after deducting therefrom (a) all current liabilities (excluding any amount thereof constituting Funded Debt by reason of being renewable or extendible) and (b) all goodwill, trade names, trademarks, patents, unamortized debt discount and expense and other like intangibles, all as set forth on the most recent balance sheet of the Company and its consolidated subsidiaries and computed in accordance with generally accepted accounting principles.

The term “Debt” means notes, bonds, debentures or other similar evidences of indebtedness for money borrowed.

The term “Domestic Subsidiary” means a subsidiary of the Company except a subsidiary which neither transacts any substantial portion of its business nor regularly maintains any substantial portion of its fixed

assets within the United States or which is engaged primarily in financing the operations of the Company and its subsidiaries outside the United States.

The term “Funded Debt” means Debt having a maturity of, or by its terms extendible or renewable at the option of the borrower for, a period of more than 12 months after the date of determination of the amount thereof.

The term “Mortgage” means pledges, mortgages and other liens.

The term “Principal Domestic Manufacturing Property” means any facility (together with the land on which it is erected and fixtures comprising a part thereof) used primarily for manufacturing or processing, located in the United States, owned or leased by the Company or a subsidiary of the Company and having a gross book value in excess of 3/4 of 1% of Consolidated Net Tangible Assets, other than any such facility or portion thereof (i) which is a pollution control or other facility financed by obligations issued by a State or local governmental unit pursuant to Section 103(b)(4)(E), 103(b)(4)(F) or 103(b)(6) of the Internal Revenue Code of 1954, or any successor provision thereof, or (ii) which, in the opinion of the Board of Directors of the Company, is not of material importance to the total business conducted by the Company and its subsidiaries as an entirety.

The term “subsidiary of the Company” means a corporation a majority of the outstanding voting stock of which is owned, directly or indirectly, by the Company and/or one or more subsidiaries of the Company.

The term “U.S. Controlled Person” means a controlled foreign corporation for U.S. federal income tax purposes, a foreign person 50% or more of whose gross income from certain specified periods is effectively connected with its conduct of a United States trade or business, or a foreign partnership if, at any time during the taxable year, at least 50% of the capital or income interest in the partnership is owned by United States persons, or the partnership is engaged in a U.S. trade or business.

Meeting of Holders and Waivers of Covenants

The Fiscal Agency Agreement provides that the Company may, upon the notice specified in the Fiscal Agency Agreement, call a meeting of holders of the 4.125% EUR Notes for the purpose of obtaining a waiver of any covenant or condition set forth above under “Certain Covenants of the Company” as it relates to such 4.125% EUR Notes or to modify or amend the Fiscal Agency Agreement as it relates to such 4.125% EUR Notes or to modify or amend such 4.125% EUR Notes themselves. Persons entitled to vote a majority in principal amount of the 4.125% EUR Notes outstanding will constitute a quorum at a meeting of holders of such 4.125% EUR Notes except as hereinafter provided. In the absence of a quorum, a meeting called by the Company will be adjourned for a period of not less than 10 days, and in the absence of a quorum at any such adjourned meeting, the meeting will be further adjourned for another period of not less than 10 days, at which further adjourned meeting persons entitled to vote 25% of the principal amount of the 4.125% EUR Notes at the time outstanding will constitute a quorum at the meeting of holders of such 4.125% EUR Notes. Any action which may be taken by the meeting of holders of the 4.125% EUR Notes requires a favorable vote of the holders of the lesser of (i) a majority in principal amount of the outstanding 4.125% EUR Notes and (ii) 75% in principal amount of the 4.125% EUR Notes represented and voting at the meeting; provided that without the consent of the holder of each 4.125% EUR Note affected thereby, no modification, amendment or waiver of the Fiscal Agency Agreement or such 4.125% EUR Notes may (a) waive a default in the payment of the principal of or interest on any such 4.125% EUR Note, or change the stated maturity of the principal of or any installment of interest on any such 4.125% EUR Note; (b) reduce the principal amount of or the rate of interest on any such 4.125% EUR Note or change the obligation of the Company to pay Additional

Amounts with respect to such 4.125% EUR Note; (c) change the currency of payment of principal of or interest on any such 4.125% EUR Note (including any Additional Amount in respect thereof); (d) impair the right to institute suit for the enforcement of any such payment on or with respect to any such 4.125% EUR Note; (e) reduce the percentage of the aggregate amount of 4.125% EUR Notes outstanding necessary to modify or amend the Fiscal Agency Agreement as it relates to such 4.125% EUR Notes or to modify or amend such 4.125% EUR Notes or reduce the percentage of votes required for the adoption of any action at a meeting of holders of such 4.125% EUR Notes; or (f) modify the obligation of the Company to maintain an office or agency outside the United States and its possessions for the purposes specified in the Fiscal Agency Agreement as it relates to such 4.125% EUR Notes.

Events of Default

The 4.125% EUR Notes define an Event of Default with respect to such 4.125% EUR Notes as being any one of the following events: (a) failure to pay principal of any such 4.125% EUR Note when due; (b) failure to pay any interest on any such 4.125% EUR Note or any Additional Amount in respect of any such 4.125% EUR Note when due, continued for 30 days; (c) failure to perform any other covenant of the Company in the Fiscal Agency Agreement as it relates to such 4.125% EUR Notes, continued for 90 days after written notice as provided in the Fiscal Agency Agreement; and (d) certain events in bankruptcy, insolvency or reorganization.

If an Event of Default (other than an Event of Default specified in clause (c) of the preceding paragraph) with respect to any 4.125% EUR Note will occur and be continuing, then a holder of such 4.125% EUR Note may declare the principal amount of such 4.125% EUR Note and interest thereon to be immediately due and payable. If an Event of Default with respect to any 4.125% EUR Note will occur and be continuing, the Holders of at least 25% in principal amount of the outstanding 4.125% EUR Notes may declare the principal amount of all the 4.125% EUR Notes and interest thereon to be due and payable immediately. At any time after a declaration of acceleration with respect to the 4.125% EUR Notes has been made, but before a judgment or decree based on acceleration has been obtained, the Holders of a majority in principal amount of such outstanding 4.125% EUR Notes may, under certain circumstances, rescind and annul such acceleration. For information as to waiver of defaults, see “Meetings of Holders and Waivers of Covenants.”

Consolidation, Merger and Sale of Assets

The Company, without the consent of any Holders of 4.125% EUR Notes, may consolidate or merge with or into, or transfer or lease its assets as an entirety to, any individual, corporation, partnership, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof (a “Person”), provided that (i) the Person (if other than the Company) formed by such consolidation or into which the Company is merged or which acquires or leases the assets of the Company substantially as an entirety is organized and existing under the law of any United States jurisdiction and assumes the Company’s obligations on such 4.125% EUR Notes and under the Fiscal Agency Agreement with respect to such 4.125% EUR Notes, (ii) after giving effect to such transaction, no Event of Default with respect to such 4.125% EUR Notes, and no event which, after notice or lapse of time or both, would become an Event of Default with respect to such 4.125% EUR Notes, will have happened and be continuing, and (iii) certain other conditions are met.

4.875% EUR Notes (the “2027 Notes”)

General

The 2027 Notes were issued on May 11, 2007, as a separate series under the indenture, dated as of September 28, 1992, between us and The Bank of New York Trust Company, N.A. (as successor-in-interest to J.P. Morgan Trust Company, National Association) (the “Indenture”). The 2027 Notes were issued in an aggregate initial principal amount of €1,000,000,000, all of which remains outstanding.

The 2027 Notes bear interest at the rate of 4.875% per annum payable annually in arrears on May 11. We make interest payments to the person in whose name the 2027 Notes are registered at the close of business 10 business days before the next interest payment date. If the interest payment date is not a Business Day at the relevant place of payment, payment of interest will be made on the next day that is a Business Day at such place of payment. “Business Day” means any day that is not a Saturday or Sunday and that is not a day on which banking institutions are generally authorized or obligated by law to close in The City of New York and, for any place of payment outside of The City of New York, in such place of payment, and on which the TARGET System is open for settlement of payment in Euros.

The first interest period began on May 11, 2007.

The 2027 Notes mature on May 11, 2027, are our senior debt, ranking equally with all of our other present and future unsecured and unsubordinated indebtedness, will be repaid at par at maturity, are subject to defeasance and covenant defeasance, and are not be subject to any sinking fund. The 2027 Notes were issued in Euros.

The Indenture and the 2027 Notes do not limit the amount of indebtedness which may be incurred or the amount of securities which may be issued by us or our subsidiaries, and contain no financial or similar restrictions on us or our subsidiaries, except as described below under “Restrictive Covenants.”

Additional Amounts

All payments of principal and interest in respect of the 2027 Notes will be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or other governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by the United States or any political subdivision or taxing authority of or in the United States (collectively, “Taxes”), unless such withholding or deduction is required by law.

In the event such withholding or deduction of Taxes is required by law, subject to the limitations described below, we will pay to the holder or beneficial owner of any 2027 Note that is not a United States holder such additional amounts (“Additional Amounts”) as may be necessary in order that every net payment by us or any paying agent of principal of or interest on the 2027 Notes (including upon redemption), after deduction or withholding for or on account of such Taxes, will not be less than the amount provided for in such 2027 Note to be then due and payable before deduction or withholding for or on account of such Taxes.

However, our obligation to pay Additional Amounts will not apply to:

(a) any Taxes which would not have been so imposed but for:

(1) the existence of any present or former connection between such holder or beneficial owner (or between a fiduciary, settler, beneficiary, member or shareholder or other equity owner of, or a person having a power over, such holder or beneficial owner, if such holder or beneficial owner is an estate, a trust, a limited liability company, a partnership, a corporation or other entity) and the United States,

including, without limitation, such holder or beneficial owner (or such fiduciary, settlor, beneficiary, member, shareholder or other equity owner or person having such a power) being or having been a citizen or resident or treated as a resident of the United States or being or having been engaged in a trade or business in the United States or being or having been present in the United States or having or having had a permanent establishment in the United States;

(2) the failure of such holder or beneficial owner to comply with any requirement under United States tax laws and regulations to establish entitlement to a partial or complete exemption from such Taxes; or

(3) such holder's or beneficial owner's present or former status as a personal holding company or a foreign personal holding company with respect to the United States, as a controlled foreign corporation with respect to the United States, as a passive foreign investment company with respect to the United States, as a foreign tax exempt organization with respect to the United States or as a corporation which accumulates earnings to avoid United States federal income tax;

(b) any Taxes imposed by reason of the holder or beneficial owner:

(1) owning or having owned, directly or indirectly, actually or constructively, 10% or more of the total combined voting power of all classes of our stock;

(2) being a bank receiving interest described in section 881(c)(3)(A) of the Internal Revenue Code of 1986, as amended; or

(3) being a controlled foreign corporation with respect to the United States that is related to us by stock ownership;

(c) any Taxes which would not have been so imposed but for the presentation by the holder or beneficial owner of such 2027 Note for payment on a date more than 10 days after the date on which such payment became due and payable or the date on which payment of the 2027 Note is duly provided for and notice is given to holders, whichever occurs later, except to the extent that the holder or beneficial owner would have been entitled to such additional amounts on presenting such 2027 Note on any date during such 10-day period;

(d) any estate, inheritance, gift, sales, transfer, personal property, wealth, interest equalization or similar Taxes;

(e) any Taxes which are payable otherwise than by withholding from payment of principal of or interest on such 2027 Note;

(f) any Taxes which are payable by a holder that is not the beneficial owner of the 2027 Note, or a portion of the 2027 Note, or that is a fiduciary, partnership, limited liability company or other similar entity, but only to the extent that a beneficial owner, a beneficiary or settler with respect to such fiduciary or member of such partnership, limited liability company or similar entity would not have been entitled to the payment of an additional amount had such beneficial owner, settler, beneficiary or member received directly its beneficial or distributive share of the payment;

(g) any Taxes required to be withheld by any paying agent from any payment of principal of or interest on any 2027 Note, if such payment can be made without such withholding by any other paying agent;

(h) any Taxes required to be withheld or deducted where such withholding or deduction is imposed pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such European Council Directive;

(i) any Taxes that would not have been imposed in respect of any 2027 Note or coupon if such 2027 Note or coupon had been presented to another paying agent in a Member State of the European Union; or

(j) any combination of items (a), (b), (c), (d), (e), (f), (g), (h) and (i).

For purposes of this section, the holding of or the receipt of any payment with respect to a 2027 Note will not constitute a connection (1) between the holder or beneficial owner and the United States or (2) between a fiduciary, settler, beneficiary, member or shareholder or other equity owner of, or a person having a power over, such holder or beneficial owner if such holder or beneficial owner is an estate, a trust, a limited liability company, a partnership, a corporation or other entity and the United States.

Any reference in this description to principal or interest will be deemed to refer also to Additional Amounts which may be payable under the provisions of this section.

Except as specifically provided in the 2027 Notes, we will not be required to make any payment with respect to any tax, duty, assessment or other governmental charge imposed by any government or any political subdivision or taxing authority of or in the United States.

In addition, we undertake that, to the extent permitted by law, we will maintain a paying agent in a Member State of the European Union (if any) that will not require withholding or deduction of tax pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such European Council Directive.

Tax Redemption

Except as provided below, the 2027 Notes may not be redeemed prior to maturity. Unless previously redeemed or repurchased and canceled, the 2027 Notes will be repayable at par, including Additional Amounts, as described below, if any, on May 11, 2027 or such earlier date on which the same will be due and payable in accordance with the terms and conditions of the 2027 Notes. However, if the maturity date of the 2027 Notes is not a Business Day, the 2027 Notes will be payable on the next succeeding Business Day and no interest will accrue for the period from May 11, 2027 to such payment date.

The 2027 Notes may be redeemed at our option, in whole but not in part, at a redemption price equal to 100% of the principal amount of the 2027 Notes to be redeemed, together with interest accrued and unpaid to the date fixed for redemption, at any time, on giving not less than 30 nor more than 60 days' notice, which notice will be irrevocable, if:

(a) we have or will become obligated to pay Additional Amounts as a result of any change in or amendment to the laws, regulations or rulings of the United States or any political subdivision or any taxing authority of or in the United States affecting taxation, or any change in or amendment to an official application, interpretation, administration or enforcement of such laws, regulations or rulings, or

(b) any action will have been taken by a taxing authority, or any action has been brought in a court of competent jurisdiction, in the United States or any political subdivision or taxing authority of or in the United States, including any of those actions specified in (a) above, whether or not such action was taken or brought with respect to us, or any change, clarification, amendment, application or interpretation of

such laws, regulations or rulings will be officially proposed, which results in a substantial likelihood that we will be required to pay Additional Amounts on the next interest payment date.

However, no such notice of redemption will be given earlier than 90 days prior to the earliest date on which we would be, in the case of a redemption for the reasons specified in (a) above, or there would be a substantial likelihood that we would be, in the case of a redemption for the reasons specified in (b) above, obligated to pay such Additional Amounts if a payment in respect of the 2027 Notes were then due.

Restrictive Covenants

Restrictions on Secured Debt

If we or any Domestic Subsidiary will incur, assume or guarantee any Debt secured by a Mortgage on any Principal Domestic Manufacturing Property or on any shares of stock or debt of any Domestic Subsidiary, we will secure, or cause such Domestic Subsidiary to secure, the debt securities then outstanding equally and ratably with (or prior to) such Debt. However, we will not be restricted by this covenant if, after giving effect to the particular Debt so secured the total amount of all Debt so secured, together with all Attributable Debt in respect of sale and leaseback transactions involving Principal Domestic Manufacturing Properties, would not exceed 5% of our and our consolidated subsidiaries' Consolidated Net Tangible Assets.

In addition, the restriction will not apply to, and there will be excluded in computing secured Debt for the purpose of the restriction, Debt secured by:

- (1) Mortgages on property of, or on any shares of stock or debt of, any corporation existing at the time the corporation becomes a Domestic Subsidiary;
- (2) Mortgages in favor of us or a Domestic Subsidiary;
- (3) Mortgages in favor of U.S. governmental bodies to secure progress or advance payments;
- (4) Mortgages on property, shares of stock or debt existing at the time of their acquisition, including acquisition through merger or consolidation, purchase money Mortgages and construction cost Mortgages; and
- (5) any extension, renewal or refunding of any Mortgage referred to in the immediately preceding clauses (1) through (4), inclusive.

The Indenture does not restrict the incurrence of unsecured debt by us or our subsidiaries.

Restrictions on Sales and Leasebacks

Neither we nor any Domestic Subsidiary may enter into any sale and leaseback transaction involving any Principal Domestic Manufacturing Property, the completion of construction and commencement of full operation of which has occurred more than 120 days prior to the transaction, unless:

- we or the Domestic Subsidiary could incur a lien on the property under the restrictions described above under “Restrictions on Secured Debt” in an amount equal to the Attributable Debt with respect to the sale and leaseback transaction without equally and ratably securing the debt securities then outstanding or
-

- we, within 120 days, apply to the retirement of our Funded Debt an amount not less than the greater of (1) the net proceeds of the sale of the Principal Domestic Manufacturing Property leased pursuant to such arrangement or (2) the fair value of the Principal Domestic Manufacturing Property so leased, subject to credits for various voluntary retirements of Funded Debt.

This restriction will not apply to any sale and leaseback transaction:

- between us and a Domestic Subsidiary,
- between Domestic Subsidiaries or
- involving the taking back of a lease for a period of less than three years.

Definitions Applicable to Covenants

The term “Attributable Debt” means the total net amount of rent, discounted at 10% per annum compounded annually, required to be paid during the remaining term of any lease.

The term “Consolidated Net Tangible Assets” means the total amount of assets, less applicable reserves and other properly deductible items, after deducting (a) all current liabilities and (b) all goodwill, trade names, trademarks, patents, unamortized debt discount and expense and other like intangibles, all as described on our and our consolidated subsidiaries’ most recent balance sheet and computed in accordance with generally accepted accounting principles.

The term “Debt” means notes, bonds, debentures or other similar evidences of indebtedness for money borrowed.

The term “Domestic Subsidiary” means any of our subsidiaries except a subsidiary which neither transacts any substantial portion of its business nor regularly maintains any substantial portion of its fixed assets within the United States or which is engaged primarily in financing our and our subsidiaries’ operations outside the United States.

The term “Funded Debt” means Debt having a maturity of, or by its terms extendible or renewable for, a period of more than 12 months after the date of determination of the amount of Debt.

The term “Mortgage” means pledges, mortgages and other liens.

The term “Principal Domestic Manufacturing Property” means any facility (together with the land on which it is erected and fixtures comprising a part of the land) used primarily for manufacturing or processing, located in the United States, owned or leased by us or one of our subsidiaries and having a gross book value in excess of 3/4 of 1% of Consolidated Net Tangible Assets. However, the term “Principal Domestic Manufacturing Property” does not include any facility or portion of a facility (1) which is a pollution control or other facility financed by obligations issued by a state or local governmental unit pursuant to Section 103(b)(4)(E), 103(b)(4)(F) or 103(b)(6) of the Internal Revenue Code of 1954, or any successor provision thereof, or (2) which, in the opinion of our board of directors, is not of material importance to the total business conducted by us and our subsidiaries as an entirety.

Modification and Waiver

The Company and the trustee may make modifications of and amendments to the Indenture governing the 2027 Notes if the holders of at least 66 2/3% in principal amount of the outstanding debt securities of each series affected by the modification or amendment consent to the modification or amendment.

However, the consent of the holder of each debt security affected (including the 2027 Notes, if applicable) will be required for any modification or amendment that: (i) changes the stated maturity of the principal of, or any installment of principal of or interest on, any debt security, (ii) reduces the principal amount of, or the premium, if any, or interest, if any, on, any debt security, (iii) reduces the amount of principal of an original issue discount security payable upon acceleration of the maturity of the security, (iv) changes the place or currency of payment of principal of, or premium, if any, or interest, if any, on, any debt security, (v) impairs the right to institute suit for the enforcement of any payment on any debt security, or (vi) reduces the percentage in principal amount of debt securities of any series necessary to modify or amend the Indenture or to waive compliance with various provisions of the Indenture or to waive various defaults.

Without the consent of any holder of debt securities, including holders of 2027 Notes, we and the trustee may make modifications or amendments to the Indenture in order to: (i) evidence the succession of another person to us and the assumption by that person of the covenants in the Indenture; (ii) add to the covenants for the benefit of the holders; (iii) add additional events of default; (iv) permit or facilitate the issuance of securities in bearer form or uncertificated form; (v) add to, change, or eliminate any provision of the Indenture in respect of a series of debt securities to be created in the future; (vi) secure the securities as required by “Restrictions on Secured Debt,”; (vii) establish the form or terms of securities of any series; (viii) evidence the appointment of a successor trustee, or (ix) cure any ambiguity, correct or supplement any provision which may be inconsistent with another provision, or make any other provision, provided that any action may not adversely affect the interests of holders of debt securities in any material respect.

The holders of at least 66 2/3% in principal amount of the outstanding debt securities of any series may on behalf of the holders of all debt securities of that series waive compliance by us with various restrictive provisions of the Indenture.

The holders of a majority in principal amount of the outstanding debt securities of any series may on behalf of the holders of all debt securities of that series waive any past default with respect to that series, except: (i) a default in the payment of the principal of or premium, if any, or interest, if any, on any debt security of that series; or (ii) default in respect of a provision which under the Indenture cannot be modified or amended without the consent of the holder of each outstanding debt security of that series that would be affected.

Events of Default

Any one of the following are events of default under the Indenture: (1) our failure to pay principal of or premium, if any, on any debt security of that series when due; (2) our failure to pay any interest on any debt security of that series when due, continued for 30 days; (3) our failure to deposit any sinking fund payment, when due, in respect of any debt security of that series; (4) our failure to perform any other of our covenants in the Indenture, other than a covenant included in the Indenture solely for the benefit of other series of debt securities, continued for 90 days after written notice as provided in the Indenture; (5) certain events involving bankruptcy, insolvency or reorganization; and (6) any other event of default provided with respect to debt securities of that series.

If an event of default with respect to outstanding debt securities of any series will occur and be continuing, either the trustee or the holders of at least 25% in principal amount of the outstanding debt

securities of that series may declare the principal amount (or, if the debt securities of that series are original issue discount securities, the portion of the principal amount as may be specified in the terms of that series) of all the debt securities of that series to be due and payable immediately. At any time after a declaration of acceleration with respect to debt securities of any series has been made, but before a judgment or decree based on acceleration has been obtained, the holders of a majority in principal amount of the outstanding debt securities of that series may, under some circumstances, rescind and annul the acceleration. For information as to waiver of defaults, see “Modification and Waiver” above.

During default, the trustee has a duty to act with the required standard of care. Otherwise, the Indenture provides that the trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request or direction of any of the holders, unless the holders will have offered to the trustee reasonable indemnity. If the provisions for indemnification of the trustee have been satisfied, the holders of a majority in principal amount of the outstanding debt securities of any series will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising any trust or power conferred on the trustee, with respect to the debt securities of that series.

Consolidation, Merger and Sale of Assets

If the conditions below are met, we may, without the consent of any holders of 2027 Notes: (i) consolidate or merge with or into another entity, or (ii) transfer or lease our assets as an entirety to another entity.

We have agreed that we will engage in a consolidation, merger or transfer or lease of assets as an entirety only if: (i) the entity formed by the consolidation or into which we are merged or which acquires or leases our assets is a corporation, partnership or trust organized and existing under the laws of any United States jurisdiction and assumes our obligations on the debt securities and under the Indenture, (ii) after giving effect to the transaction, no event of default would have happened and be continuing, and (iii) certain other conditions are met.

Regarding the Trustee

The Bank of New York Trust Company, N.A. is the trustee under the Indenture.

6.250% GBP Notes (the “2030 Notes”)

General

The 2030 Notes were issued under a fiscal agency agreement (the “Fiscal Agency Agreement”), dated as of January 31, 2000, between the Company and Bank One, NA, acting through its London Branch as fiscal agent and principal paying agent and certain paying agents. The Bank of New York Mellon Trust Company N.A., as successor-in-interest to Bank One, NA, London Branch, currently serves as fiscal agent (the “Fiscal Agent”). The Bank of New York Mellon (London Branch), as successor-in-interest to Bank One, NA, London Branch, currently serves as principal paying agent. The Company initially issued £500 million aggregate principal amount of 2030 Notes, of which £105.628 million remain outstanding.

The 2030 Notes bear interest at the rate of 6.25% per annum payable annually in arrears on January 31 (an “Interest Payment Date”). If any Interest Payment Date would otherwise be a day which is not a Business Day (as defined below), the Interest Payment Date will be postponed to the next day which is a Business Day and no additional interest will be payable on account of such delayed payment. “Business Day”

means any day, other than a Saturday or Sunday, on which banks in New York City and the relevant place of payment are open for business.

The first interest period began on January 31, 2000.

The 2030 Notes are the general, direct, unsecured and unsubordinated obligations of the Company, ranking equally among themselves and equally with all other present and future unsecured and unsubordinated indebtedness of the Company. Neither the Fiscal Agency Agreement nor the 2030 Notes limit other indebtedness or securities which may be incurred or issued by the Company or its subsidiaries and contain no financial or similar restrictions on the Company or its subsidiaries except as described below under “Certain Covenants of the Company.”

The 2030 Notes were issued in British Pounds Sterling.

Redemption

The 2030 Notes may be redeemed, in whole but not in part, prior to maturity as set out below. Unless previously redeemed or repurchased and cancelled, the 2030 Notes will be payable at par including Additional Amounts, as described below, if any, on January 31, 2030 or such earlier date on which the same will be due and payable in accordance with the terms and conditions of the 2030 Notes; provided that if the maturity date of the 2030 Notes is not a Business Day, the 2030 Notes will be payable on the next succeeding Business Day (and no interest will accrue for the period from January 31, 2030 to such payment date).

Optional Redemption

The 2030 Notes may be redeemed, in whole but not in part, at any time at the option of the Company, on giving not less than 30 nor more than 60 days’ notice, at a price equal to the greater of the following, together with interest accrued and unpaid up to, but excluding, the date of redemption:

(a) 100% of the principal amount of the 2030 Notes; and

(b) that price (the “Redemption Price”), expressed as a percentage (rounded to three decimal places, 0.0005 being rounded down), at which the Gross Redemption Yield (as defined below) on the 2030 Notes, if they were to be purchased at such price on the third dealing day prior to the date of the publication of the notice of redemption, would be equal to the Gross Redemption Yield on such dealing day of 6% Treasury Stock 2028 or, if such stock is no longer in issue, of such other United Kingdom government stock as the Company, with the advice of three leading brokers operating in the gilt-edged market and/or gilt-edged market makers selected by the Company, will determine to be appropriate (the “Reference Stock”) on the basis of the middle market price of the Reference Stock prevailing at 11:00 a.m. on such dealing day as determined by J.P. Morgan Securities Ltd.

Upon the expiry of such notice, the Company will be bound to redeem the 2030 Notes at the price set forth above (including interest accrued and unpaid up to, but excluding, the date of redemption).

The “Gross Redemption Yield” on the 2030 Notes and on the Reference Stock will be expressed as a percentage and will be calculated on the basis indicated by the Joint Index and Classification Committee of the Institute and Faculty of Actuaries as reported in the Journal of the Institute of Actuaries, Vol. 105, Part I, 1978, page 18 or its successor publication.

Redemption for Tax Reasons

The 2030 Notes also may be redeemed at the option of the Company, in whole but not in part, at a redemption price equal to 100% of the principal amount of the 2030 Notes to be redeemed, together with interest accrued and unpaid to the date fixed for redemption, at any time, on giving not less than 30 nor more than 60 days' notice (which notice will be irrevocable), if (a) the Company has or will become obligated to pay Additional Amounts as a result of any change in or amendment to the laws, regulations or rulings of the United States or any political subdivision or any taxing authority thereof or therein affecting taxation, or any change in or amendment to an official application, interpretation, administration or enforcement of such laws, regulations or rulings (including a holding by a court of competent jurisdiction in the United States), or (b) any action will have been taken by any taxing authority, or any action has been brought in a court of competent jurisdiction, in the United States or any political subdivision or taxing authority thereof or therein, including any of those actions specified in (a) above (whether or not such action was taken or brought with respect to the Company) or any change, clarification, amendment, application or interpretation of such laws, regulations or rulings will be officially proposed, which results in a substantial likelihood that the Company will be required to pay Additional Amounts on the next Interest Payment Date; provided, however, that no such notice of redemption will be given earlier than 90 days prior to the earliest date on which the Company would be, in the case of a redemption for the reasons specified in (a) above, or there would be a substantial likelihood that the Company would be, in the case of a redemption for the reasons specified in (b) above, obligated to pay such Additional Amounts if a payment in respect of the 2030 Notes were then due.

Special Tax Redemption

In addition, if the Company determines, based upon a written opinion of independent legal counsel of recognized standing, that any payment made outside the United States by the Company or any paying agent (acting as agent for the Company and not as agent for the beneficial owner of a 2030 Note or coupon) of the full amount of principal or interest due with respect to any 2030 Note or coupon would, under any present or future laws or regulations of the United States, be subject to any certification, identification, documentation, information or other reporting requirement of any kind, the effect of which is the disclosure to the Company, any paying agent or any governmental authority of the nationality, residence or identity of a beneficial owner of such 2030 Note or coupon who is a United States Alien (as defined under "Payment of Additional Amounts") (other than such a requirement (a) which would not be applicable to payment made by the Company or any one of its paying agents (i) directly to the beneficial owner or (ii) to any custodian, nominee or other agent of the beneficial owner, (b) which can be satisfied by the holder who is not the beneficial owner thereof or the custodian, nominee or other agent certifying that the beneficial owner is a United States Alien, (c) which would be applicable only to a payment by a custodian, nominee or other agent of the beneficial owner to the beneficial owner, or (d) which would be applicable to a payment to any custodian, nominee, or other agent of the beneficial owner who is a United States person or a U.S. Controlled Person; provided that in each case referred to in clauses (a)(ii) and (b), payment by such custodian, nominee or other agent of such beneficial owner is not otherwise subject to any such requirement other than any such requirement which is imposed on a custodian, nominee, or other agent described in clause (d)) the Company at its election will either (x) redeem all of the 2030 Notes, upon not less than 30 nor more than 60 days' prior notice as described under "Notices" below, at a redemption price equal to 100% of their principal amount, together with accrued and unpaid interest to the redemption date, or (y) if and so long as the certification, identification, documentation, information or other reporting requirements referred to in this paragraph would be fully satisfied with respect to the 2030 Notes by payment of United States withholding, backup withholding or similar tax, pay such Additional Amounts as are necessary in order that, following the effective date of such requirements, every net payment made outside the United States by the Company or any paying agent of the principal of and

interest on a 2030 Note or a coupon appertaining thereto to a beneficial owner who is a United States Alien (but without any requirement that the nationality, residence or identity (as distinguished from status as a United States Alien) of the beneficial owner be disclosed to the Company, any paying agent or any United States governmental authority), after deduction or withholding for or on account of such United States withholding, backup withholding or similar tax (other than a withholding, backup withholding or similar tax which would not be applicable in the circumstances referred to in the second parenthetical clause of the first sentence of this paragraph) but before deduction or withholding on account of any tax, duty, assessment or other governmental charge described in (a) through (h) of the first paragraph under “Payment of Additional Amounts”, will not be less than the amount provided in the 2030 Note or the coupon to be then due and payable. The Company will make such determination and election and notify the Fiscal Agent as soon as practicable, and the Fiscal Agent will promptly give notice of such determination in the manner provided under “Notices” below (the “Determination Notice”) stating the effective date of such certification, identification, documentation, information or other reporting requirement, whether the Company will redeem the 2030 Notes or will pay the Additional Amounts specified in this paragraph and (if applicable) the last date by which the redemption of the 2030 Notes must take place. If the Company elects to redeem the 2030 Notes, such redemption will take place on such date, not later than one year after publication of the Determination Notice, as the Company elects by notice in writing to the Fiscal Agent at least 60 days before such date, unless shorter notice is acceptable to the Fiscal Agent. Notwithstanding the foregoing, the Company will not so redeem the 2030 Notes if the Company, based upon a written opinion of independent legal counsel of recognized standing, subsequently determines, not less than 30 days prior to the redemption date that subsequent payments would not be subject to any such requirement, in which case the Company will notify the Fiscal Agent in writing, and the Fiscal Agent will promptly give notice to the holders of the 2030 Notes of that determination and any earlier redemption notice will thereupon be revoked and of no further effect. If the Company elects as provided in clause (y) above to pay Additional Amounts, (A) the Company may, as long as the Company is obligated to pay such Additional Amounts, redeem all of the 2030 Notes, at any time, upon not less than 30 nor more than 60 days’ prior notice as described under “Notices” below, at a redemption price equal to 100% of their principal amount, together with accrued and unpaid interest to the redemption date but without deduction for applicable United States withholding taxes with respect to which the Company is obligated to pay Additional Amounts and (B) if the condition specified in clause (y) above is no longer satisfied, the Company will redeem all of the 2030 Notes in accordance with the provisions of this paragraph.

Payment of Additional Amounts

All payments of principal and interest in respect of the 2030 Notes or coupons will be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or other governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by the United States or any political subdivision or taxing authority thereof or therein, unless such withholding or deduction is required by law. In the event such withholding or deduction is required by law, subject to the limitations set forth below, the Company will pay as additional interest on the 2030 Notes or coupons to the holder or beneficial owner of any 2030 Note or coupon who is a United States Alien such additional amounts (“Additional Amounts”) as may be necessary in order that every net payment by the Company or any paying agent of principal of or interest on the 2030 Notes or coupons (including upon redemption), after deduction or withholding for or on account of any present or future tax, duty, assessment or other governmental charge imposed upon or as a result of such payment by the United States or any political subdivision or taxing authority thereof or therein, will not be less than the amount provided for in such 2030 Note or coupon to be then due and payable before any such tax, duty,

assessment or other governmental charge; provided, however, that the foregoing obligation to pay Additional Amounts will not apply to:

(a) any tax, duty, assessment or other governmental charge which would not have been so imposed but for (i) the existence of any present or former connection between such holder or beneficial owner (or between a fiduciary, settlor, beneficiary, member or shareholder or other equity owner of, or a person having a power over, such holder or beneficial owner, if such holder or beneficial owner is an estate, a trust, a limited liability company, a partnership, a corporation or other entity) and the United States, including, without limitation, such holder or beneficial owner (or such fiduciary, settlor, beneficiary, member, shareholder or other equity owner or person having such a power) being or having been a citizen or resident or treated as a resident thereof or being or having been engaged in a trade or business therein or being or having been present therein or having or having had a permanent establishment therein, (ii) the failure of such holder or beneficial owner to comply with any requirement under United States income tax laws and regulations to establish entitlement to a partial or complete exemption from such tax, duty, assessment or other governmental charge (other than any such exemption which is conditioned upon the disclosure to the Company, any paying agent or governmental authority of the nationality, residence or identity of the beneficial owner of the 2030 Note or coupon), or (iii) such holder's or beneficial owner's present or former status as a personal holding company or a foreign personal holding company with respect to the United States, as a controlled foreign corporation with respect to the United States, as a passive foreign investment company with respect to the United States, as a foreign tax exempt organization with respect to the United States or as a corporation which accumulates earnings to avoid United States federal income tax;

(b) any tax, duty, assessment or other governmental charge imposed by reason of the holder or beneficial owner (i) owning or having owned, directly or indirectly, actually or constructively, 10% or more of the total combined voting power of all classes of stock of the Company, (ii) being a bank receiving interest described in section 881(c)(3)(A) of the Internal Revenue Code of 1986, as amended, or (iii) being a controlled foreign corporation with respect to the United States that is related to the Company by stock ownership;

(c) any tax, duty, assessment or other governmental charge which would not have been so imposed but for the presentation by the holder or beneficial owner of such 2030 Note or coupon for payment on a date more than 10 days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for and notice is given to holders, whichever occurs later, except to the extent that the holder or beneficial owner would have been entitled to such Additional Amounts on presenting such 2030 Note or coupon on any date during such 10-day period;

(d) any estate, inheritance, gift, sales, transfer, personal property, wealth, interest equalization or any similar tax, assessment or governmental charge;

(e) any tax, duty, assessment or other governmental charge which is payable otherwise than by withholding from payment of principal of or interest on such 2030 Note or coupon;

(f) any tax, duty, assessment or other governmental charge which is payable by a holder that is not the beneficial owner of the 2030 Note or the coupon, or a portion of either, or that is a fiduciary, partnership, limited liability company or other similar entity, but only to the extent that a beneficial owner, a beneficiary or settlor with respect to such fiduciary or member of such partnership, limited liability company or similar entity would not have been entitled to the payment of an Additional Amount had such beneficial owner, settlor, beneficiary or member received directly its beneficial or distributive share of the payment;

(g) any tax, duty, assessment or other governmental charge required to be withheld by any paying agent from any payment of principal of or interest on any 2030 Note or coupon, if such payment can be made without such withholding by any other paying agent; or

(h) any combination of items (a), (b), (c), (d), (e), (f) and (g).

For purposes of the foregoing, the holding of or the receipt of any payment with respect to a 2030 Note or a coupon will not constitute a connection between the holder or beneficial owner (or between a fiduciary, settlor, beneficiary, member or shareholder or other equity owner of, or a person having a power over, such holder or beneficial owner if such holder or beneficial owner is an estate, a trust, a limited liability company, a partnership, a corporation or other entity) and the United States.

Any reference herein to principal or interest will be deemed to refer to Additional Amounts which may be payable under the provisions of this section.

Except as specifically provided in the 2030 Notes, the Company will not be required to make any payment with respect to any tax, duty, assessment or other governmental charge imposed by any government or any political subdivision or taxing authority thereof or therein.

“United States Alien” means any corporation, partnership, individual or fiduciary that, as to the United States, is (i) a foreign corporation, (ii) a nonresident alien individual, (iii) a nonresident alien fiduciary of a foreign estate or trust, or (iv) a foreign partnership one or more of the members of which is, as to the United States, a foreign corporation, a nonresident alien individual or a nonresident alien fiduciary of a foreign estate or trust.

Certain Covenants of the Company

Restrictions on Secured Debt

If the Company or any Domestic Subsidiary will incur, assume or guarantee any Debt secured by a Mortgage of any Principal Domestic Manufacturing Property or on any shares of stock or debt of any Domestic Subsidiary, the Company will secure, or cause such Domestic Subsidiary to secure, the 2030 Notes then outstanding equally and ratably with (or prior to) such Debt, unless after giving effect thereto the aggregate amount of all such Debt so secured, together with all Attributable Debt of the Company and its Domestic Subsidiaries in respect of sale and leaseback transactions involving Principal Domestic Manufacturing Properties, would not exceed 5% of the Consolidated Net Tangible Assets of the Company and its consolidated subsidiaries. The restriction will not apply to, and there will be excluded in computing secured Debt for the purpose of such restriction, Debt secured by (a) Mortgages on property of, or on any shares of stock or Debt of, any corporation existing at the time such corporation becomes a Domestic Subsidiary, (b) Mortgages in favor of the Company or a Domestic Subsidiary, (c) Mortgages in favor of U.S. governmental bodies to secure progress or advance payments, (d) Mortgages on property, shares of stock or Debt existing at the time of acquisition thereof (including acquisition through merger or consolidation), purchase money Mortgages and construction cost Mortgages and (e) any extension, renewal or refunding of any Mortgage referred to in the foregoing clauses (a) through (d), inclusive. The Fiscal Agency Agreement does not restrict the occurrence of unsecured debt by the Company or its subsidiaries.

Restrictions on Sales and Leasebacks

Neither the Company nor any Domestic Subsidiary may enter into any sale and leaseback transaction involving any Principal Domestic Manufacturing Property, the completion of construction and commencement of full operation of which has occurred more than 120 days prior thereto, unless (a) the Company or such Domestic Subsidiary could incur a lien on such property under the restrictions described above under “Restrictions on Secured Debt” in an amount equal to the Attributable Debt with respect to the sale and leaseback transaction without equally and ratably securing the 2030 Notes then outstanding or (b) the Company, within 120 days, applies to the retirement of its Funded Debt an amount not less than the greater of (i) the net proceeds of the sale of the Principal Domestic Manufacturing Property leased pursuant to such arrangement or (ii) the fair value of the Principal Domestic Manufacturing Property so leased (subject to credits for certain voluntary retirements of Funded Debt). This restriction will not apply to any sale and leaseback transaction (a) between the Company and a Domestic Subsidiary or between Domestic Subsidiaries or (b) involving the taking back of a lease for a period of less than three years.

Certain Definitions

The term “Attributable Debt” means the total net amount of rent (discounted at 10% per annum compounded annually) required to be paid during the remaining term of any lease.

The term “Consolidated Net Tangible Assets” means the aggregate amount of assets (less applicable reserves and other properly deductible items) after deducting therefrom (a) all current liabilities (excluding any amount thereof constituting Funded Debt by reason of being renewable or extendible) and (b) all goodwill, trade names, trademarks, patents, unamortized debt discount and expense and other like intangibles, all as set forth on the most recent balance sheet of the Company and its consolidated subsidiaries and computed in accordance with generally accepted accounting principles.

The term “Debt” means notes, bonds, debentures or other similar evidences of indebtedness for money borrowed.

The term “Domestic Subsidiary” means a subsidiary of the Company except a subsidiary which neither transacts any substantial portion of its business nor regularly maintains any substantial portion of its fixed assets within the United States or which is engaged primarily in financing the operations of the Company and its subsidiaries outside the United States.

The term “Funded Debt” means Debt having a maturity of, or by its terms extendible or renewable at the option of the borrower for, a period of more than 12 months after the date of determination of the amount thereof.

The term “Mortgage” means pledges, mortgages and other liens.

The term “Principal Domestic Manufacturing Property” means any facility (together with the land on which it is erected and fixtures comprising a part thereof) used primarily for manufacturing or processing, located in the United States, owned or leased by the Company or a subsidiary of the Company and having a gross book value in excess of 3/4 of 1% of Consolidated Net Tangible Assets, other than any such facility or portion thereof (i) which is a pollution control or other facility financed by obligations issued by a State or local governmental unit pursuant to Section 103(b)(4)(E), 103(b)(4)(F) or 103(b)(6) of the Internal Revenue Code of 1954, or any successor provision thereof, or (ii) which, in the opinion of the Board of Directors of the Company, is not of material importance to the total business conducted by the Company and its subsidiaries as an entirety.

The term “subsidiary of the Company” means a corporation a majority of the outstanding voting stock of which is owned, directly or indirectly, by the Company and/or one or more subsidiaries of the Company.

The term “U.S. Controlled Person” means a controlled foreign corporation for U.S. federal income tax purposes, a foreign person 50% or more of whose gross income from certain specified periods is effectively connected with its conduct of a United States trade or business, or a foreign partnership if, at any time during the taxable year, at least 50% of the capital or income interest in the partnership is owned by United States persons, or the partnership is engaged in a U.S. trade or business.

Meetings of Holders and Waivers of Covenants

The Fiscal Agency Agreement provides that the Company may, upon the notice specified in the Fiscal Agency Agreement, call a meeting of holders of 2030 Notes for the purpose of obtaining a waiver of any covenant or condition set forth above under “Certain Covenants of the Company” or to modify or amend the Fiscal Agency Agreement or the 2030 Notes. Persons entitled to vote a majority in principal amount of the 2030 Notes outstanding will constitute a quorum at a meeting of holders of 2030 Notes except as hereinafter provided. In the absence of a quorum, a meeting called by the Company will be adjourned for a period of not less than 10 days, and in the absence of a quorum at any such adjourned meeting, the meeting will be further adjourned for another period of not less than 10 days, at which further adjourned meeting persons entitled to vote 25% of the principal amount of the 2030 Notes at the time outstanding will constitute a quorum. Any action which may be taken by the meeting of holders of 2030 Notes requires a favorable vote of the holders of the lesser of (i) a majority in principal amount of the outstanding 2030 Notes and (ii) 75% in principal amount of the 2030 Notes represented and voting at the meeting; provided that without the consent of the holder of each 2030 Note affected thereby, no modification, amendment or waiver of the Fiscal Agency Agreement or the 2030 Notes may (a) waive a default in the payment of the principal of or interest on any such 2030 Note, or change the stated maturity of the principal of or any installment of interest on any such 2030 Note; (b) reduce the principal amount of or the rate of interest on any such 2030 Note or change the obligation of the Company to pay Additional Amounts with respect to such 2030 Note; (c) change the currency of payment of principal of or interest on any such 2030 Note (including any Additional Amount in respect thereof); (d) impair the right to institute suit for the enforcement of any such payment on or with respect to any such 2030 Note; (e) reduce the percentage of the aggregate amount of 2030 Notes outstanding necessary to modify or amend the Fiscal Agency Agreement or the 2030 Notes or reduce the percentage of votes required for the adoption of any action at a meeting of holders of 2030 Notes; or (f) modify the obligation of the Company to maintain an office or agency outside the United States for the purposes specified in the Fiscal Agency Agreement.

Events of Default

The 2030 Notes define an Event of Default with respect to the 2030 Notes as being any one of the following events: (a) failure to pay principal of any 2030 Note when due; (b) failure to pay any interest on any 2030 Note or any Additional Amount in respect of any 2030 Note when due, continued for 30 days; (c) failure to perform any other covenant of the Company in the Fiscal Agency Agreement, continued for 90 days after written notice as provided in the Fiscal Agency Agreement; and (d) certain events in bankruptcy, insolvency or reorganization.

If an Event of Default (other than an Event of Default specified in clause (c) of the preceding paragraph) will occur and be continuing, then a holder of any 2030 Note may declare the principal amount of such 2030 Note and interest thereon to be immediately due and payable. If an Event of Default will occur and be continuing, the Holders of at least 25% in principal amount of the outstanding 2030 Notes may declare the principal amount of all the 2030 Notes and interest thereon to be due and payable immediately. At any

time after a declaration of acceleration with respect to the 2030 Notes has been made, but before a judgment or decree based on acceleration has been obtained, the Holders of a majority in principal amount of the outstanding 2030 Notes may, under certain circumstances, rescind and annul such acceleration. For information as to waiver of defaults, see “Meetings of Holders and Waivers of Covenants.”

Consolidation, Merger and Sale of Assets

The Company, without the consent of any Holders of 2030 Notes, may consolidate or merge with or into, or transfer or lease its assets as an entirety to, any individual, corporation, partnership, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof (a “Person”), provided that (i) the Person (if other than the Company) formed by such consolidation or into which the Company is merged or which acquires or leases the assets of the Company substantially as an entirety is organized and existing under the law of any United States jurisdiction and assumes the Company’s obligations on the 2030 Notes and under the Fiscal Agency Agreement, (ii) after giving effect to such transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, will have happened and be continuing, and (iii) certain other conditions are met.

5.250% GBP Notes (the “2033 Notes”)

General

The 2033 notes were issued under a fiscal agency agreement (the “Fiscal Agency Agreement”), dated as of December 4, 2002, between the Company and Bank One, NA, acting through its London Branch as fiscal agent and principal paying agent and certain paying agents. The Bank of New York Mellon Trust Company N.A., as successor-in-interest to Bank One, NA, London Branch, currently serves as fiscal agent (the “Fiscal Agent”). The Bank of New York Mellon (London Branch), as successor-in-interest to Bank One, NA, London Branch, currently serves as principal paying agent. The Company initially issued £200 million aggregate principal amount of 2033 Notes, of which £90.789 million remain outstanding.

The 2033 Notes bear interest from, and including, December 4, 2002 at the rate of 5.25% per annum payable annually in arrears on January 19 (an “Interest Payment Date”). If any Interest Payment Date would otherwise be a day which is not a Business Day (as defined below), the Interest Payment Date will be postponed to the next day which is a Business Day and no additional interest will be payable on account of such delayed payment. “Business Day” means any day, other than a Saturday or Sunday, on which banks in New York City and the relevant place of payment are open for business.

The first interest period began on December 4, 2002.

The 2033 Notes are general, direct, unsecured and unsubordinated obligations of the Company, ranking equally among themselves and equally with all other present and future unsecured and unsubordinated indebtedness of the Company. Neither the Fiscal Agency Agreement nor the 2033 Notes will limit other indebtedness or securities which may be incurred or issued by the Company or its subsidiaries and will contain no financial or similar restrictions on the Company or its subsidiaries except as described below under “Certain Covenants of the Company.”

The 2033 Notes were issued in British Pounds Sterling.

Redemption

The 2033 Notes may be redeemed, in whole but not in part, prior to maturity as set out below. Unless previously redeemed or repurchased and cancelled, the 2033 Notes will be payable at par including Additional Amounts, as described below, if any, on January 19, 2033 or such earlier date on which the same will be due and payable in accordance with the terms and conditions of the 2033 Notes; provided that if the maturity date of the 2033 Notes is not a Business Day, the 2033 Notes will be payable on the next succeeding Business Day (and no interest will accrue for the period from January 19 to such payment date).

Optional Redemption

The 2033 Notes may be redeemed, in whole but not in part, at any time at the option of the Company, on giving not less than 30 nor more than 60 days' notice in accordance with "Notices" below, at a price equal to the greater of the following, together with interest accrued and unpaid up to, but excluding, the date of redemption:

(a) 100% of the principal amount of the 2033 Notes; and

(b) that price (the "Redemption Price"), expressed as a percentage (rounded to three decimal places, 0.0005 being rounded down), at which the Gross Redemption Yield (as defined below) on the 2033 Notes, if they were to be purchased at such price on the third dealing day prior to the date of the publication of the notice of redemption, would be equal to the Gross Redemption Yield on such dealing day of 4.25% Treasury Stock 2032 or, if such stock is no longer in issue, of such other United Kingdom government stock as the Company, with the advice of three leading brokers operating in the gilt-edged market and/or gilt-edged market makers selected by the Company, will determine to be appropriate (the "Reference Stock") on the basis of the middle market price of the Reference Stock prevailing at 11:00 a.m. on such dealing day as determined by Deutsche Bank AG London.

Upon the expiry of such notice, the Company will be bound to redeem the 2033 Notes at the price set forth above (including interest accrued and unpaid up to, but excluding, the date of redemption).

The "Gross Redemption Yield" on the 2033 Notes and on the Reference Stock will be expressed as a percentage and will be calculated on the basis indicated by the Joint Index and Classification Committee of the Institute and Faculty of Actuaries as reported in the Journal of the Institute of Actuaries, Vol. 105, Part I, 1978, page 18 or its successor publication.

Redemption for Tax Reasons

The 2033 Notes also may be redeemed at the option of the Company, in whole but not in part, at a redemption price equal to 100% of the principal amount of the 2033 Notes to be redeemed, together with interest accrued and unpaid to the date fixed for redemption, at any time, on giving not less than 30 nor more than 60 days' notice in accordance with "Notices" below (which notice will be irrevocable), if (a) the Company has or will become obligated to pay Additional Amounts as a result of any change in or amendment to the laws, regulations or rulings of the United States or any political subdivision or any taxing authority thereof or therein affecting taxation, or any change in or amendment to an official application, interpretation, administration or enforcement of such laws, regulations or rulings (including a holding by a court of competent jurisdiction in the United States), or (b) any action will have been taken by any taxing authority, or any action has been brought in a court of competent jurisdiction, in the United States or any political subdivision or taxing authority thereof or therein, including any of those actions specified in (a) above (whether or not such action was taken or brought with respect to the Company) or any change, clarification, amendment, application or interpretation of such laws, regulations or rulings will be officially proposed, which results in a substantial likelihood that the Company will be required to

pay Additional Amounts on the next Interest Payment Date; provided, however, that no such notice of redemption will be given earlier than 90 days prior to the earliest date on which the Company would be, in the case of a redemption for the reasons specified in (a) above, or there would be a substantial likelihood that the Company would be, in the case of a redemption for the reasons specified in (b) above, obligated to pay such Additional Amounts if a payment in respect of the 2033 Notes were then due.

Special Tax Redemption

In addition, if the Company determines, based upon a written opinion of independent legal counsel of recognized standing, that any payment made outside the United States by the Company or any paying agent (acting as agent for the Company and not as agent for the beneficial owner of a 2033 Note or coupon) of the full amount of principal or interest due with respect to any 2033 Note or coupon would, under any present or future laws or regulations of the United States, be subject to any certification, identification, documentation, information or other reporting requirement of any kind, the effect of which is the disclosure to the Company, any paying agent or any governmental authority of the nationality, residence or identity (as distinguished from, for example, status as a United States Alien as defined under “Payment of Additional Amounts”) of a beneficial owner of such 2033 Note or coupon who is a United States Alien (other than such a requirement which (a) would not be applicable to payment made by the Company or any one of its paying agents (i) directly to the beneficial owner or (ii) to any custodian, nominee or other agent of the beneficial owner, (b) can be satisfied by the holder who is not the beneficial owner thereof or the custodian, nominee or other agent certifying that the beneficial owner is a United States Alien, (c) would be applicable only to a payment by a custodian, nominee or other agent of the beneficial owner to the beneficial owner, or (d) would be applicable to a payment to any custodian, nominee, or other agent of the beneficial owner who is a United States person or a U.S. Controlled Person; provided that in each case referred to in clauses (a)(ii) and (b), payment by such custodian, nominee or other agent of such beneficial owner is not otherwise subject to any such requirement other than any such requirement which is imposed on a custodian, nominee, or other agent described in clause (d)) the Company at its election will either (x) redeem all of the 2033 Notes, upon not less than 30 nor more than 60 days’ prior notice as described under “Notices” below, at a redemption price equal to 100% of their principal amount, together with accrued and unpaid interest to the redemption date, or (y) if and so long as the certification, identification, documentation, information or other reporting requirements referred to in this paragraph would be fully satisfied with respect to the 2033 Notes by payment of a United States withholding, backup withholding or similar tax, pay such Additional Amounts as are necessary in order that, following the effective date of such requirements, every net payment made outside the United States by the Company or any paying agent of the principal of and interest on a 2033 Note or a coupon appertaining thereto to a beneficial owner who is a United States Alien (but without any requirement that the nationality, residence or identity (as distinguished from, for example, status as a United States Alien) of the beneficial owner be disclosed to the Company, any paying agent or any United States governmental authority), after deduction or withholding for or on account of such United States withholding, backup withholding or similar tax (other than a withholding, backup withholding or similar tax which would not be applicable in the circumstances referred to in the second parenthetical clause of the first sentence of this paragraph) but before deduction or withholding on account of any tax, duty, assessment or other governmental charge described in (a) through (j) of the first paragraph under “Payment of Additional Amounts”, will not be less than the amount provided in the 2033 Note or the coupon to be then due and payable. The Company will make such determination and election and notify the Fiscal Agent as soon as practicable, and the Fiscal Agent will promptly give notice of such determination in the manner provided under “Notices” below (the “Determination Notice”) stating the effective date of such certification, identification, documentation, information or other reporting requirement, whether the Company will redeem the 2033 Notes or will pay the Additional Amounts

specified in this paragraph and (if applicable) the last date by which the redemption of the 2033 Notes must take place. If the Company elects to redeem the 2033 Notes, such redemption will take place on such date, not later than one year after publication of the Determination Notice, as the Company elects by notice in writing to the Fiscal Agent at least 60 days before such date, unless shorter notice is acceptable to the Fiscal Agent. Notwithstanding the foregoing, the Company will not so redeem the 2033 Notes if the Company, based upon a written opinion of independent legal counsel of recognized standing, subsequently determines, not less than 30 days prior to the redemption date, that subsequent payments would not be subject to any such requirement, in which case the Company will notify the Fiscal Agent in writing, and the Fiscal Agent will promptly give notice to the holders of the 2033 Notes of that determination and any earlier redemption notice will thereupon be revoked and of no further effect. If the Company elects as provided in clause (y) above to pay Additional Amounts, (A) the Company may, as long as the Company is obligated to pay such Additional Amounts, redeem all of the 2033 Notes, at any time, upon not less than 30 nor more than 60 days' prior notice as described under "Notices" below, at a redemption price equal to 100% of their principal amount, together with accrued and unpaid interest to the redemption date but without deduction for applicable United States withholding taxes with respect to which the Company is obligated to pay Additional Amounts and (B) if the condition specified in clause (y) above is no longer satisfied, the Company will redeem all of the 2033 Notes in accordance with the provisions of this paragraph.

Payment of Additional Amounts

All payments of principal and interest in respect of the 2033 Notes or coupons will be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or other governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by the United States or any political subdivision or taxing authority thereof or therein, unless such withholding or deduction is required by law. In the event such withholding or deduction is required by law, subject to the limitations set forth below, the Company will pay as additional interest on the 2033 Notes or coupons to the holder or beneficial owner of any 2033 Note or coupon who is a United States Alien such additional amounts ("Additional Amounts") as may be necessary in order that every net payment by the Company or any paying agent of principal of or interest on the 2033 Notes or coupons (including upon redemption), after deduction or withholding for or on account of any present or future tax, duty, assessment or other governmental charge imposed upon or as a result of such payment by the United States or any political subdivision or taxing authority thereof or therein, will not be less than the amount provided for in such 2033 Note or coupon to be then due and payable before any such tax, duty, assessment or other governmental charge; provided, however, that the foregoing obligation to pay Additional Amounts will not apply to:

(a) any tax, duty, assessment or other governmental charge which would not have been so imposed but for (i) the existence of any present or former connection between such holder or beneficial owner (or between a fiduciary, settlor, beneficiary, member, shareholder or other equity owner of, or a person having a power over, such holder or beneficial owner, if such holder or beneficial owner is an estate, a trust, a limited liability company, a partnership, a corporation or other entity) and the United States, including, without limitation, such holder or beneficial owner (or such fiduciary, settlor, beneficiary, member, shareholder or other equity owner or person having such a power) being or having been a citizen or resident or treated as a resident thereof or being or having been engaged in a trade or business therein or being or having been present therein or having or having had a permanent establishment therein, (ii) the failure of such holder or beneficial owner to comply with any requirement under United States income tax laws and regulations to establish entitlement to a partial or complete exemption from such tax, duty, assessment or other governmental charge (other than any such exemption which is conditioned upon the disclosure to the Company, any paying agent or any governmental authority of the nationality, residence

or identity of the beneficial owner of the 2033 Note or coupon), or (iii) such holder or beneficial owner being or having been with respect to the United States a personal holding company, a foreign personal holding company, a controlled foreign corporation, a passive foreign investment company, a foreign private foundation, a foreign tax exempt organization or a corporation which accumulates earnings to avoid United States federal income tax;

(b) any tax, duty, assessment or other governmental charge imposed by reason of the holder or beneficial owner (i) owning or having owned, directly or indirectly, actually or constructively, 10% or more of the total combined voting power of all classes of stock of the Company, (ii) being a bank receiving interest described in section 881(c)(3)(A) of the United States Internal Revenue Code of 1986, as amended or (iii) being a controlled foreign corporation with respect to the United States that is related to the Company by stock ownership;

(c) any tax, duty, assessment or other governmental charge which would not have been so imposed but for the presentation by the holder or beneficial owner of such 2033 Note or coupon for payment on a date more than 10 days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for and notice is given to holders, whichever occurs later, except to the extent that the holder or beneficial owner would have been entitled to such Additional Amounts on presenting such 2033 Note or coupon on any date during such 10-day period;

(d) any estate, inheritance, gift, sales, transfer, personal property, wealth, interest equalization or any similar tax, assessment or governmental charge;

(e) any tax, duty, assessment or other governmental charge which is payable otherwise than by withholding from payment of principal of or interest on such 2033 Note or coupon;

(f) any tax, duty, assessment or other governmental charge which is payable by a holder that is not the beneficial owner of the 2033 Note or the coupon, or a portion of either, or that is a fiduciary, partnership, limited liability company or other similar entity, but only to the extent that a beneficial owner, a beneficiary or settlor with respect to such fiduciary or member of such partnership, limited liability company or similar entity would not have been entitled to the payment of an Additional Amount had such beneficial owner, settlor, beneficiary or member received directly its beneficial or distributive share of the payment;

(g) any tax, duty, assessment or other governmental charge required to be withheld by any paying agent from any payment of principal of or interest on any 2033 Note or coupon, if such payment can be made without such withholding by any other paying agent;

(h) any tax, duty, assessment or other governmental charge required to be withheld or deducted where such withholding or deduction is imposed on a payment to an individual pursuant to any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26th-27th November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive;

(i) any tax, duty, assessment or other governmental charge that would not have been imposed in respect of any 2033 Note or coupon if such 2033 Note or coupon had been presented to another paying agent in a Member State of the European Union; or

(j) any combination of items (a), (b), (c), (d), (e), (f), (g), (h) and (i).

For purposes of the foregoing, the holding of or the receipt of any payment with respect to a 2033 Note or a coupon will not constitute a connection between the holder or beneficial owner (or between a fiduciary, settlor, beneficiary, member or shareholder or other equity owner of, or a person having a power over,

such holder or beneficial owner if such holder or beneficial owner is an estate, a trust, a limited liability company, a partnership, a corporation or other entity) and the United States.

Any reference herein to principal or interest will be deemed to refer to Additional Amounts which may be payable under the provisions of this section.

Except as specifically provided in the 2033 Notes, the Company will not be required to make any payment with respect to any tax, duty, assessment or other governmental charge imposed by any government or any political subdivision or taxing authority thereof or therein.

“United States Alien” means a person that is not a “United States person.”

“United States person” means any citizen or resident of the United States, a corporation, partnership or other entity organized in or under the laws of the United States or any political subdivision thereof (other than any partnership treated as foreign under Regulations that may be promulgated), an estate that is subject to United States federal income taxation without regard to the source of its income, or a trust that is subject to the primary supervision of a court within the United States and the control of a United States person or that has a valid election in effect under applicable Regulations to be treated as a “United States person.”

Certain Covenants of the Company

Restrictions on Secured Debt

If the Company or any Domestic Subsidiary will incur, assume or guarantee any Debt secured by a Mortgage of any Principal Domestic Manufacturing Property or on any shares of stock or debt of any Domestic Subsidiary, the Company will secure, or cause such Domestic Subsidiary to secure, the 2033 Notes then outstanding equally and ratably with (or prior to) such Debt, unless after giving effect thereto the aggregate amount of all such Debt so secured, together with all Attributable Debt of the Company and its Domestic Subsidiaries in respect of sale and leaseback transactions involving Principal Domestic Manufacturing Properties, would not exceed five percent of the Consolidated Net Tangible Assets of the Company and its consolidated subsidiaries. The restriction will not apply to, and there will be excluded in computing secured Debt for the purpose of such restriction, Debt secured by (a) Mortgages on property of, or on any shares of stock or Debt of, any corporation existing at the time such corporation becomes a Domestic Subsidiary, (b) Mortgages in favor of the Company or a Domestic Subsidiary, (c) Mortgages in favor of U.S. governmental bodies to secure progress or advance payments, (d) Mortgages on property, shares of stock or Debt existing at the time of acquisition thereof (including acquisition through merger or consolidation), purchase money Mortgages and construction cost Mortgages and (e) any extension, renewal or refunding of any Mortgage referred to in the foregoing clauses (a) through (d), inclusive. The Fiscal Agency Agreement does not restrict the occurrence of unsecured debt by the Company or its subsidiaries.

Restrictions on Sales and Leasebacks

Neither the Company nor any Domestic Subsidiary may enter into any sale and leaseback transaction involving any Principal Domestic Manufacturing Property, the completion of construction and commencement of full operation of which has occurred more than 120 days prior thereto, unless (a) the Company or such Domestic Subsidiary could incur a lien on such property under the restrictions described above under “Restrictions on Secured Debt” in an amount equal to the Attributable Debt with respect to that sale and leaseback transaction without equally and ratably securing the 2033 Notes then outstanding or (b) the Company, within 120 days, applies to the retirement of its Funded Debt an amount not less than

the greater of (i) the net proceeds of the sale of the Principal Domestic Manufacturing Property leased pursuant to such arrangement or (ii) the fair value of the Principal Domestic Manufacturing Property so leased (subject to credits for certain voluntary retirements of Funded Debt). This restriction will not apply to any sale and leaseback transaction (a) between the Company and a Domestic Subsidiary or between Domestic Subsidiaries or (b) involving the taking back of a lease for a period of less than three years.

Certain Definitions

The term “Attributable Debt” means the total net amount of rent (discounted at 10% per annum compounded annually) required to be paid during the remaining term of any lease.

The term “Consolidated Net Tangible Assets” means the aggregate amount of assets (less applicable reserves and other properly deductible items) after deducting therefrom (a) all current liabilities (excluding any amount thereof constituting Funded Debt by reason of being renewable or extendible) and (b) all goodwill, trade names, trademarks, patents, unamortized debt discount and expense and other like intangibles, all as set forth on the most recent balance sheet of the Company and its consolidated subsidiaries and computed in accordance with generally accepted accounting principles.

The term “Debt” means notes, bonds, debentures or other similar evidences of indebtedness for money borrowed.

The term “Domestic Subsidiary” means a subsidiary of the Company except a subsidiary which neither transacts any substantial portion of its business nor regularly maintains any substantial portion of its fixed assets within the United States or which is engaged primarily in financing the operations of the Company and its subsidiaries outside the United States.

The term “Funded Debt” means Debt having a maturity of, or by its terms extendible or renewable at the option of the borrower for, a period of more than 12 months after the date of determination of the amount thereof.

The term “Mortgage” means pledges, mortgages and other liens.

The term “Principal Domestic Manufacturing Property” means any facility (together with the land on which it is created and fixtures comprising a part thereof) used primarily for manufacturing or processing, located in the United States, owned or leased by the Company or a subsidiary of the Company and having a gross book value in excess of 3/4 of 1% of Consolidated Net Tangible Assets, other than any such facility or portion thereof (i) which is a pollution control or other facility financed by obligations issued by a State or local governmental unit pursuant to Section 103(b)(4)(E), 103(b)(4)(F) or 103(b)(6) of the Internal Revenue Code of 1954, or any successor provision thereof, or (ii) which, in the opinion of the Board of Directors of the Company, is not of material importance to the total business conducted by the Company and its subsidiaries as an entirety.

The term “subsidiary of the Company” means a corporation a majority of the outstanding voting stock of which is owned, directly or indirectly, by the Company and/or one or more subsidiaries of the Company.

The term “U.S. Controlled Person” means a controlled foreign corporation for U.S. federal income tax purposes, a foreign person 50% or more of whose gross income from certain specified periods is effectively connected with its conduct of a United States trade or business, or a foreign partnership if, at any time during the taxable year, at least 50% of the capital or income interest in the partnership is owned by United States persons, or the partnership is engaged in a U.S. trade or business.

Meetings of Holders and Waivers of Covenants

The Fiscal Agency Agreement provides that the Company may, upon the notice specified in the Fiscal Agency Agreement, call a meeting of holders of 2033 Notes for the purpose of obtaining a waiver of any covenant or condition set forth above under “Certain Covenants of the Company” or to modify or amend the Fiscal Agency Agreement or the 2033 Notes. Persons entitled to vote a majority in principal amount of the 2033 Notes outstanding will constitute a quorum at a meeting of holders of 2033 Notes except as hereinafter provided. In the absence of a quorum, a meeting called by the Company will be adjourned for a period of not less than 10 days, and in the absence of a quorum at any such adjourned meeting, the meeting will be further adjourned for another period of not less than 10 days, at which further adjourned meeting persons entitled to vote 25% of the principal amount of the 2033 Notes at the time outstanding will constitute a quorum. Any action which may be taken by the meeting of holders of 2033 Notes requires a favorable vote of the holders of the lesser of (i) a majority in principal amount of the outstanding 2033 Notes and (ii) 75% in principal amount of the 2033 Notes represented and voting at the meeting; provided that without the consent of the holder of each 2033 Note affected thereby, no modification, amendment or waiver of the Fiscal Agency Agreement or the 2033 Notes may (a) waive a default in the payment of the principal of or interest on any such 2033 Note, or change the stated maturity of the principal of or any installment of interest on any such 2033 Note; (b) reduce the principal amount of or the rate of interest on any such 2033 Note or change the obligation of the Company to pay Additional Amounts with respect to such 2033 Note; (c) change the currency of payment of principal of or interest on any such 2033 Note (including any Additional Amount in respect thereof); (d) impair the right to institute suit for the enforcement of any such payment on or with respect to any such 2033 Note; (e) reduce the percentage of the aggregate amount of 2033 Notes outstanding necessary to modify or amend the Fiscal Agency Agreement or the 2033 Notes or reduce the percentage of votes required for the adoption of any action at a meeting of holders of 2033 Notes; or (f) modify the obligation of the Company to maintain an office or agency outside the United States for the purposes specified in the Fiscal Agency Agreement.

Events of Default

The 2033 Notes define an Event of Default with respect to the 2033 Notes as being any one of the following events: (a) failure to pay principal of any 2033 Note when due; (b) failure to pay any interest on any 2033 Note or any Additional Amount in respect of any 2033 Note when due, continued for 30 days; (c) failure to perform any other covenant of the Company in the Fiscal Agency Agreement, continued for 90 days after written notice as provided in the Fiscal Agency Agreement; and (d) certain events in bankruptcy, insolvency or reorganization.

If an Event of Default (other than an Event of Default specified in clause (c) of the preceding paragraph) will occur and be continuing, then a holder of any 2033 Note may declare the principal amount of such 2033 Note and interest thereon to be immediately due and payable. If an Event of Default will occur and be continuing, the Holders of at least 25% in principal amount of the outstanding 2033 Notes may declare the principal amount of all the 2033 Notes and interest thereon to be due and payable immediately. At any time after a declaration of acceleration with respect to the 2033 Notes has been made, but before a judgment or decree based on acceleration has been obtained, the Holders of a majority in principal amount of the outstanding 2033 Notes may, under certain circumstances, rescind and annul such acceleration. For information as to waiver of defaults, see “Meetings of Holders and Waivers of Covenants.”

Consolidation, Merger and Sale of Assets

The Company, without the consent of any Holders of 2033 Notes, may consolidate or merge with or into, or transfer or lease its assets as an entirety to, any person, provided that (i) the person (if other than the Company) formed by such consolidation or into which the Company is merged or which acquires or

leases the assets of the Company substantially as an entirety is organized and existing under the law of any United States jurisdiction and assumes the Company's obligations on the 2033 Notes and under the Fiscal Agency Agreement, (ii) after giving effect to such transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, will have happened and be continuing, and (iii) certain other conditions are met.

Exhibit (4-6)

Description of the Company's 0.500% Notes due 2024 and 1.250% Notes due 2029

Description of the Company's 0.500% Notes due 2024 and 1.250% Notes due 2029, Registered Under Section 12 of the Securities Exchange Act of 1934

The following summary of The Procter & Gamble Company's above referenced debt securities is based on and qualified by the Indenture, dated as of September 3, 2009, between the Company and Deutsche Bank Trust Company Americas, as Trustee (the "Indenture") and the 0.500% Notes due 2024 and 1.250% Notes Due 2029 (collectively, the "Notes"). For a complete description of the terms and provisions of the Company's Notes, refer to the Indenture, which is filed as an exhibit to this Annual Report on Form 10-K and to the forms of Notes, which are filed as exhibits to the Form 8-A filed with the Securities and Exchange Commission on October 25, 2017. Throughout this exhibit, references to "we," "our," and "us" refer to The Procter & Gamble Company.

General

The 0.500% notes:

- were issued in an aggregate initial principal amount of €500,000,000, which remains the amount outstanding, subject to our ability to issue additional 0.500% notes which may be of the same series as the 0.500% notes as described under "-Further Issues,"
- mature on October 25, 2024,
- bear interest at a rate of 0.500% per annum, payable annually in arrear,
- are unsecured
- are our senior debt, ranking equally with all of our other present and future unsecured and unsubordinated indebtedness,
- issued as a separate series under the Indenture, in registered, book-entry form only,
- are repayable at par at maturity,
- are redeemable by us at any time prior to maturity as described below under "-Optional Redemption" and in connection with certain events involving United States taxation,
- are subject to defeasance and covenant defeasance, and
- are not subject to any sinking fund.

The 1.250% notes:

- were issued in an aggregate initial principal amount of €500,000,000, which remains the amount outstanding, subject to our ability to issue additional 1.250% notes which may be of the same series as the 1.250% notes as described under "-Further Issues,"
- mature on October 25, 2029,
- bear interest at a rate of 1.250% per annum, payable annually in arrear,
- are unsecured
- are our senior debt, ranking equally with all of our other present and future unsecured and unsubordinated indebtedness,
- issued as a separate series under the Indenture, in registered, book-entry form only,
- are repayable at par at maturity,
- are redeemable by us at any time prior to maturity as described below under "-Optional Redemption" and in connection with certain events involving United States taxation,
- are subject to defeasance and covenant defeasance, and
- are not subject to any sinking fund.

The Indenture and the notes do not limit the amount of indebtedness which may be incurred or the amount of securities which may be issued by us or our subsidiaries, and contain no financial or similar restrictions

on us or our subsidiaries, except as described under the captions Restrictions on Secured Debt” and “Restrictions on Sales and Leasebacks.”

Interest

We pay interest on the 0.500% notes and the 1.250% notes annually on October 25 of each year, and on any maturity date (each, an “interest payment date”), commencing October 25, 2018 and ending on any maturity date, to the persons in whose names the 0.500% notes and the 1.250% notes are registered at the close of business on the Business Day immediately before the next interest payment date; provided, however, that interest payable on any maturity date shall be payable to the person to whom the principal of such notes shall be payable.

Interest payable on any interest payment date or maturity date shall be the amount of interest accrued from, and including, the immediately preceding interest payment date in respect of which interest has been paid or duly provided for (or from and including the original issue date, if no interest has been paid or duly provided for with respect to the notes) to, but excluding, such interest payment date or maturity date, as the case may be. If any interest payment date is not a Business Day at the relevant place of payment, we will pay interest on the next day that is a Business Day at such place of payment as if payment were made on the date such payment was due, and no interest will accrue on the amounts so payable for the period from and after such date to the immediately succeeding Business Day. If the maturity date or redemption date of the notes is not a Business Day at the relevant place of payment, we will pay interest, if any, and principal and premium, if any, on the next day that is a Business Day at such place of payment as if payment were made on the date such payment was due, and no interest will accrue on the amounts so payable for the period from and after such date to the immediately succeeding Business Day.

Where interest is to be calculated in respect of a period which is equal to or shorter than the relevant period for which interest is to be calculated (an “Interest Period”), it will be calculated on the basis of the actual number of days in the relevant period, from and including the date from which interest begins to accrue, to, but excluding, the date on which it falls due, divided by the number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last).

“Business Day” means any day that is not a Saturday or Sunday and that is not a day on which banking institutions are authorized or obligated by law or executive order to close in the City of New York or London and, for any place of payment outside of the City of New York or London, in such place of payment, and on which the Trans-European Automated Real-time Gross Settlement Express Transfer system (the TARGET2 system), or any successor thereto, operates.

The term “maturity,” when used with respect to a note, means the date on which the principal of such note or an installment of principal becomes due and payable as therein provided or as provided in the Indenture, whether at the stated maturity or by declaration of acceleration, call for redemption, repayment or otherwise.

Optional Redemption

We have the option to redeem the notes of either series, in whole or in part, at our option at any time, at a redemption price equal to the greater of (1) 100% of the principal amount of the notes to be redeemed, plus accrued interest on the notes to be redeemed to, but excluding, the date on which the notes are to be redeemed, or (2) the sum of the present values of the remaining scheduled payments of principal and interest on the notes to be redeemed, not including any portion of these payments of interest accrued as of

the date of which the notes are to be redeemed, discounted to the date on which the notes are to be redeemed on an annual basis (ACTUAL/ACTUAL (ICMA)) at the applicable Comparable Government Bond Rate (as defined below), plus 10 basis points with respect to the 0.500% notes and at the applicable Comparable Government Bond Rate, plus 15 basis points with respect to the 1.250% notes, plus accrued interest on the notes to be redeemed to, but excluding, the date on which the notes are to be redeemed.

“Comparable Government Bond Rate” means the price, expressed as a percentage (rounded to three decimal places, with 0.0005 being rounded upwards), at which the gross redemption yield on the notes to be redeemed, if they were to be purchased at such price on the third Business Day prior to the date fixed for redemption, would be equal to the gross redemption yield on such Business Day of the Comparable Government Bond (as defined below) on the basis of the middle market price of the Comparable Government Bond prevailing at 11:00 a.m. (London time) on such Business Day as determined by an independent investment bank selected by us.

“Comparable Government Bond” means, in relation to any Comparable Government Bond Rate calculation, at the discretion of an independent investment bank selected by us, a German government bond whose maturity is closest to the maturity of the notes to be redeemed, or if such independent investment bank in its discretion determines that such similar bond is not in issue, such other German government bond as such independent investment bank may, with the advice of three brokers of, and/or market makers in, German government bonds selected by us, determine to be appropriate for determining the Comparable Government Bond Rate.

In the case of a partial redemption of either series of notes, selection of the notes for redemption will be made by the depositary by lot on a pro rata basis or by any other equitable method as the depositary may decide. If any note is to be redeemed in part only, the notice of redemption that relates to the note will state the portion of the principal amount of the note to be redeemed; provided that the unredeemed portion of the note shall be €100,000 in principal amount and €1,000 multiples above that amount. A new note in a principal amount equal to the unredeemed portion of the note will be issued in the name of the holder of the note upon surrender of the original note.

Notice of any redemption will be sent at least 15 days but not more than 45 days before the redemption date to each holder of notes of the applicable series to be redeemed.

The notes of each series are also subject to redemption if certain events occur involving United States taxation. See “-Tax Redemption.”

Additional Amounts

All payments of principal and interest in respect of the notes will be made free and clear of, and without deduction or withholding for or on account of any present or future taxes, duties, assessments or other governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by the United States or any political subdivision or taxing authority of or in the United States (collectively, “Taxes”), unless such withholding or deduction is required by law.

In the event such withholding or deduction of Taxes is required by law, subject to the limitations described below, we will pay to the holder or beneficial owner of any note that is not a United States holder such additional amounts (“Additional Amounts”) as may be necessary in order that every net payment by us or any paying agent of principal of or interest on the notes (including upon redemption), after deduction or withholding for or on account of such Taxes, will not be less than the amount provided for in such note to be then due and payable before deduction or withholding for or on account of such Taxes.

However, our obligation to pay Additional Amounts shall not apply to:

(a) any Taxes which would not have been so imposed but for:

(1) the existence of any present or former connection between such holder or beneficial owner (or between a fiduciary, settlor, beneficiary, member or shareholder or other equity owner of, or a person having a power over, such holder or beneficial owner, if such holder or beneficial owner is an estate, a trust, a limited liability company, a partnership, a corporation or other entity) and the United States, including, without limitation, such holder or beneficial owner (or such fiduciary, settlor, beneficiary, member, shareholder or other equity owner or person having such a power) being or having been a citizen or resident or treated as a resident of the United States or being or having been engaged in a trade or business in the United States or being or having been present in the United States or having had a permanent establishment in the United States;

(2) the failure of such holder or beneficial owner to comply with any requirement under United States tax laws and regulations to establish entitlement to a partial or complete exemption from such Taxes (including, but not limited to, the requirement to provide Internal Revenue Service Form W-8BEN, Form W-8BEN-E, Form W-8ECI, or any subsequent versions thereof or successor thereto); or

(3) such holder's or beneficial owner's present or former status as a personal holding company or a foreign personal holding company with respect to the United States, as a controlled foreign corporation with respect to the United States, as a passive foreign investment company with respect to the United States, as a foreign tax exempt organization with respect to the United States or as a corporation which accumulates earnings to avoid U.S. federal income tax;

(b) any Taxes imposed by reason of the holder or beneficial owner:

(1) owning or having owned, directly or indirectly, actually or constructively, 10% or more of the total combined voting power of all classes of our stock,

(2) being a bank receiving interest described in section 881(c)(3)(A) of the Internal Revenue Code of 1986, as amended (the "Code"), or

(3) being a controlled foreign corporation with respect to the United States that is related to us by stock ownership;

(c) any Taxes which would not have been so imposed but for the presentation by the holder or beneficial owner of such note for payment on a date more than 10 days after the date on which such payment became due and payable or the date on which payment of the note is duly provided for and notice is given to holders, whichever occurs later, except to the extent that the holder or beneficial owner would have been entitled to such additional amounts on presenting such note on any date during such 10-day period;

(d) any estate, inheritance, gift, sales, transfer, personal property, wealth, interest equalization or similar Taxes;

(e) any Taxes which are payable otherwise than by withholding from payment of principal of or interest on such note;

(f) any Taxes which are payable by a holder that is not the beneficial owner of the note, or a portion of the note, or that is a fiduciary, partnership, limited liability company or other similar entity, but only to the extent that a beneficial owner, a beneficiary or settlor with respect to such fiduciary or member of such partnership, limited liability company or similar entity would not have been entitled to the payment of an additional amount had such beneficial owner, settlor, beneficiary or member received directly its beneficial or distributive share of the payment;

(g) any Taxes required to be withheld by any paying agent from any payment of principal of or interest on any note, if such payment can be made without such withholding by any other paying agent;

(h) any Taxes imposed under Sections 1471 through 1474 of the Code (or any amended or successor provisions that are substantively comparable) and any current or future regulations or official interpretations thereof; or

(i) any combination of items (a), (b), (c), (d), (e), (f), (g) and (h).

For purposes of this section, the acquisition, ownership, enforcement or holding of or the receipt of any payment with respect to a note will not constitute a connection (1) between the holder or beneficial owner and the United States or (2) between a fiduciary, settlor, beneficiary, member or shareholder or other equity owner of, or a person having a power over, such holder or beneficial owner if such holder or beneficial owner is an estate, a trust, a limited liability company, a partnership, a corporation or other entity and the United States.

Any reference in this exhibit to principal or interest shall be deemed to refer also to Additional Amounts which may be payable under the provisions of this section.

We will pay all stamp and other duties, if any, which may be imposed by the United States or any political subdivision thereof or taxing authority therein with respect to the issuance of the notes.

Except as specifically provided in the notes, we will not be required to make any payment with respect to any tax, duty, assessment or other governmental charge imposed by any government or any political subdivision or taxing authority of or in the United States.

Tax Redemption

The notes of either series may be redeemed at our option, in whole but not in part, at a redemption price equal to 100% of the principal amount of the notes to be redeemed, together with interest accrued and unpaid to the date fixed for redemption, at any time, on giving not less than 15 nor more than 45 days' notice if:

(a) we have or will become obligated to pay Additional Amounts as a result of any change in or amendment to the laws, regulations or rulings of the United States or any political subdivision or any taxing authority of or in the United States affecting taxation, or any change in or amendment to an official application, interpretation, administration or enforcement of such laws, regulations or rulings, which change or amendment is announced or becomes effective on or after October 23, 2017, or

(b) any action shall have been taken by a taxing authority, or any action has been brought in a court of competent jurisdiction, in the United States or any political subdivision or taxing authority of or in the United States, including any of those actions specified in (a) above, whether or not such action was taken or brought with respect to us, or any change, clarification, amendment, application or interpretation of such laws, regulations or rulings shall be officially proposed, in any such case on or after October 23,

2017, which results in a substantial likelihood that we will be required to pay Additional Amounts on the next interest payment date.

However, no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which we would be, in the case of a redemption for the reasons specified in (a) above, or there would be a substantial likelihood that we would be, in the case of a redemption for the reasons specified in (b) above, obligated to pay such Additional Amounts if a payment in respect of the notes were then due and at the time such notification of redemption is given such circumstances remain in effect.

Such notice, once delivered by us to the trustee, will be irrevocable.

Prescription

Under New York's statute of limitations, any legal action to enforce our payment obligations evidenced by the notes or the coupons must be commenced within six years after the payment thereof is due; thereafter our payment obligations will generally become unenforceable.

Further Issues

We may from time to time, without notice to or the consent of the registered holders of notes of any series, create and issue further notes ranking equally with the notes of any series in all respects. Such further notes may be consolidated and form a single series with the notes of any such series and have the same terms as to status, redemption or otherwise as the other notes of such series (other than the issue date of such further notes and first payment of interest following the issue date of such further notes).

Restrictions on Secured Debt

If we or any Domestic Subsidiary shall incur, issue, assume or guarantee any Debt secured by a Mortgage on any Principal Domestic Manufacturing Property of ours or any Domestic Subsidiary's or on any shares of stock of any Domestic Subsidiary that owns a Principal Domestic Manufacturing Property, we will secure, or cause such Domestic Subsidiary to secure, the debt securities then outstanding equally and ratably with (or prior to) such Debt. However, we will not be restricted by this covenant if, after giving effect to the particular Debt so secured the total amount of all Debt so secured, together with all Attributable Debt in respect of sale and leaseback transactions involving Principal Domestic Manufacturing Properties, would not exceed 15% of our and our consolidated subsidiaries' Consolidated Net Tangible Assets.

In addition, the restriction will not apply to, and there shall be excluded in computing secured Debt for the purpose of the restriction, Debt secured by

(1) with respect to any series of debt securities, Mortgages existing on the date of the original issuance of the debt securities of such series;

(2) Mortgages on property of, or on any shares of stock of, any corporation existing at the time the corporation becomes a Domestic Subsidiary or at the time it is merged into or consolidated with us or a Domestic Subsidiary;

(3) Mortgages in favor of us or a Domestic Subsidiary;

- (4) Mortgages in favor of U.S., State or foreign governmental bodies to secure progress or advance payments;
- (5) Mortgages on property or shares of stock existing at the time of their acquisition, including acquisition through merger or consolidation, purchase money Mortgages and construction or improvement cost Mortgages; and
- (6) any extension, renewal or refunding of any Mortgage referred to in the immediately preceding clauses (1) through (5), inclusive.

The Indenture does not restrict the incurrence of unsecured debt by us or our subsidiaries.

Restrictions on Sales and Leasebacks

Neither we nor any Domestic Subsidiary may enter into any sale and leaseback transaction involving any Principal Domestic Manufacturing Property, the completion of construction and commencement of full operation of which has occurred more than 180 days prior to the transaction, unless

- we or the Domestic Subsidiary could incur a lien on the property under the restrictions described above under “Restrictions on Secured Debt” in an amount equal to the Attributable Debt with respect to the sale and leaseback transaction without equally and ratably securing the debt securities then outstanding, or
- we, within 180 days, apply to either (or a combination of) the investment in one or more other Principal Domestic Manufacturing Properties or the retirement of our Funded Debt an amount not less than the greater of (1) the net proceeds of the sale of the Principal Domestic Manufacturing Property leased pursuant to such arrangement or (2) the fair market value of the Principal Domestic Manufacturing Property so leased, subject to credits for various voluntary retirements of Funded Debt.

This restriction will not apply to any sale and leaseback transaction

- between us and a Domestic Subsidiary,
- between Domestic Subsidiaries, or
- involving the taking back of a lease for a period of less than three years.

Definitions Applicable to Covenants

The term “Attributable Debt” means the lesser of (1) the fair market value of the Principal Domestic Manufacturing Property sold and leased back at the time of entering into a sale and leaseback transaction and (2) the total net amount of rent, discounted at 10% per annum compounded annually, required to be paid during the remaining term of any lease.

The term “Consolidated Net Tangible Assets” means our total assets, less net goodwill and other intangible assets, less total current liabilities, all as described on our and our consolidated subsidiaries’ most recent balance sheet and calculated based on positions as reported in our consolidated financial statements in accordance with generally accepted accounting principles.

The term “Debt” means notes, bonds, debentures or other similar evidences of indebtedness for money borrowed.

The term “Domestic Subsidiary” means any of our subsidiaries except a subsidiary which neither transacts any substantial portion of its business nor regularly maintains any substantial portion of its fixed assets within the United States or which is engaged primarily in financing our and our subsidiaries’ operations outside the United States.

The term “Funded Debt” means Debt having a maturity of more than 12 months from its date of creation.

The term “Mortgage” means pledges, mortgages and other liens.

The term “Principal Domestic Manufacturing Property” means any facility (together with the land on which it is erected and fixtures comprising a part of the land) used primarily for manufacturing or processing, located in the United States, owned or leased by us or one of our subsidiaries and having a gross book value in excess of 1.0% of Consolidated Net Tangible Assets. However, the term “Principal Domestic Manufacturing Property” does not include any facility or portion of a facility (1) which is financed by obligations the interest on which is exempt from U.S. federal income tax pursuant to Section 103 of the Code (or any predecessor or successor provision thereof), or (2) which, in the opinion of our board of directors, is not of material importance to the total business conducted by us and our subsidiaries as an entirety.

Events of Default

Any one of the following are events of default under the Indenture with respect to debt securities of any series:

- (1) our failure to pay principal of or premium, if any, on any debt security of that series when due;
- (2) our failure to pay any interest on any debt security of that series when due, continued for 30 days;
- (3) our failure to deposit any sinking fund payment, when due, in respect of any debt security of that series;
- (4) our failure to perform any other of our covenants in the Indenture which affects or is applicable to the debt securities of that series, other than a covenant included in the Indenture solely for the benefit of other series of debt securities, continued for 90 days after written notice as provided in the Indenture;
- (5) certain events involving bankruptcy, insolvency or reorganization; and
- (6) any other event of default provided with respect to debt securities of that series.

If an event of default with respect to outstanding debt securities of any series shall occur and be continuing, either the trustee or the holders of at least 25% in principal amount of the outstanding debt securities of that series may declare the principal amount (or, if the debt securities of that series are original issue discount securities, the portion of the principal amount as may be specified in the terms of that series) of all the debt securities of that series to be due and payable immediately. At any time after a declaration of acceleration with respect to debt securities of any series has been made, but before a judgment or decree based on acceleration has been obtained, the holders of a majority in principal amount of the outstanding debt securities of that series may, under some circumstances, rescind and annul the

acceleration. For information as to waiver of defaults, see the section below entitled “Modification and Waiver.”

During default, the trustee has a duty to act with the required standard of care. Otherwise, the Indenture provides that the trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request or direction of any of the holders, unless the holders shall have offered to the trustee reasonable indemnity. If the provisions for indemnification of the trustee have been satisfied, the holders of a majority in principal amount of the outstanding debt securities of any series will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising any trust or power conferred on the trustee, with respect to the debt securities of that series.

We will furnish to the trustee annually a certificate as to our compliance with all conditions and covenants under the Indenture.

Defeasance and Discharge

We will be discharged from any and all obligations in respect of the debt securities of any series if we deposit with the trustee, in trust, money and/or U.S. government securities which through the payment of interest and principal will provide money in an amount sufficient to pay the principal of and premium, if any, and each installment of interest on the debt securities of the series on the dates those payments are due and payable.

If we defease a series of debt securities, the holders of the debt securities of the series will not be entitled to the benefits of the Indenture, except for

- the rights of holders to receive from the trust funds payment of principal, premium and interest on the debt securities,
- our obligation to register the transfer or exchange of debt securities of the series,
- our obligation to replace stolen, lost or mutilated debt securities of the series,
- our obligation to maintain paying agencies,
- our obligation to hold monies for payment in trust, and
- the rights of holders to benefit, as applicable, from the rights, powers, trusts, duties and immunities of the trustee.

We may defease a series of debt securities only if, among other things, we have delivered to the trustee an opinion of counsel to the effect that we have received from, or there has been published by, the U.S. Internal Revenue Service a ruling to the effect that holders and beneficial owners of the debt securities of the series will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the deposit, defeasance and discharge and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if the deposit, defeasance and discharge had not occurred.

Defeasance of Covenants and Events of Default

We may omit to comply with the covenants described above under “Restrictions on Secured Debt” and “Restrictions on Sales and Leasebacks”, and the failure to comply with these covenants will not be deemed an event of default, if we deposit with the trustee, in trust, money and/or U.S. government securities which through the payment of interest and principal will provide money in an amount sufficient to pay the principal of and premium, if any, and each installment of interest on the debt securities of the

series on the dates those payments are due and payable. Our obligations under the Indenture and the debt securities of the series will remain in full force and effect, other than with respect to the defeased covenants and related events of default.

We may defease the covenants and the related events of default described above only if, among other things, we have delivered to the trustee an opinion of counsel, who may be our employee or counsel, to the effect that the holders and beneficial owners of the debt securities of the series will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the deposit and defeasance of the covenants and events of default, and the holders and beneficial owners of the debt securities of the series will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if the deposit and defeasance had not occurred.

If we choose covenant defeasance with respect to the debt securities of any series as described above and the debt securities of the series are declared due and payable because of the occurrence of any event of default other than the event of default described in clause (4) under “Events of Default,” the amount of money and U.S. government securities on deposit with the trustee will be sufficient to pay amounts due on the debt securities of the series at the time of their stated maturity. The amount on deposit with the trustee may not be sufficient to pay amounts due on the debt securities of the series at the time of the acceleration resulting from the event of default. However, we will remain liable for these payments.

Modification and Waiver

Procter & Gamble and the trustee may make modifications of and amendments to the Indenture if the holders of at least a majority in principal amount of the outstanding debt securities of each series affected by the modification or amendment consent to the modification or amendment.

However, the consent of the holder of each debt security affected is required for any modification or amendment that

- changes the stated maturity of the principal of, or any installment of principal of or interest on, any debt security,
- reduces the principal amount of, or the premium, if any, or interest, if any, on, any debt security,
- reduces the amount of principal of an original issue discount security payable upon acceleration of the maturity of the security,
- changes the place or currency of payment of principal of, or premium, if any, or interest, if any, on, any debt security,
- impairs the right to institute suit for the enforcement of any payment on any debt security, or
- reduces the percentage in principal amount of debt securities of any series necessary to modify or amend the Indenture or to waive compliance with various provisions of the Indenture or to waive various defaults.

Without the consent of any holder of debt securities, we and the trustee may make modifications or amendments to the Indenture in order to

- evidence the succession of another person to us and the assumption by that person of the covenants in the Indenture,
 - add to the covenants for the benefit of the holders,
 - add additional events of default,
 - permit or facilitate the issuance of securities in bearer form or uncertificated form,
-

- add to, change, or eliminate any provision of the Indenture in respect of a series of debt securities to be created in the future,
- secure the securities as required by “Restrictions on Secured Debt,”
- establish the form or terms of securities of any series,
- evidence the appointment of a successor trustee, or
- cure any ambiguity, correct or supplement any provision which may be inconsistent with another provision, or make any other provision, provided that any action may not adversely affect the interests of holders of debt securities in any material respect.

The holders of at least a majority in principal amount of the outstanding debt securities of any series may on behalf of the holders of all debt securities of that series waive compliance by us with various restrictive provisions of the Indenture.

The holders of a majority in principal amount of the outstanding debt securities of any series may on behalf of the holders of all debt securities of that series waive any past default with respect to that series, except

- a default in the payment of the principal of or premium, if any, or interest on any debt security of that series, or
- a default in respect of a provision which under the Indenture cannot be modified or amended without the consent of the holder of each outstanding debt security of that series that would be affected.

Consolidation, Merger and Sale of Assets

If the conditions below are met, we may, without the consent of any holders of outstanding debt securities:

- consolidate or merge with or into another entity, or
- transfer or lease our assets as an entirety to another entity.

We have agreed that we will engage in a consolidation, merger or transfer or lease of assets as an entirety only if

- either we are the surviving entity or the entity formed by the consolidation or into which we are merged or which acquires or leases our assets is a corporation, partnership, limited liability company or trust organized and existing under the laws of any United States jurisdiction and assumes our obligations on the debt securities and under the Indenture,
- after giving effect to the transaction no event of default would have happened and be continuing, and
- various other conditions are met.

Regarding the Trustee

Deutsche Bank Trust Company Americas is the trustee under the Indenture. In addition, affiliates of Deutsche Bank Trust Company Americas may perform various commercial banking and investment banking services for Procter & Gamble and its subsidiaries from time to time in the ordinary course of business.

Exhibit (4-7)

Description of the Company's 1.375% Notes due 2025 and 1.800% Notes due 2029

Description of the Company's 1.375% Notes due 2025 and 1.800% Notes due 2029, Registered Under Section 12 of the Securities Exchange Act of 1934

The following summary of The Procter & Gamble Company's above referenced debt securities is based on and qualified by the Indenture, dated as of September 3, 2009, between the Company and Deutsche Bank Trust Company Americas, as Trustee (the "Indenture") and the 1.375% Notes due 2025 and 1.800% Notes Due 2029 (collectively, the "Notes"). For a complete description of the terms and provisions of the Company's Notes, refer to the Indenture, which is filed as an exhibit to this Annual Report on Form 10-K and to the forms of Notes, which are filed as exhibits to the Form 8-A filed with the Securities and Exchange Commission on May 3, 2017. Throughout this exhibit, references to "we," "our," and "us" refer to The Procter & Gamble Company.

General

The 1.375% notes:

- were issued in an aggregate initial principal amount of £375,000,000, which remains the amount outstanding, subject to our ability to issue additional 1.375% notes which may be of the same series as the 1.375% notes as described under "-Further Issues,"
- mature on May 3, 2025,
- bear interest at a rate of 1.375% per annum, payable annually in arrear,
- are unsecured
- are our senior debt, ranking equally with all of our other present and future unsecured and unsubordinated indebtedness,
- issued as a separate series under the Indenture, in registered, book-entry form only,
- are repayable at par at maturity,
- are redeemable by us at any time prior to maturity as described below under "-Optional Redemption" and in connection with certain events involving United States taxation,
- are subject to defeasance and covenant defeasance, and
- are not subject to any sinking fund.

The 1.800% notes:

- were issued in an aggregate initial principal amount of £375,000,000, which remains the amount outstanding, subject to our ability to issue additional 1.800% notes which may be of the same series as the 1.800% notes as described under "-Further Issues,"
- mature on May 3, 2029,
- bear interest at a rate of 1.800% per annum, payable annually in arrear,
- are unsecured
- are our senior debt, ranking equally with all of our other present and future unsecured and unsubordinated indebtedness,
- issued as a separate series under the Indenture, in registered, book-entry form only,
- are repayable at par at maturity,
- are redeemable by us at any time prior to maturity as described below under "-Optional Redemption" and in connection with certain events involving United States taxation,
- are subject to defeasance and covenant defeasance, and
- are not subject to any sinking fund.

The Indenture and the notes do not limit the amount of indebtedness which may be incurred or the amount of securities which may be issued by us or our subsidiaries, and contain no financial or similar restrictions on us or our subsidiaries, except as described under the captions "Restrictions on Secured Debt" and "Restrictions on Sales and Leasebacks."

Interest

We pay interest on the 1.375% notes and the 1.800% notes annually on May 3 of each year, and on any maturity date (each, an “interest payment date”), commencing May 3, 2018 and ending on any maturity date, to the persons in whose names the 1.375% notes and the 1.800% notes are registered at the close of business on the Business Day immediately before the next interest payment date; provided, however, that interest payable on any maturity date shall be payable to the person to whom the principal of such notes shall be payable.

Interest payable on any interest payment date or maturity date shall be the amount of interest accrued from, and including, the immediately preceding interest payment date in respect of which interest has been paid or duly provided for (or from and including the original issue date, if no interest has been paid or duly provided for with respect to the notes) to, but excluding, such interest payment date or maturity date, as the case may be. If any interest payment date is not a Business Day at the relevant place of payment, we will pay interest on the next day that is a Business Day at such place of payment as if payment were made on the date such payment was due, and no interest will accrue on the amounts so payable for the period from and after such date to the immediately succeeding Business Day. If the maturity date or redemption date of the notes is not a Business Day at the relevant place of payment, we will pay interest, if any, and principal and premium, if any, on the next day that is a Business Day at such place of payment as if payment were made on the date such payment was due, and no interest will accrue on the amounts so payable for the period from and after such date to the immediately succeeding Business Day.

Where interest is to be calculated in respect of a period which is equal to or shorter than the relevant period for which interest is to be calculated (an “Interest Period”), it will be calculated on the basis of the actual number of days in the relevant period, from and including the date from which interest begins to accrue, to, but excluding, the date on which it falls due, divided by the number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last).

“Business Day” means any day that is not a Saturday or Sunday and that is not a day on which banking institutions are authorized or obligated by law or executive order to close in the City of New York or London and, for any place of payment outside of the City of New York or London, in such place of payment.

The term “maturity,” when used with respect to a note, means the date on which the principal of such note or an installment of principal becomes due and payable as therein provided or as provided in the Indenture, whether at the stated maturity or by declaration of acceleration, call for redemption, repayment or otherwise.

Optional Redemption

We have the option to redeem the notes of either series, in whole or in part, at our option at any time, at a redemption price equal to the greater of (1) 100% of the principal amount of the notes to be redeemed, plus accrued interest on the notes to be redeemed to, but excluding, the date on which the notes are to be redeemed, or (2) the sum of the present values of the remaining scheduled payments of principal and interest on the notes to be redeemed, not including any portion of these payments of interest accrued as of the date of which the notes are to be redeemed, discounted to the date on which the notes are to be redeemed on an annual basis (ACTUAL/ACTUAL (ICMA)) at the applicable Comparable Government Bond Rate (as defined below), plus 10 basis points with respect to the 1.375% notes and at the applicable

Comparable Government Bond Rate, plus 12.5 basis points with respect to the 1.800% notes, plus accrued interest on the notes to be redeemed to, but excluding, the date on which the notes are to be redeemed.

“Comparable Government Bond Rate” means the price, expressed as a percentage (rounded to three decimal places, with 0.0005 being rounded upwards), at which the gross redemption yield on the notes to be redeemed, if they were to be purchased at such price on the third Business Day prior to the date fixed for redemption, would be equal to the gross redemption yield on such Business Day of the Comparable Government Bond (as defined below) on the basis of the middle market price of the Comparable Government Bond prevailing at 11:00 a.m. (London time) on such Business Day as determined by an independent investment bank selected by us.

“Comparable Government Bond” means, in relation to any Comparable Government Bond Rate calculation, at the discretion of an independent investment bank selected by us, a United Kingdom government bond whose maturity is closest to the maturity of the notes to be redeemed, or if such independent investment bank in its discretion determines that such similar bond is not in issue, such other United Kingdom government bond as such independent investment bank may, with the advice of three brokers of, and/or market makers in, United Kingdom government bonds selected by us, determine to be appropriate for determining the Comparable Government Bond Rate.

In the case of a partial redemption of either series of notes, selection of the notes for redemption will be made by the depositary by lot on a pro rata basis or by any other equitable method as the depositary may decide. If any note is to be redeemed in part only, the notice of redemption that relates to the note will state the portion of the principal amount of the note to be redeemed; provided that the unredeemed portion of the note shall be €100,000 in principal amount and €1,000 multiples above that amount. A new note in a principal amount equal to the unredeemed portion of the note will be issued in the name of the holder of the note upon surrender of the original note.

Notice of any redemption will be sent at least 15 days but not more than 45 days before the redemption date to each holder of notes of the applicable series to be redeemed.

The notes of each series are also subject to redemption if certain events occur involving United States taxation. See “-Tax Redemption.”

Additional Amounts

All payments of principal and interest in respect of the notes will be made free and clear of, and without deduction or withholding for or on account of any present or future taxes, duties, assessments or other governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by the United States or any political subdivision or taxing authority of or in the United States (collectively, “Taxes”), unless such withholding or deduction is required by law.

In the event such withholding or deduction of Taxes is required by law, subject to the limitations described below, we will pay to the holder or beneficial owner of any note that is not a United States holder such additional amounts (“Additional Amounts”) as may be necessary in order that every net payment by us or any paying agent of principal of or interest on the notes (including upon redemption), after deduction or withholding for or on account of such Taxes, will not be less than the amount provided for in such note to be then due and payable before deduction or withholding for or on account of such Taxes.

However, our obligation to pay Additional Amounts shall not apply to:

(a) any Taxes which would not have been so imposed but for:

(1) the existence of any present or former connection between such holder or beneficial owner (or between a fiduciary, settlor, beneficiary, member or shareholder or other equity owner of, or a person having a power over, such holder or beneficial owner, if such holder or beneficial owner is an estate, a trust, a limited liability company, a partnership, a corporation or other entity) and the United States, including, without limitation, such holder or beneficial owner (or such fiduciary, settlor, beneficiary, member, shareholder or other equity owner or person having such a power) being or having been a citizen or resident or treated as a resident of the United States or being or having been engaged in a trade or business in the United States or being or having been present in the United States or having had a permanent establishment in the United States;

(2) the failure of such holder or beneficial owner to comply with any requirement under United States tax laws and regulations to establish entitlement to a partial or complete exemption from such Taxes (including, but not limited to, the requirement to provide Internal Revenue Service Form W-8BEN, Form W-8BEN-E, Form W-8ECI, or any subsequent versions thereof or successor thereto); or

(3) such holder's or beneficial owner's present or former status as a personal holding company or a foreign personal holding company with respect to the United States, as a controlled foreign corporation with respect to the United States, as a passive foreign investment company with respect to the United States, as a foreign tax exempt organization with respect to the United States or as a corporation which accumulates earnings to avoid U.S. federal income tax;

(b) any Taxes imposed by reason of the holder or beneficial owner:

(1) owning or having owned, directly or indirectly, actually or constructively, 10% or more of the total combined voting power of all classes of our stock,

(2) being a bank receiving interest described in section 881(c)(3)(A) of the Internal Revenue Code of 1986, as amended (the "Code"), or

(3) being a controlled foreign corporation with respect to the United States that is related to us by stock ownership;

(c) any Taxes which would not have been so imposed but for the presentation by the holder or beneficial owner of such note for payment on a date more than 10 days after the date on which such payment became due and payable or the date on which payment of the note is duly provided for and notice is given to holders, whichever occurs later, except to the extent that the holder or beneficial owner would have been entitled to such additional amounts on presenting such note on any date during such 10-day period;

(d) any estate, inheritance, gift, sales, transfer, personal property, wealth, interest equalization or similar Taxes;

(e) any Taxes which are payable otherwise than by withholding from payment of principal of or interest on such note;

(f) any Taxes which are payable by a holder that is not the beneficial owner of the note, or a portion of the note, or that is a fiduciary, partnership, limited liability company or other similar entity, but only to the extent that a beneficial owner, a beneficiary or settlor with respect to such fiduciary or member of such partnership, limited liability company or similar entity would not have been entitled to the payment of an

additional amount had such beneficial owner, settlor, beneficiary or member received directly its beneficial or distributive share of the payment;

(g) any Taxes required to be withheld by any paying agent from any payment of principal of or interest on any note, if such payment can be made without such withholding by any other paying agent;

(h) any Taxes imposed under Sections 1471 through 1474 of the Code (or any amended or successor provisions that are substantively comparable) and any current or future regulations or official interpretations thereof; or

(i) any combination of items (a), (b), (c), (d), (e), (f), (g) and (h).

For purposes of this section, the acquisition, ownership, enforcement or holding of or the receipt of any payment with respect to a note will not constitute a connection (1) between the holder or beneficial owner and the United States or (2) between a fiduciary, settlor, beneficiary, member or shareholder or other equity owner of, or a person having a power over, such holder or beneficial owner if such holder or beneficial owner is an estate, a trust, a limited liability company, a partnership, a corporation or other entity and the United States.

Any reference in this exhibit to principal or interest shall be deemed to refer also to Additional Amounts which may be payable under the provisions of this section.

We will pay all stamp and other duties, if any, which may be imposed by the United States or any political subdivision thereof or taxing authority therein with respect to the issuance of the notes.

Except as specifically provided in the notes, we will not be required to make any payment with respect to any tax, duty, assessment or other governmental charge imposed by any government or any political subdivision or taxing authority of or in the United States.

Tax Redemption

The notes of either series may be redeemed at our option, in whole but not in part, at a redemption price equal to 100% of the principal amount of the notes to be redeemed, together with interest accrued and unpaid to the date fixed for redemption, at any time, on giving not less than 15 nor more than 45 days' notice if:

(a) we have or will become obligated to pay Additional Amounts as a result of any change in or amendment to the laws, regulations or rulings of the United States or any political subdivision or any taxing authority of or in the United States affecting taxation, or any change in or amendment to an official application, interpretation, administration or enforcement of such laws, regulations or rulings, which change or amendment is announced or becomes effective on or after April 27, 2017, or

(b) any action shall have been taken by a taxing authority, or any action has been brought in a court of competent jurisdiction, in the United States or any political subdivision or taxing authority of or in the United States, including any of those actions specified in (a) above, whether or not such action was taken or brought with respect to us, or any change, clarification, amendment, application or interpretation of such laws, regulations or rulings shall be officially proposed, in any such case on or after April 27, 2017, which results in a substantial likelihood that we will be required to pay Additional Amounts on the next interest payment date.

However, no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which we would be, in the case of a redemption for the reasons specified in (a) above, or there would be a substantial likelihood that we would be, in the case of a redemption for the reasons specified in (b) above, obligated to pay such Additional Amounts if a payment in respect of the notes were then due and at the time such notification of redemption is given such circumstances remain in effect.

Such notice, once delivered by us to the trustee, will be irrevocable.

Prescription

Under New York's statute of limitations, any legal action to enforce our payment obligations evidenced by the notes or the coupons must be commenced within six years after the payment thereof is due; thereafter our payment obligations will generally become unenforceable.

Further Issues

We may from time to time, without notice to or the consent of the registered holders of notes of any series, create and issue further notes ranking equally with the notes of any series in all respects. Such further notes may be consolidated and form a single series with the notes of any such series and have the same terms as to status, redemption or otherwise as the other notes of such series (other than the issue date of such further notes and first payment of interest following the issue date of such further notes).

Restrictions on Secured Debt

If we or any Domestic Subsidiary shall incur, issue, assume or guarantee any Debt secured by a Mortgage on any Principal Domestic Manufacturing Property of ours or any Domestic Subsidiary's or on any shares of stock of any Domestic Subsidiary that owns a Principal Domestic Manufacturing Property, we will secure, or cause such Domestic Subsidiary to secure, the debt securities then outstanding equally and ratably with (or prior to) such Debt. However, we will not be restricted by this covenant if, after giving effect to the particular Debt so secured the total amount of all Debt so secured, together with all Attributable Debt in respect of sale and leaseback transactions involving Principal Domestic Manufacturing Properties, would not exceed 15% of our and our consolidated subsidiaries' Consolidated Net Tangible Assets.

In addition, the restriction will not apply to, and there shall be excluded in computing secured Debt for the purpose of the restriction, Debt secured by

- (1) with respect to any series of debt securities, Mortgages existing on the date of the original issuance of the debt securities of such series;
 - (2) Mortgages on property of, or on any shares of stock of, any corporation existing at the time the corporation becomes a Domestic Subsidiary or at the time it is merged into or consolidated with us or a Domestic Subsidiary;
 - (3) Mortgages in favor of us or a Domestic Subsidiary;
 - (4) Mortgages in favor of U.S., State or foreign governmental bodies to secure progress or advance payments;
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(5) Mortgages on property or shares of stock existing at the time of their acquisition, including acquisition through merger or consolidation, purchase money Mortgages and construction or improvement cost Mortgages; and

(6) any extension, renewal or refunding of any Mortgage referred to in the immediately preceding clauses (1) through (5) , inclusive.

The Indenture does not restrict the incurrence of unsecured debt by us or our subsidiaries.

Restrictions on Sales and Leasebacks

Neither we nor any Domestic Subsidiary may enter into any sale and leaseback transaction involving any Principal Domestic Manufacturing Property, the completion of construction and commencement of full operation of which has occurred more than 180 days prior to the transaction, unless

- we or the Domestic Subsidiary could incur a lien on the property under the restrictions described above under “Restrictions on Secured Debt” in an amount equal to the Attributable Debt with respect to the sale and leaseback transaction without equally and ratably securing the debt securities then outstanding, or
- we, within 180 days, apply to either (or a combination of) the investment in one or more other Principal Domestic Manufacturing Properties or the retirement of our Funded Debt an amount not less than the greater of (1) the net proceeds of the sale of the Principal Domestic Manufacturing Property leased pursuant to such arrangement or (2) the fair market value of the Principal Domestic Manufacturing Property so leased, subject to credits for various voluntary retirements of Funded Debt.

This restriction will not apply to any sale and leaseback transaction

- between us and a Domestic Subsidiary,
- between Domestic Subsidiaries, or
- involving the taking back of a lease for a period of less than three years.

Definitions Applicable to Covenants

The term “Attributable Debt” means the lesser of (1) the fair market value of the Principal Domestic Manufacturing Property sold and leased back at the time of entering into a sale and leaseback transaction and (2) the total net amount of rent, discounted at 10% per annum compounded annually, required to be paid during the remaining term of any lease.

The term “Consolidated Net Tangible Assets” means our total assets, less net goodwill and other intangible assets, less total current liabilities, all as described on our and our consolidated subsidiaries’ most recent balance sheet and calculated based on positions as reported in our consolidated financial statements in accordance with generally accepted accounting principles.

The term “Debt” means notes, bonds, debentures or other similar evidences of indebtedness for money borrowed.

The term “Domestic Subsidiary” means any of our subsidiaries except a subsidiary which neither transacts any substantial portion of its business nor regularly maintains any substantial portion of its fixed assets within the United States or which is engaged primarily in financing our and our subsidiaries’ operations outside the United States.

The term “Funded Debt” means Debt having a maturity of more than 12 months from its date of creation.

The term “Mortgage” means pledges, mortgages and other liens.

The term “Principal Domestic Manufacturing Property” means any facility (together with the land on which it is erected and fixtures comprising a part of the land) used primarily for manufacturing or processing, located in the United States, owned or leased by us or one of our subsidiaries and having a gross book value in excess of 1.0% of Consolidated Net Tangible Assets. However, the term “Principal Domestic Manufacturing Property” does not include any facility or portion of a facility (1) which is financed by obligations the interest on which is exempt from U.S. federal income tax pursuant to Section 103 of the Code (or any predecessor or successor provision thereof), or (2) which, in the opinion of our board of directors, is not of material importance to the total business conducted by us and our subsidiaries as an entirety.

Events of Default

Any one of the following are events of default under the Indenture with respect to debt securities of any series:

- (1) our failure to pay principal of or premium, if any, on any debt security of that series when due;
- (2) our failure to pay any interest on any debt security of that series when due, continued for 30 days;
- (3) our failure to deposit any sinking fund payment, when due, in respect of any debt security of that series;
- (4) our failure to perform any other of our covenants in the Indenture which affects or is applicable to the debt securities of that series, other than a covenant included in the Indenture solely for the benefit of other series of debt securities, continued for 90 days after written notice as provided in the Indenture;
- (5) certain events involving bankruptcy, insolvency or reorganization; and
- (6) any other event of default provided with respect to debt securities of that series.

If an event of default with respect to outstanding debt securities of any series shall occur and be continuing, either the trustee or the holders of at least 25% in principal amount of the outstanding debt securities of that series may declare the principal amount (or, if the debt securities of that series are original issue discount securities, the portion of the principal amount as may be specified in the terms of that series) of all the debt securities of that series to be due and payable immediately. At any time after a declaration of acceleration with respect to debt securities of any series has been made, but before a judgment or decree based on acceleration has been obtained, the holders of a majority in principal amount of the outstanding debt securities of that series may, under some circumstances, rescind and annul the acceleration. For information as to waiver of defaults, see the section below entitled “Modification and Waiver.”

During default, the trustee has a duty to act with the required standard of care. Otherwise, the Indenture provides that the trustee will be under no obligation to exercise any of its rights or powers under the

Indenture at the request or direction of any of the holders, unless the holders shall have offered to the trustee reasonable indemnity. If the provisions for indemnification of the trustee have been satisfied, the holders of a majority in principal amount of the outstanding debt securities of any series will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising any trust or power conferred on the trustee, with respect to the debt securities of that series.

We will furnish to the trustee annually a certificate as to our compliance with all conditions and covenants under the Indenture.

Defeasance and Discharge

We will be discharged from any and all obligations in respect of the debt securities of any series if we deposit with the trustee, in trust, money and/or U.S. government securities which through the payment of interest and principal will provide money in an amount sufficient to pay the principal of and premium, if any, and each installment of interest on the debt securities of the series on the dates those payments are due and payable.

If we defease a series of debt securities, the holders of the debt securities of the series will not be entitled to the benefits of the Indenture, except for

- the rights of holders to receive from the trust funds payment of principal, premium and interest on the debt securities,
- our obligation to register the transfer or exchange of debt securities of the series,
- our obligation to replace stolen, lost or mutilated debt securities of the series,
- our obligation to maintain paying agencies,
- our obligation to hold monies for payment in trust, and
- the rights of holders to benefit, as applicable, from the rights, powers, trusts, duties and immunities of the trustee.

We may defease a series of debt securities only if, among other things, we have delivered to the trustee an opinion of counsel to the effect that we have received from, or there has been published by, the U.S. Internal Revenue Service a ruling to the effect that holders and beneficial owners of the debt securities of the series will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the deposit, defeasance and discharge and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if the deposit, defeasance and discharge had not occurred.

Defeasance of Covenants and Events of Default

We may omit to comply with the covenants described above under “Restrictions on Secured Debt” and “Restrictions on Sales and Leasebacks”, and the failure to comply with these covenants will not be deemed an event of default, if we deposit with the trustee, in trust, money and/or U.S. government securities which through the payment of interest and principal will provide money in an amount sufficient to pay the principal of and premium, if any, and each installment of interest on the debt securities of the series on the dates those payments are due and payable. Our obligations under the Indenture and the debt securities of the series will remain in full force and effect, other than with respect to the defeased covenants and related events of default.

We may defease the covenants and the related events of default described above only if, among other things, we have delivered to the trustee an opinion of counsel, who may be our employee or counsel, to the effect that the holders and beneficial owners of the debt securities of the series will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the deposit and defeasance of the covenants and events of default, and the holders and beneficial owners of the debt securities of the series will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if the deposit and defeasance had not occurred.

If we choose covenant defeasance with respect to the debt securities of any series as described above and the debt securities of the series are declared due and payable because of the occurrence of any event of default other than the event of default described in clause (4) under “Events of Default,” the amount of money and U.S. government securities on deposit with the trustee will be sufficient to pay amounts due on the debt securities of the series at the time of their stated maturity. The amount on deposit with the trustee may not be sufficient to pay amounts due on the debt securities of the series at the time of the acceleration resulting from the event of default. However, we will remain liable for these payments.

Modification and Waiver

Procter & Gamble and the trustee may make modifications of and amendments to the Indenture if the holders of at least a majority in principal amount of the outstanding debt securities of each series affected by the modification or amendment consent to the modification or amendment.

However, the consent of the holder of each debt security affected is required for any modification or amendment that

- changes the stated maturity of the principal of, or any installment of principal of or interest on, any debt security,
- reduces the principal amount of, or the premium, if any, or interest, if any, on, any debt security,
- reduces the amount of principal of an original issue discount security payable upon acceleration of the maturity of the security,
- changes the place or currency of payment of principal of, or premium, if any, or interest, if any, on, any debt security,
- impairs the right to institute suit for the enforcement of any payment on any debt security, or
- reduces the percentage in principal amount of debt securities of any series necessary to modify or amend the Indenture or to waive compliance with various provisions of the Indenture or to waive various defaults.

Without the consent of any holder of debt securities, we and the trustee may make modifications or amendments to the Indenture in order to

- evidence the succession of another person to us and the assumption by that person of the covenants in the Indenture,
 - add to the covenants for the benefit of the holders,
 - add additional events of default,
 - permit or facilitate the issuance of securities in bearer form or uncertificated form,
 - add to, change, or eliminate any provision of the Indenture in respect of a series of debt securities to be created in the future,
 - secure the securities as required by “Restrictions on Secured Debt,”
 - establish the form or terms of securities of any series,
 - evidence the appointment of a successor trustee, or
-

- cure any ambiguity, correct or supplement any provision which may be inconsistent with another provision, or make any other provision, provided that any action may not adversely affect the interests of holders of debt securities in any material respect.

The holders of at least a majority in principal amount of the outstanding debt securities of any series may on behalf of the holders of all debt securities of that series waive compliance by us with various restrictive provisions of the Indenture.

The holders of a majority in principal amount of the outstanding debt securities of any series may on behalf of the holders of all debt securities of that series waive any past default with respect to that series, except

- a default in the payment of the principal of or premium, if any, or interest on any debt security of that series, or
- a default in respect of a provision which under the Indenture cannot be modified or amended without the consent of the holder of each outstanding debt security of that series that would be affected.

Consolidation, Merger and Sale of Assets

If the conditions below are met, we may, without the consent of any holders of outstanding debt securities:

- consolidate or merge with or into another entity, or
- transfer or lease our assets as an entirety to another entity.

We have agreed that we will engage in a consolidation, merger or transfer or lease of assets as an entirety only if

- either we are the surviving entity or the entity formed by the consolidation or into which we are merged or which acquires or leases our assets is a corporation, partnership, limited liability company or trust organized and existing under the laws of any United States jurisdiction and assumes our obligations on the debt securities and under the Indenture,
- after giving effect to the transaction no event of default would have happened and be continuing, and
- various other conditions are met.

Regarding the Trustee

Deutsche Bank Trust Company Americas is the trustee under the Indenture. In addition, affiliates of Deutsche Bank Trust Company Americas may perform various commercial banking and investment banking services for Procter & Gamble and its subsidiaries from time to time in the ordinary course of business.

Exhibit (4-8)

Description of the Company's 1.125% Notes due 2023

Description of the Company's 1.125% Notes due 2023, Registered Under Section 12 of the Securities Exchange Act of 1934

The following summary of The Procter & Gamble Company's above referenced debt securities is based on and qualified by the Indenture, dated as of September 3, 2009, between the Company and Deutsche Bank Trust Company Americas, as Trustee (the "Indenture") and the 1.125% Notes Due 2023 (the "Notes"). For a complete description of the terms and provisions of the Company's Notes, refer to the Indenture, which is filed as an exhibit to this Annual Report on Form 10-K and to the form of Notes, which is filed as an exhibit to the Form 8-A filed with the Securities and Exchange Commission on November 2, 2015. Throughout this exhibit, references to "we," "our," and "us" refer to The Procter & Gamble Company.

General

The 1.125% notes:

- were issued in an aggregate initial principal amount of €1,250,000,000, which remains the amount outstanding, subject to our ability to issue additional 1.125% notes which may be of the same series as the 1.125% notes as described under "-Further Issues,"
- mature on November 2, 2023,
- bear interest at a rate of 1.125% per annum, payable annually in arrear,
- are unsecured
- are our senior debt, ranking equally with all of our other present and future unsecured and unsubordinated indebtedness,
- issued as a separate series under the Indenture, in registered, book-entry form only,
- are repayable at par at maturity,
- are redeemable by us at any time prior to maturity as described below under "-Optional Redemption" and in connection with certain events involving United States taxation,
- are subject to defeasance and covenant defeasance, and
- are not subject to any sinking fund.

The Indenture and the notes do not limit the amount of indebtedness which may be incurred or the amount of securities which may be issued by us or our subsidiaries, and contain no financial or similar restrictions on us or our subsidiaries, except as described under the captions "Restrictions on Secured Debt" and "Restrictions on Sales and Leasebacks."

Interest

We pay interest on the notes annually on November 2 of each year, and on any maturity date (each, an "interest payment date"), commencing November 2, 2016, and ending on any maturity date, to the persons in whose names the notes are registered at the close of business on the Business Day immediately before the next interest payment date; provided, however, that interest payable on any maturity date shall be payable to the person to whom the principal of such notes shall be payable.

Interest payable on any interest payment date or maturity date shall be the amount of interest accrued from, and including, the immediately preceding interest payment date in respect of which interest has been paid or duly provided for (or from and including the original issue date, if no interest has been paid or duly provided for with respect to the notes) to, but excluding, such interest payment date or maturity date, as the case may be. If any interest payment date is not a Business Day at the relevant place of payment, we will pay interest on the next day that is a Business Day at such place of payment as if payment were made on the date such payment was due, and no interest will accrue on the amounts so payable for the period from and after such date to the immediately succeeding Business Day. If the

maturity date or redemption date of the notes is not a Business Day at the relevant place of payment, we will pay interest, if any, and principal and premium, if any, on the next day that is a Business Day at such place of payment as if payment were made on the date such payment was due, and no interest will accrue on the amounts so payable for the period from and after such date to the immediately succeeding Business Day.

Where interest is to be calculated in respect of a period which is equal to or shorter than the relevant period for which interest is to be calculated (an “Interest Period”), it will be calculated on the basis of the actual number of days in the relevant period, from and including the date from which interest begins to accrue, to, but excluding, the date on which it falls due, divided by the number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last).

“Business Day” means any day that is not a Saturday or Sunday and that is not a day on which banking institutions are authorized or obligated by law or executive order to close in the City of New York or London and, for any place of payment outside of the City of New York or London, in such place of payment, and on which the Trans-European Automated Real-time Gross Settlement Express Transfer system (the TARGET2 system), or any successor thereto, operates.

The term “maturity,” when used with respect to a note, means the date on which the principal of such note or an installment of principal becomes due and payable as therein provided or as provided in the Indenture, whether at the stated maturity or by declaration of acceleration, call for redemption, repayment or otherwise.

Optional Redemption

We have the option to redeem the notes, in whole or in part, at our option at any time, at a redemption price equal to the greater of (1) 100% of the principal amount of the notes to be redeemed, plus accrued interest on the notes to be redeemed to, but excluding, the date on which the notes are to be redeemed, or (2) the sum of the present values of the remaining scheduled payments of principal and interest on the notes to be redeemed, not including any portion of these payments of interest accrued as of the date of which the notes are to be redeemed, discounted to the date on which the notes are to be redeemed on an annual basis (ACTUAL/ACTUAL (ICMA)) at the applicable Comparable Government Bond Rate (as defined below), plus 15 basis points, plus accrued interest on the notes to be redeemed to, but excluding, the date on which the notes are to be redeemed.

“Comparable Government Bond Rate” means the price, expressed as a percentage (rounded to three decimal places, with 0.0005 being rounded upwards), at which the gross redemption yield on the notes to be redeemed, if they were to be purchased at such price on the third Business Day prior to the date fixed for redemption, would be equal to the gross redemption yield on such Business Day of the Comparable Government Bond (as defined below) on the basis of the middle market price of the Comparable Government Bond prevailing at 11:00 a.m. (London time) on such Business Day as determined by an independent investment bank selected by us.

“Comparable Government Bond” means, in relation to any Comparable Government Bond Rate calculation, at the discretion of an independent investment bank selected by us, a German government bond whose maturity is closest to the maturity of the notes to be redeemed, or if such independent investment bank in its discretion determines that such similar bond is not in issue, such other German government bond as such independent investment bank may, with the advice of three brokers of, and/or market makers in, German government bonds selected by us, determine to be appropriate for determining the Comparable Government Bond Rate.

In the case of a partial redemption, selection of the notes for redemption will be made by the depositary by lot on a pro rata basis or by any other equitable method as the depositary may decide. If any note is to be redeemed in part only, the notice of redemption that relates to the note will state the portion of the principal amount of the note to be redeemed; provided that the unredeemed portion of the note shall be €100,000 in principal amount and €1,000 multiples above that amount. A new note in a principal amount equal to the unredeemed portion of the note will be issued in the name of the holder of the note upon surrender of the original note.

The notes are also subject to redemption if certain events occur involving United States taxation. See “-Tax Redemption.”

Additional Amounts

All payments of principal and interest in respect of the notes will be made free and clear of, and without deduction or withholding for or on account of any present or future taxes, duties, assessments or other governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by the United States or any political subdivision or taxing authority of or in the United States (collectively, “Taxes”), unless such withholding or deduction is required by law.

In the event such withholding or deduction of Taxes is required by law, subject to the limitations described below, we will pay to the holder or beneficial owner of any note that is not a United States holder such additional amounts (“Additional Amounts”) as may be necessary in order that every net payment by us or any paying agent of principal of or interest on the notes (including upon redemption), after deduction or withholding for or on account of such Taxes, will not be less than the amount provided for in such note to be then due and payable before deduction or withholding for or on account of such Taxes.

However, our obligation to pay Additional Amounts shall not apply to:

(a) any Taxes which would not have been so imposed but for:

- (1) the existence of any present or former connection between such holder or beneficial owner (or between a fiduciary, settlor, beneficiary, member or shareholder or other equity owner of, or a person having a power over, such holder or beneficial owner, if such holder or beneficial owner is an estate, a trust, a limited liability company, a partnership, a corporation or other entity) and the United States, including, without limitation, such holder or beneficial owner (or such fiduciary, settlor, beneficiary, member, shareholder or other equity owner or person having such a power) being or having been a citizen or resident or treated as a resident of the United States or being or having been engaged in a trade or business in the United States or being or having been present in the United States or having had a permanent establishment in the United States;
 - (2) the failure of such holder or beneficial owner to comply with any requirement under United States tax laws and regulations to establish entitlement to a partial or complete exemption from such Taxes (including, but not limited to, the requirement to provide Internal Revenue Service Form W-8BEN, Form W-8BEN-E, Form W-8ECI, or any subsequent versions thereof or successor thereto); or
 - (3) such holder’s or beneficial owner’s present or former status as a personal holding company or a foreign personal holding company with respect to the United States, as a controlled foreign corporation with respect to the United States, as a passive foreign investment company with
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respect to the United States, as a foreign tax exempt organization with respect to the United States or as a corporation which accumulates earnings to avoid U.S. federal income tax;

(b) any Taxes imposed by reason of the holder or beneficial owner:

(1) owning or having owned, directly or indirectly, actually or constructively, 10% or more of the total combined voting power of all classes of our stock,

(2) being a bank receiving interest described in section 881(c)(3)(A) of the Internal Revenue Code of 1986, as amended (the “Code”), or

(3) being a controlled foreign corporation with respect to the United States that is related to us by stock ownership;

(c) any Taxes which would not have been so imposed but for the presentation by the holder or beneficial owner of such note for payment on a date more than 10 days after the date on which such payment became due and payable or the date on which payment of the note is duly provided for and notice is given to holders, whichever occurs later, except to the extent that the holder or beneficial owner would have been entitled to such additional amounts on presenting such note on any date during such 10-day period;

(d) any estate, inheritance, gift, sales, transfer, personal property, wealth, interest equalization or similar Taxes;

(e) any Taxes which are payable otherwise than by withholding from payment of principal of or interest on such note;

(f) any Taxes which are payable by a holder that is not the beneficial owner of the note, or a portion of the note, or that is a fiduciary, partnership, limited liability company or other similar entity, but only to the extent that a beneficial owner, a beneficiary or settlor with respect to such fiduciary or member of such partnership, limited liability company or similar entity would not have been entitled to the payment of an additional amount had such beneficial owner, settlor, beneficiary or member received directly its beneficial or distributive share of the payment;

(g) any Taxes required to be withheld by any paying agent from any payment of principal of or interest on any note, if such payment can be made without such withholding by any other paying agent;

(h) any required to be withheld or deducted where such withholding or deduction is imposed pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such European Council Directive;

(i) any Taxes that would not have been imposed in respect of any notes or coupon if such note or coupon had been presented for payment to another paying agent in a Member State of the European Union;

(j) any Taxes imposed under Sections 1471 through 1474 of the Code (or any amended or successor provisions that are substantively comparable) and any current or future regulations or official interpretations thereof; or

(k) any combination of items (a), (b), (c), (d), (e), (f), (g), (h), (i) and (j).

For purposes of this section, the acquisition, ownership, enforcement or holding of or the receipt of any payment with respect to a note will not constitute a connection (1) between the holder or beneficial owner

and the United States or (2) between a fiduciary, settlor, beneficiary, member or shareholder or other equity owner of, or a person having a power over, such holder or beneficial owner if such holder or beneficial owner is an estate, a trust, a limited liability company, a partnership, a corporation or other entity and the United States.

Any reference in this exhibit to principal or interest shall be deemed to refer also to Additional Amounts which may be payable under the provisions of this section.

We will pay all stamp and other duties, if any, which may be imposed by the United States or any political subdivision thereof or taxing authority therein with respect to the issuance of the notes.

Except as specifically provided in the notes, we will not be required to make any payment with respect to any tax, duty, assessment or other governmental charge imposed by any government or any political subdivision or taxing authority of or in the United States.

In addition, we undertake that, to the extent permitted by law, we will maintain a paying agent that will not require withholding or deduction of tax pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such European Council Directive.

Tax Redemption

The notes may be redeemed at our option, in whole but not in part, at a redemption price equal to 100% of the principal amount of the notes to be redeemed, together with interest accrued and unpaid to the date fixed for redemption, at any time, on giving not less than 30 nor more than 60 days' notice if:

(a) we have or will become obligated to pay Additional Amounts as a result of any change in or amendment to the laws, regulations or rulings of the United States or any political subdivision or any taxing authority of or in the United States affecting taxation, or any change in or amendment to an official application, interpretation, administration or enforcement of such laws, regulations or rulings, which change or amendment is announced or becomes effective on or after October 27, 2015, or

(b) any action shall have been taken by a taxing authority, or any action has been brought in a court of competent jurisdiction, in the United States or any political subdivision or taxing authority of or in the United States, including any of those actions specified in (a) above, whether or not such action was taken or brought with respect to us, or any change, clarification, amendment, application or interpretation of such laws, regulations or rulings shall be officially proposed, in any such case on or after October 27, 2015, which results in a substantial likelihood that we will be required to pay Additional Amounts on the next interest payment date.

However, no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which we would be, in the case of a redemption for the reasons specified in (a) above, or there would be a substantial likelihood that we would be, in the case of a redemption for the reasons specified in (b) above, obligated to pay such Additional Amounts if a payment in respect of the notes were then due and at the time such notification of redemption is given such circumstances remain in effect.

Such notice, once delivered by us to the trustee, will be irrevocable.

Prescription

Under New York's statute of limitations, any legal action to enforce our payment obligations evidenced by the notes or the coupons must be commenced within six years after the payment thereof is due; thereafter our payment obligations will generally become unenforceable.

Further Issues

We may from time to time, without notice to or the consent of the registered holders of notes, create and issue further notes ranking equally with the notes in all respects. Such further notes may be consolidated and form a single series with the notes and have the same terms as to status, redemption or otherwise as the other notes (other than the issue date of such further notes and first payment of interest following the issue date of such further notes).

Restrictions on Secured Debt

If we or any Domestic Subsidiary shall incur, issue, assume or guarantee any Debt secured by a Mortgage on any Principal Domestic Manufacturing Property of ours or any Domestic Subsidiary's or on any shares of stock of any Domestic Subsidiary that owns a Principal Domestic Manufacturing Property, we will secure, or cause such Domestic Subsidiary to secure, the debt securities then outstanding equally and ratably with (or prior to) such Debt. However, we will not be restricted by this covenant if, after giving effect to the particular Debt so secured the total amount of all Debt so secured, together with all Attributable Debt in respect of sale and leaseback transactions involving Principal Domestic Manufacturing Properties, would not exceed 15% of our and our consolidated subsidiaries' Consolidated Net Tangible Assets.

In addition, the restriction will not apply to, and there shall be excluded in computing secured Debt for the purpose of the restriction, Debt secured by

(1) with respect to any series of debt securities, Mortgages existing on the date of the original issuance of the debt securities of such series;

(2) Mortgages on property of, or on any shares of stock of, any corporation existing at the time the corporation becomes a Domestic Subsidiary or at the time it is merged into or consolidated with us or a Domestic Subsidiary;

(3) Mortgages in favor of us or a Domestic Subsidiary;

(4) Mortgages in favor of U.S., State or foreign governmental bodies to secure progress or advance payments;

(5) Mortgages on property or shares of stock existing at the time of their acquisition, including acquisition through merger or consolidation, purchase money Mortgages and construction or improvement cost Mortgages; and

(6) any extension, renewal or refunding of any Mortgage referred to in the immediately preceding clauses (1) through (5), inclusive.

The Indenture does not restrict the incurrence of unsecured debt by us or our subsidiaries.

Restrictions on Sales and Leasebacks

Neither we nor any Domestic Subsidiary may enter into any sale and leaseback transaction involving any Principal Domestic Manufacturing Property, the completion of construction and commencement of full operation of which has occurred more than 180 days prior to the transaction, unless

- we or the Domestic Subsidiary could incur a lien on the property under the restrictions described above under “Restrictions on Secured Debt” in an amount equal to the Attributable Debt with respect to the sale and leaseback transaction without equally and ratably securing the debt securities then outstanding, or
- we, within 180 days, apply to either (or a combination of) the investment in one or more other Principal Domestic Manufacturing Properties or the retirement of our Funded Debt an amount not less than the greater of (1) the net proceeds of the sale of the Principal Domestic Manufacturing Property leased pursuant to such arrangement or (2) the fair market value of the Principal Domestic Manufacturing Property so leased, subject to credits for various voluntary retirements of Funded Debt.

This restriction will not apply to any sale and leaseback transaction

- between us and a Domestic Subsidiary,
- between Domestic Subsidiaries, or
- involving the taking back of a lease for a period of less than three years.

Definitions Applicable to Covenants

The term “Attributable Debt” means the lesser of (1) the fair market value of the Principal Domestic Manufacturing Property sold and leased back at the time of entering into a sale and leaseback transaction and (2) the total net amount of rent, discounted at 10% per annum compounded annually, required to be paid during the remaining term of any lease.

The term “Consolidated Net Tangible Assets” means our total assets, less net goodwill and other intangible assets, less total current liabilities, all as described on our and our consolidated subsidiaries’ most recent balance sheet and calculated based on positions as reported in our consolidated financial statements in accordance with generally accepted accounting principles.

The term “Debt” means notes, bonds, debentures or other similar evidences of indebtedness for money borrowed.

The term “Domestic Subsidiary” means any of our subsidiaries except a subsidiary which neither transacts any substantial portion of its business nor regularly maintains any substantial portion of its fixed assets within the United States or which is engaged primarily in financing our and our subsidiaries’ operations outside the United States.

The term “Funded Debt” means Debt having a maturity of more than 12 months from its date of creation.

The term “Mortgage” means pledges, mortgages and other liens.

The term “Principal Domestic Manufacturing Property” means any facility (together with the land on which it is erected and fixtures comprising a part of the land) used primarily for manufacturing or processing, located in the United States, owned or leased by us or one of our subsidiaries and having a gross book value in excess of 1.0% of Consolidated Net Tangible Assets. However, the term “Principal Domestic Manufacturing Property” does not include any facility or portion of a facility (1) which is financed by obligations the interest on which is exempt from U.S. federal income tax pursuant to Section

103 of the Code (or any predecessor or successor provision thereof), or (2) which, in the opinion of our board of directors, is not of material importance to the total business conducted by us and our subsidiaries as an entirety.

Events of Default

Any one of the following are events of default under the Indenture with respect to debt securities of any series:

- (1) our failure to pay principal of or premium, if any, on any debt security of that series when due;
- (2) our failure to pay any interest on any debt security of that series when due, continued for 30 days;
- (3) our failure to deposit any sinking fund payment, when due, in respect of any debt security of that series;
- (4) our failure to perform any other of our covenants in the Indenture which affects or is applicable to the debt securities of that series, other than a covenant included in the Indenture solely for the benefit of other series of debt securities, continued for 90 days after written notice as provided in the Indenture;
- (5) certain events involving bankruptcy, insolvency or reorganization; and
- (6) any other event of default provided with respect to debt securities of that series.

If an event of default with respect to outstanding debt securities of any series shall occur and be continuing, either the trustee or the holders of at least 25% in principal amount of the outstanding debt securities of that series may declare the principal amount (or, if the debt securities of that series are original issue discount securities, the portion of the principal amount as may be specified in the terms of that series) of all the debt securities of that series to be due and payable immediately. At any time after a declaration of acceleration with respect to debt securities of any series has been made, but before a judgment or decree based on acceleration has been obtained, the holders of a majority in principal amount of the outstanding debt securities of that series may, under some circumstances, rescind and annul the acceleration. For information as to waiver of defaults, see the section below entitled “Modification and Waiver.”

During default, the trustee has a duty to act with the required standard of care. Otherwise, the Indenture provides that the trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request or direction of any of the holders, unless the holders shall have offered to the trustee reasonable indemnity. If the provisions for indemnification of the trustee have been satisfied, the holders of a majority in principal amount of the outstanding debt securities of any series will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising any trust or power conferred on the trustee, with respect to the debt securities of that series.

We will furnish to the trustee annually a certificate as to our compliance with all conditions and covenants under the Indenture.

Defeasance and Discharge

We will be discharged from any and all obligations in respect of the debt securities of any series if we deposit with the trustee, in trust, money and/or U.S. government securities which through the payment of interest and principal will provide money in an amount sufficient to pay the principal of and premium, if any, and each installment of interest on the debt securities of the series on the dates those payments are due and payable.

If we defease a series of debt securities, the holders of the debt securities of the series will not be entitled to the benefits of the Indenture, except for

- the rights of holders to receive from the trust funds payment of principal, premium and interest on the debt securities,
- our obligation to register the transfer or exchange of debt securities of the series,
- our obligation to replace stolen, lost or mutilated debt securities of the series,
- our obligation to maintain paying agencies,
- our obligation to hold monies for payment in trust, and
- the rights of holders to benefit, as applicable, from the rights, powers, trusts, duties and immunities of the trustee.

We may defease a series of debt securities only if, among other things, we have delivered to the trustee an opinion of counsel to the effect that we have received from, or there has been published by, the U.S. Internal Revenue Service a ruling to the effect that holders and beneficial owners of the debt securities of the series will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the deposit, defeasance and discharge and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if the deposit, defeasance and discharge had not occurred.

Defeasance of Covenants and Events of Default

We may omit to comply with the covenants described above under “Restrictions on Secured Debt” and “Restrictions on Sales and Leasebacks”, and the failure to comply with these covenants will not be deemed an event of default, if we deposit with the trustee, in trust, money and/or U.S. government securities which through the payment of interest and principal will provide money in an amount sufficient to pay the principal of and premium, if any, and each installment of interest on the debt securities of the series on the dates those payments are due and payable. Our obligations under the Indenture and the debt securities of the series will remain in full force and effect, other than with respect to the defeased covenants and related events of default.

We may defease the covenants and the related events of default described above only if, among other things, we have delivered to the trustee an opinion of counsel, who may be our employee or counsel, to the effect that the holders and beneficial owners of the debt securities of the series will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the deposit and defeasance of the covenants and events of default, and the holders and beneficial owners of the debt securities of the series will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if the deposit and defeasance had not occurred.

If we choose covenant defeasance with respect to the debt securities of any series as described above and the debt securities of the series are declared due and payable because of the occurrence of any event of default other than the event of default described in clause (4) under “Events of Default,” the amount of money and U.S. government securities on deposit with the trustee will be sufficient to pay amounts due on

the debt securities of the series at the time of their stated maturity. The amount on deposit with the trustee may not be sufficient to pay amounts due on the debt securities of the series at the time of the acceleration resulting from the event of default. However, we will remain liable for these payments.

Modification and Waiver

Procter & Gamble and the trustee may make modifications of and amendments to the Indenture if the holders of at least a majority in principal amount of the outstanding debt securities of each series affected by the modification or amendment consent to the modification or amendment.

However, the consent of the holder of each debt security affected is required for any modification or amendment that

- changes the stated maturity of the principal of, or any installment of principal of or interest on, any debt security,
- reduces the principal amount of, or the premium, if any, or interest, if any, on, any debt security,
- reduces the amount of principal of an original issue discount security payable upon acceleration of the maturity of the security,
- changes the place or currency of payment of principal of, or premium, if any, or interest, if any, on, any debt security,
- impairs the right to institute suit for the enforcement of any payment on any debt security, or
- reduces the percentage in principal amount of debt securities of any series necessary to modify or amend the Indenture or to waive compliance with various provisions of the Indenture or to waive various defaults.

Without the consent of any holder of debt securities, we and the trustee may make modifications or amendments to the Indenture in order to

- evidence the succession of another person to us and the assumption by that person of the covenants in the Indenture,
- add to the covenants for the benefit of the holders,
- add additional events of default,
- permit or facilitate the issuance of securities in bearer form or uncertificated form,
- add to, change, or eliminate any provision of the Indenture in respect of a series of debt securities to be created in the future,
- secure the securities as required by “Restrictions on Secured Debt,”
- establish the form or terms of securities of any series,
- evidence the appointment of a successor trustee, or
- cure any ambiguity, correct or supplement any provision which may be inconsistent with another provision, or make any other provision, provided that any action may not adversely affect the interests of holders of debt securities in any material respect.

The holders of at least a majority in principal amount of the outstanding debt securities of any series may on behalf of the holders of all debt securities of that series waive compliance by us with various restrictive provisions of the Indenture.

The holders of a majority in principal amount of the outstanding debt securities of any series may on behalf of the holders of all debt securities of that series waive any past default with respect to that series, except

- a default in the payment of the principal of or premium, if any, or interest on any debt security of that series, or
- a default in respect of a provision which under the Indenture cannot be modified or amended without the consent of the holder of each outstanding debt security of that series that would be affected.

Consolidation, Merger and Sale of Assets

If the conditions below are met, we may, without the consent of any holders of outstanding debt securities:

- consolidate or merge with or into another entity, or
- transfer or lease our assets as an entirety to another entity.

We have agreed that we will engage in a consolidation, merger or transfer or lease of assets as an entirety only if

- either we are the surviving entity or the entity formed by the consolidation or into which we are merged or which acquires or leases our assets is a corporation, partnership, limited liability company or trust organized and existing under the laws of any United States jurisdiction and assumes our obligations on the debt securities and under the Indenture,
- after giving effect to the transaction no event of default would have happened and be continuing, and
- various other conditions are met.

Regarding the Trustee

Deutsche Bank Trust Company Americas is the trustee under the Indenture. In addition, affiliates of Deutsche Bank Trust Company Americas may perform various commercial banking and investment banking services for Procter & Gamble and its subsidiaries from time to time in the ordinary course of business.

Exhibit (4-9)

Description of the Company's 0.275% Notes due 2020

Description of the Company's 0.275% Notes due 2020, Registered Under Section 12 of the Securities Exchange Act of 1934

The following summary of The Procter & Gamble Company's above referenced debt securities is based on and qualified by the Indenture, dated as of September 3, 2009, between the Company and Deutsche Bank Trust Company Americas, as Trustee (the "Indenture") and the 0.275% Notes Due 2020 (the "Notes"). For a complete description of the terms and provisions of the Company's Notes, refer to the Indenture, which is filed as an exhibit to this Annual Report on Form 10-K and to the form of Notes, which is filed as an exhibit to the Form 8-A filed with the Securities and Exchange Commission on May 7, 2015. Throughout this exhibit, references to "we," "our," and "us" refer to The Procter & Gamble Company.

General

The 0.275% notes:

- were issued in an aggregate initial principal amount of ¥100,000,000,000, which remains the amount outstanding, subject to our ability to issue additional 0.275% notes which may be of the same series as the 0.275% notes as described under "- Further Issues,"
- mature on May 8, 2020,
- bear interest at a rate of 0.275% per annum,
- are unsecured
- are our senior debt, ranking equally with all of our other present and future unsecured and unsubordinated indebtedness,
- issued as a separate series under the Indenture, in registered, book-entry form only,
- are repayable at par at maturity,
- are not redeemable by us at any time prior to maturity, other than as described below in connection with certain events involving United States taxation,
- are subject to defeasance and covenant defeasance, and
- are not subject to any sinking fund.

The Indenture and the notes do not limit the amount of indebtedness which may be incurred or the amount of securities which may be issued by us or our subsidiaries, and contain no financial or similar restrictions on us or our subsidiaries, except as described under the captions "Restrictions on Secured Debt" and "Restrictions on Sales and Leasebacks."

Interest

We pay interest on the notes semi-annually on May 8 and November 8 of each year as applicable, and on any maturity date (each, an "interest payment date"), commencing November 8, 2015, and ending on any maturity date, to the persons in whose names the notes are registered at the close of business on the Business Day immediately before the next interest payment date; provided, however, that interest payable on any maturity date shall be payable to the person to whom the principal of such notes shall be payable.

Interest payable on any interest payment date or maturity date shall be the amount of interest accrued from, and including, the immediately preceding interest payment date in respect of which interest has been paid or duly provided for (or from and including the day following the original issue date, if no interest has been paid or duly provided for with respect to the notes) to, but excluding, such interest payment date or maturity date, as the case may be. If any interest payment date is not a Business Day at the relevant place of payment, we will pay interest on the next day that is a Business Day at such place of payment as if payment were made on the date such payment was due, and no interest will accrue on the amounts so payable for the period from and after such date to the immediately succeeding Business Day.

If the maturity date or redemption date of the notes is not a Business Day at the relevant place of payment, we will pay interest, if any, and principal and premium, if any, on the next day that is a Business Day at such place of payment as if payment were made on the date such payment was due, and no interest will accrue on the amounts so payable for the period from and after such date to the immediately succeeding Business Day.

“Business Day” means any day which is a day on which commercial banks settle payments and are open for general business in: (a) the relevant place of payment, and (b) The City of New York, Tokyo and London.

The term “maturity,” when used with respect to a note, means the date on which the principal of such note or an installment of principal becomes due and payable as therein provided or as provided in the indenture, whether at the stated maturity or by declaration of acceleration, call for redemption, repayment or otherwise.

Additional Amounts

All payments of principal and interest in respect of the notes will be made free and clear of, and without deduction or withholding for or on account of any present or future taxes, duties, assessments or other governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by the United States or any political subdivision or taxing authority of or in the United States (collectively, “Taxes”), unless such withholding or deduction is required by law.

In the event such withholding or deduction of Taxes is required by law, subject to the limitations described below, we will pay to the holder or beneficial owner of any note that is not a United States holder such additional amounts (“Additional Amounts”) as may be necessary in order that every net payment by us or any paying agent of principal of or interest on the notes (including upon redemption), after deduction or withholding for or on account of such Taxes, will not be less than the amount provided for in such note to be then due and payable before deduction or withholding for or on account of such Taxes.

However, our obligation to pay Additional Amounts shall not apply to:

(a) any Taxes which would not have been so imposed but for:

(1) the existence of any present or former connection between such holder or beneficial owner (or between a fiduciary, settlor, beneficiary, member or shareholder or other equity owner of, or a person having a power over, such holder or beneficial owner, if such holder or beneficial owner is an estate, a trust, a limited liability company, a partnership, a corporation or other entity) and the United States, including, without limitation, such holder or beneficial owner (or such fiduciary, settlor, beneficiary, member, shareholder or other equity owner or person having such a power) being or having been a citizen or resident or treated as a resident of the United States or being or having been engaged in a trade or business in the United States or being or having been present in the United States or having had a permanent establishment in the United States;

(2) the failure of such holder or beneficial owner to comply with any requirement under United States tax laws and regulations to establish entitlement to a partial or complete exemption from such Taxes (including, but not limited to, the requirement to provide Internal Revenue Service Form W-8BEN, Form W-8BEN-E, Form W-8ECI, or any subsequent versions thereof or successor thereto); or

(3) such holder's or beneficial owner's present or former status as a personal holding company or a foreign personal holding company with respect to the United States, as a controlled foreign corporation with respect to the United States, as a passive foreign investment company with respect to the United States, as a foreign tax exempt organization with respect to the United States or as a corporation which accumulates earnings to avoid U.S. federal income tax;

(b) any Taxes imposed by reason of the holder or beneficial owner:

(1) owning or having owned, directly or indirectly, actually or constructively, 10% or more of the total combined voting power of all classes of our stock,

(2) being a bank receiving interest described in section 881(c)(3)(A) of the Internal Revenue Code of 1986, as amended (the "Code"), or

(3) being a controlled foreign corporation with respect to the United States that is related to us by stock ownership;

(c) any Taxes which would not have been so imposed but for the presentation by the holder or beneficial owner of such note for payment on a date more than 10 days after the date on which such payment became due and payable or the date on which payment of the note is duly provided for and notice is given to holders, whichever occurs later, except to the extent that the holder or beneficial owner would have been entitled to such additional amounts on presenting such note on any date during such 10-day period;

(d) any estate, inheritance, gift, sales, transfer, personal property, wealth, interest equalization or similar Taxes;

(e) any Taxes which are payable otherwise than by withholding from payment of principal of or interest on such note;

(f) any Taxes which are payable by a holder that is not the beneficial owner of the note, or a portion of the note, or that is a fiduciary, partnership, limited liability company or other similar entity, but only to the extent that a beneficial owner, a beneficiary or settlor with respect to such fiduciary or member of such partnership, limited liability company or similar entity would not have been entitled to the payment of an additional amount had such beneficial owner, settlor, beneficiary or member received directly its beneficial or distributive share of the payment;

(g) any Taxes required to be withheld by any paying agent from any payment of principal of or interest on any note, if such payment can be made without such withholding by any other paying agent;

(h) any required to be withheld or deducted where such withholding or deduction is imposed pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such European Council Directive;

(i) any Taxes that would not have been imposed in respect of any notes or coupon if such note or coupon had been presented to another paying agent in a Member State of the European Union;

(j) any Taxes imposed under Sections 1471 through 1474 of the Code (or any amended or successor provisions that are substantively comparable) and any current or future regulations or official interpretations thereof; or

(k) any combination of items (a), (b), (c), (d), (e), (f), (g), (h), (i) and (j).

For purposes of this section, the acquisition, ownership, enforcement or holding of or the receipt of any payment with respect to a note will not constitute a connection (1) between the holder or beneficial owner and the United States or (2) between a fiduciary, settlor, beneficiary, member or shareholder or other equity owner of, or a person having a power over, such holder or beneficial owner if such holder or beneficial owner is an estate, a trust, a limited liability company, a partnership, a corporation or other entity and the United States.

Any reference in this exhibit to principal or interest shall be deemed to refer also to Additional Amounts which may be payable under the provisions of this section.

We will pay all stamp and other duties, if any, which may be imposed by the United States or any political subdivision thereof or taxing authority therein with respect to the issuance of the notes.

Except as specifically provided in the notes, we will not be required to make any payment with respect to any tax, duty, assessment or other governmental charge imposed by any government or any political subdivision or taxing authority of or in the United States.

In addition, we undertake that, to the extent permitted by law, we will maintain a paying agent that will not require withholding or deduction of tax pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such European Council Directive.

Tax Redemption

Except as provided below, the notes may not be redeemed prior to maturity. Unless previously redeemed or repurchased and canceled, the notes will be repayable at par, including Additional Amounts, if any, on May 8, 2020, or such earlier date on which the same shall be due and payable in accordance with the terms and conditions of the notes. However, if the maturity date of the notes is not a Business Day, the notes will be payable on the next succeeding Business Day and no interest shall accrue for the period from May 8, 2020 to such payment date.

The notes may be redeemed at our option, in whole but not in part, at a redemption price equal to 100% of the principal amount of the notes to be redeemed, together with interest accrued and unpaid to the date fixed for redemption, at any time, on giving not less than 30 nor more than 60 days' notice if:

(a) we have or will become obligated to pay Additional Amounts as a result of any change in or amendment to the laws, regulations or rulings of the United States or any political subdivision or any taxing authority of or in the United States affecting taxation, or any change in or amendment to an official application, interpretation, administration or enforcement of such laws, regulations or rulings, which change or amendment is announced or becomes effective on or after April 28, 2015, or

(b) any action shall have been taken by a taxing authority, or any action has been brought in a court of competent jurisdiction, in the United States or any political subdivision or taxing authority of or in the United States, including any of those actions specified in (a) above, whether or not such action was taken or brought with respect to us, or any change, clarification, amendment, application or interpretation of such laws, regulations or rulings shall be officially proposed, in any such case on or after April 28, 2015, which results in a substantial likelihood that we will be required to pay Additional Amounts on the next interest payment date.

However, no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which we would be, in the case of a redemption for the reasons specified in (a) above, or there would be a substantial likelihood that we would be, in the case of a redemption for the reasons specified in (b) above, obligated to pay such Additional Amounts if a payment in respect of the notes were then due and at the time such notification of redemption is given such circumstances remain in effect.

Such notice, once delivered by us to the trustee, will be irrevocable.

Prescription

Under New York's statute of limitations, any legal action to enforce our payment obligations evidenced by the notes or the coupons must be commenced within six years after the payment thereof is due; thereafter our payment obligations will generally become unenforceable.

Further Issues

We may from time to time, without notice to or the consent of the registered holders of notes, create and issue further notes ranking equally with the notes in all respects. Such further notes may be consolidated and form a single series with the notes and have the same terms as to status, redemption or otherwise as the other notes (other than the issue date of such further notes and first payment of interest following the issue date of such further notes).

Restrictions on Secured Debt

If we or any Domestic Subsidiary shall incur, issue, assume or guarantee any Debt secured by a Mortgage on any Principal Domestic Manufacturing Property of ours or any Domestic Subsidiary's or on any shares of stock of any Domestic Subsidiary that owns a Principal Domestic Manufacturing Property, we will secure, or cause such Domestic Subsidiary to secure, the debt securities then outstanding equally and ratably with (or prior to) such Debt. However, we will not be restricted by this covenant if, after giving effect to the particular Debt so secured the total amount of all Debt so secured, together with all Attributable Debt in respect of sale and leaseback transactions involving Principal Domestic Manufacturing Properties, would not exceed 15% of our and our consolidated subsidiaries' Consolidated Net Tangible Assets.

In addition, the restriction will not apply to, and there shall be excluded in computing secured Debt for the purpose of the restriction, Debt secured by

- (1) with respect to any series of debt securities, Mortgages existing on the date of the original issuance of the debt securities of such series;
 - (2) Mortgages on property of, or on any shares of stock of, any corporation existing at the time the corporation becomes a Domestic Subsidiary or at the time it is merged into or consolidated with us or a Domestic Subsidiary;
 - (3) Mortgages in favor of us or a Domestic Subsidiary;
 - (4) Mortgages in favor of U.S., State or foreign governmental bodies to secure progress or advance payments;
-

(5) Mortgages on property or shares of stock existing at the time of their acquisition, including acquisition through merger or consolidation, purchase money Mortgages and construction or improvement cost Mortgages; and

(6) any extension, renewal or refunding of any Mortgage referred to in the immediately preceding clauses (1) through (5), inclusive.

The Indenture does not restrict the incurrence of unsecured debt by us or our subsidiaries.

Restrictions on Sales and Leasebacks

Neither we nor any Domestic Subsidiary may enter into any sale and leaseback transaction involving any Principal Domestic Manufacturing Property, the completion of construction and commencement of full operation of which has occurred more than 180 days prior to the transaction, unless

- we or the Domestic Subsidiary could incur a lien on the property under the restrictions described above under “Restrictions on Secured Debt” in an amount equal to the Attributable Debt with respect to the sale and leaseback transaction without equally and ratably securing the debt securities then outstanding, or
- we, within 180 days, apply to either (or a combination of) the investment in one or more other Principal Domestic Manufacturing Properties or the retirement of our Funded Debt an amount not less than the greater of (1) the net proceeds of the sale of the Principal Domestic Manufacturing Property leased pursuant to such arrangement or (2) the fair market value of the Principal Domestic Manufacturing Property so leased, subject to credits for various voluntary retirements of Funded Debt.

This restriction will not apply to any sale and leaseback transaction

- between us and a Domestic Subsidiary,
- between Domestic Subsidiaries, or
- involving the taking back of a lease for a period of less than three years.

Definitions Applicable to Covenants

The term “Attributable Debt” means the lesser of (1) the fair market value of the Principal Domestic Manufacturing Property sold and leased back at the time of entering into a sale and leaseback transaction and (2) the total net amount of rent, discounted at 10% per annum compounded annually, required to be paid during the remaining term of any lease.

The term “Consolidated Net Tangible Assets” means our total assets, less net goodwill and other intangible assets, less total current liabilities, all as described on our and our consolidated subsidiaries’ most recent balance sheet and calculated based on positions as reported in our consolidated financial statements in accordance with generally accepted accounting principles.

The term “Debt” means notes, bonds, debentures or other similar evidences of indebtedness for money borrowed.

The term “Domestic Subsidiary” means any of our subsidiaries except a subsidiary which neither transacts any substantial portion of its business nor regularly maintains any substantial portion of its fixed assets within the United States or which is engaged primarily in financing our and our subsidiaries’ operations outside the United States.

The term “Funded Debt” means Debt having a maturity of more than 12 months from its date of creation.

The term “Mortgage” means pledges, mortgages and other liens.

The term “Principal Domestic Manufacturing Property” means any facility (together with the land on which it is erected and fixtures comprising a part of the land) used primarily for manufacturing or processing, located in the United States, owned or leased by us or one of our subsidiaries and having a gross book value in excess of 1.0% of Consolidated Net Tangible Assets. However, the term “Principal Domestic Manufacturing Property” does not include any facility or portion of a facility (1) which is financed by obligations the interest on which is exempt from U.S. federal income tax pursuant to Section 103 of the Code (or any predecessor or successor provision thereof), or (2) which, in the opinion of our board of directors, is not of material importance to the total business conducted by us and our subsidiaries as an entirety.

Events of Default

Any one of the following are events of default under the Indenture with respect to debt securities of any series:

- (1) our failure to pay principal of or premium, if any, on any debt security of that series when due;
- (2) our failure to pay any interest on any debt security of that series when due, continued for 30 days;
- (3) our failure to deposit any sinking fund payment, when due, in respect of any debt security of that series;
- (4) our failure to perform any other of our covenants in the Indenture which affects or is applicable to the debt securities of that series, other than a covenant included in the Indenture solely for the benefit of other series of debt securities, continued for 90 days after written notice as provided in the Indenture;
- (5) certain events involving bankruptcy, insolvency or reorganization; and
- (6) any other event of default provided with respect to debt securities of that series.

If an event of default with respect to outstanding debt securities of any series shall occur and be continuing, either the trustee or the holders of at least 25% in principal amount of the outstanding debt securities of that series may declare the principal amount (or, if the debt securities of that series are original issue discount securities, the portion of the principal amount as may be specified in the terms of that series) of all the debt securities of that series to be due and payable immediately. At any time after a declaration of acceleration with respect to debt securities of any series has been made, but before a judgment or decree based on acceleration has been obtained, the holders of a majority in principal amount of the outstanding debt securities of that series may, under some circumstances, rescind and annul the acceleration. For information as to waiver of defaults, see the section below entitled “Modification and Waiver.”

During default, the trustee has a duty to act with the required standard of care. Otherwise, the Indenture provides that the trustee will be under no obligation to exercise any of its rights or powers under the

Indenture at the request or direction of any of the holders, unless the holders shall have offered to the trustee reasonable indemnity. If the provisions for indemnification of the trustee have been satisfied, the holders of a majority in principal amount of the outstanding debt securities of any series will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising any trust or power conferred on the trustee, with respect to the debt securities of that series.

We will furnish to the trustee annually a certificate as to our compliance with all conditions and covenants under the Indenture.

Defeasance and Discharge

We will be discharged from any and all obligations in respect of the debt securities of any series if we deposit with the trustee, in trust, money and/or U.S. government securities which through the payment of interest and principal will provide money in an amount sufficient to pay the principal of and premium, if any, and each installment of interest on the debt securities of the series on the dates those payments are due and payable.

If we defease a series of debt securities, the holders of the debt securities of the series will not be entitled to the benefits of the Indenture, except for

- the rights of holders to receive from the trust funds payment of principal, premium and interest on the debt securities,
- our obligation to register the transfer or exchange of debt securities of the series,
- our obligation to replace stolen, lost or mutilated debt securities of the series,
- our obligation to maintain paying agencies,
- our obligation to hold monies for payment in trust, and
- the rights of holders to benefit, as applicable, from the rights, powers, trusts, duties and immunities of the trustee.

We may defease a series of debt securities only if, among other things, we have delivered to the trustee an opinion of counsel to the effect that we have received from, or there has been published by, the U.S. Internal Revenue Service a ruling to the effect that holders and beneficial owners of the debt securities of the series will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the deposit, defeasance and discharge and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if the deposit, defeasance and discharge had not occurred.

Defeasance of Covenants and Events of Default

We may omit to comply with the covenants described above under “Restrictions on Secured Debt” and “Restrictions on Sales and Leasebacks”, and the failure to comply with these covenants will not be deemed an event of default, if we deposit with the trustee, in trust, money and/or U.S. government securities which through the payment of interest and principal will provide money in an amount sufficient to pay the principal of and premium, if any, and each installment of interest on the debt securities of the series on the dates those payments are due and payable. Our obligations under the Indenture and the debt securities of the series will remain in full force and effect, other than with respect to the defeased covenants and related events of default.

We may defease the covenants and the related events of default described above only if, among other things, we have delivered to the trustee an opinion of counsel, who may be our employee or counsel, to the effect that the holders and beneficial owners of the debt securities of the series will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the deposit and defeasance of the covenants and events of default, and the holders and beneficial owners of the debt securities of the series will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if the deposit and defeasance had not occurred.

If we choose covenant defeasance with respect to the debt securities of any series as described above and the debt securities of the series are declared due and payable because of the occurrence of any event of default other than the event of default described in clause (4) under “Events of Default,” the amount of money and U.S. government securities on deposit with the trustee will be sufficient to pay amounts due on the debt securities of the series at the time of their stated maturity. The amount on deposit with the trustee may not be sufficient to pay amounts due on the debt securities of the series at the time of the acceleration resulting from the event of default. However, we will remain liable for these payments.

Modification and Waiver

Procter & Gamble and the trustee may make modifications of and amendments to the Indenture if the holders of at least a majority in principal amount of the outstanding debt securities of any series affected by the modification or amendment consent to the modification or amendment.

However, the consent of the holder of each debt security affected is required for any modification or amendment that

- changes the stated maturity of the principal of, or any installment of principal of or interest on, any debt security,
- reduces the principal amount of, or the premium, if any, or interest, if any, on, any debt security,
- reduces the amount of principal of an original issue discount security payable upon acceleration of the maturity of the security,
- changes the place or currency of payment of principal of, or premium, if any, or interest, if any, on, any debt security,
- impairs the right to institute suit for the enforcement of any payment on any debt security, or
- reduces the percentage in principal amount of debt securities of any series necessary to modify or amend the Indenture or to waive compliance with various provisions of the Indenture or to waive various defaults.

Without the consent of any holder of debt securities, we and the trustee may make modifications or amendments to the Indenture in order to

- evidence the succession of another person to us and the assumption by that person of the covenants in the Indenture,
 - add to the covenants for the benefit of the holders,
 - add additional events of default,
 - permit or facilitate the issuance of securities in bearer form or uncertificated form,
 - add to, change, or eliminate any provision of the Indenture in respect of a series of debt securities to be created in the future,
 - secure the securities as required by “Restrictions on Secured Debt,”
 - establish the form or terms of securities of any series,
 - evidence the appointment of a successor trustee, or
-

- cure any ambiguity, correct or supplement any provision which may be inconsistent with another provision, or make any other provision, provided that any action may not adversely affect the interests of holders of debt securities in any material respect.

The holders of at least a majority in principal amount of the outstanding debt securities of any series may on behalf of the holders of all debt securities of that series waive compliance by us with various restrictive provisions of the Indenture.

The holders of a majority in principal amount of the outstanding debt securities of any series may on behalf of the holders of all debt securities of that series waive any past default with respect to that series, except

- a default in the payment of the principal of or premium, if any, or interest on any debt security of that series, or
- a default in respect of a provision which under the Indenture cannot be modified or amended without the consent of the holder of each outstanding debt security of that series that would be affected.

Consolidation, Merger and Sale of Assets

If the conditions below are met, we may, without the consent of any holders of outstanding debt securities:

- consolidate or merge with or into another entity, or
- transfer or lease our assets as an entirety to another entity.

We have agreed that we will engage in a consolidation, merger or transfer or lease of assets as an entirety only if

- either we are the surviving entity or the entity formed by the consolidation or into which we are merged or which acquires or leases our assets is a corporation, partnership, limited liability company or trust organized and existing under the laws of any United States jurisdiction and assumes our obligations on the debt securities and under the Indenture,
- after giving effect to the transaction no event of default would have happened and be continuing, and
- various other conditions are met.

Regarding the Trustee

Deutsche Bank Trust Company Americas is the trustee under the Indenture. In addition, affiliates of Deutsche Bank Trust Company Americas may perform various commercial banking and investment banking services for Procter & Gamble and its subsidiaries from time to time in the ordinary course of business.

Exhibit (4-10)

Description of the Company's 2.000% Notes due 2021

Description of the Company's 2.000% Notes due 2021, Registered Under Section 12 of the Securities Exchange Act of 1934

The following summary of The Procter & Gamble Company's above referenced debt securities is based on and qualified by the Indenture, dated as of September 3, 2009, between the Company and Deutsche Bank Trust Company Americas, as Trustee (the "Indenture") and the 2.000% Notes Due 2021 (the "Notes"). For a complete description of the terms and provisions of the Company's Notes, refer to the Indenture, which is filed as an exhibit to this Annual Report on Form 10-K and to the form of Notes, which is filed as an exhibit to the Form 8-A filed with the Securities and Exchange Commission on November 5, 2013. Throughout this exhibit, references to "we," "our," and "us" refer to The Procter & Gamble Company.

General

The 2.000% notes:

- were issued in an aggregate initial principal amount of €750,000,000, which remains the amount outstanding, subject to our ability to issue additional 2.000% notes which may be of the same series as the 2.000% notes as described under "-Further Issues,"
- mature on November 5, 2021,
- bear interest at a rate of 2.000% per annum,
- are unsecured
- are our senior debt, ranking equally with all of our other present and future unsecured and unsubordinated indebtedness,
- issued as a separate series under the Indenture, in registered, book-entry form only,
- are repayable at par at maturity,
- are redeemable by us at any time prior to maturity as described below under "-Optional Redemption" and in connection with certain events involving United States taxation,
- are subject to defeasance and covenant defeasance, and
- are not subject to any sinking fund.

The Indenture and the notes do not limit the amount of indebtedness which may be incurred or the amount of securities which may be issued by us or our subsidiaries, and contain no financial or similar restrictions on us or our subsidiaries, except as described under the captions "Restrictions on Secured Debt" and "Restrictions on Sales and Leasebacks."

Interest

We pay interest on the notes annually on November 5 of each year, and on any maturity date (each, an "interest payment date"), commencing November 5, 2014, and ending on any maturity date, to the persons in whose names the notes are registered at the close of business on the Business Day immediately before the next interest payment date; provided, however, that interest payable on any maturity date shall be payable to the person to whom the principal of such notes shall be payable.

Interest payable on any interest payment date or maturity date shall be the amount of interest accrued from, and including, the immediately preceding interest payment date in respect of which interest has been paid or duly provided for (or from and including the original issue date, if no interest has been paid or duly provided for with respect to the notes) to, but excluding, such interest payment date or maturity date, as the case may be. If any interest payment date is not a Business Day at the relevant place of payment, we will pay interest on the next day that is a Business Day at such place of payment as if payment were made on the date such payment was due, and no interest will accrue on the amounts so payable for the period from and after such date to the immediately succeeding Business Day. If the

maturity date or redemption date of the notes is not a Business Day at the relevant place of payment, we will pay interest, if any, and principal and premium, if any, on the next day that is a Business Day at such place of payment as if payment were made on the date such payment was due, and no interest will accrue on the amounts so payable for the period from and after such date to the immediately succeeding Business Day.

Where interest is to be calculated in respect of a period which is equal to or shorter than the relevant period for which interest is to be calculated (an “Interest Period”), it will be calculated on the basis of the actual number of days in the relevant period, from and including the date from which interest begins to accrue, to, but excluding, the date on which it falls due, divided by the number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last).

“Business Day” means any day that is not a Saturday or Sunday and that is not a day on which banking institutions are authorized or obligated by law or executive order to close in The City of New York or London and, for any place of payment outside of The City of New York or London, in such place of payment, and on which the Trans-European Automated Real-time Gross Settlement Express Transfer system (the TARGET2 system), or any successor thereto, operates.

The term “maturity,” when used with respect to a note, means the date on which the principal of such note or an installment of principal becomes due and payable as therein provided or as provided in the indenture, whether at the stated maturity or by declaration of acceleration, call for redemption, repayment or otherwise.

Optional Redemption

We have the option to redeem the notes of either series, in whole or in part, at our option at any time, at a redemption price equal to the greater of (1) 100% of the principal amount of the notes to be redeemed, plus accrued interest on the notes to be redeemed to, but excluding, the date on which the notes are to be redeemed, or (2) the sum of the present values of the remaining scheduled payments of principal and interest on the notes to be redeemed, not including any portion of these payments of interest accrued as of the date of which the notes are to be redeemed, discounted to the date on which the notes are to be redeemed on an annual basis (ACTUAL/ACTUAL (ICMA)) at the applicable Comparable Government Bond Rate (as defined below), plus 12.5 basis points, plus accrued interest on the notes to be redeemed to, but excluding, the date on which the notes are to be redeemed.

“Comparable Government Bond Rate” means the price, expressed as a percentage (rounded to three decimal places, with 0.0005 being rounded upwards), at which the gross redemption yield on the notes to be redeemed, if they were to be purchased at such price on the third Business Day prior to the date fixed for redemption, would be equal to the gross redemption yield on such Business Day of the Comparable Government Bond (as defined below) on the basis of the middle market price of the Comparable Government Bond prevailing at 11:00 a.m. (London time) on such Business Day as determined by an independent investment bank selected by us.

“Comparable Government Bond” means, in relation to any Comparable Government Bond Rate calculation, at the discretion of an independent investment bank selected by us, a German government bond whose maturity is closest to the maturity of the notes to be redeemed, or if such independent investment bank in its discretion determines that such similar bond is not in issue, such other German government bond as such independent investment bank may, with the advice of three brokers of, and/or market makers in, German government bonds selected by us, determine to be appropriate for determining the Comparable Government Bond Rate.

In the case of a partial redemption, selection of the notes for redemption will be made by the depositary by lot on a pro rata basis or by any other equitable method as the depositary may decide. If any note is to be redeemed in part only, the notice of redemption that relates to the note will state the portion of the principal amount of the note to be redeemed; provided that the unredeemed portion of the note shall be €100,000 in principal amount and €1,000 multiples above that amount. A new note in a principal amount equal to the unredeemed portion of the note will be issued in the name of the holder of the note upon surrender of the original note.

The notes are also subject to redemption if certain events occur involving United States taxation. See “-Tax Redemption.”

Additional Amounts

All payments of principal and interest in respect of the notes will be made free and clear of, and without deduction or withholding for or on account of any present or future taxes, duties, assessments or other governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by the United States or any political subdivision or taxing authority of or in the United States (collectively, “Taxes”), unless such withholding or deduction is required by law.

In the event such withholding or deduction of Taxes is required by law, subject to the limitations described below, we will pay to the holder or beneficial owner of any note that is not a United States holder such additional amounts (“Additional Amounts”) as may be necessary in order that every net payment by us or any paying agent of principal of or interest on the notes (including upon redemption), after deduction or withholding for or on account of such Taxes, will not be less than the amount provided for in such note to be then due and payable before deduction or withholding for or on account of such Taxes.

However, our obligation to pay Additional Amounts shall not apply to:

(a) any Taxes which would not have been so imposed but for:

- (1) the existence of any present or former connection between such holder or beneficial owner (or between a fiduciary, settlor, beneficiary, member or shareholder or other equity owner of, or a person having a power over, such holder or beneficial owner, if such holder or beneficial owner is an estate, a trust, a limited liability company, a partnership, a corporation or other entity) and the United States, including, without limitation, such holder or beneficial owner (or such fiduciary, settlor, beneficiary, member, shareholder or other equity owner or person having such a power) being or having been a citizen or resident or treated as a resident of the United States or being or having been engaged in a trade or business in the United States or being or having been present in the United States or having had a permanent establishment in the United States;
 - (2) the failure of such holder or beneficial owner to comply with any requirement under United States tax laws and regulations to establish entitlement to a partial or complete exemption from such Taxes (including, but not limited to, the requirement to provide Internal Revenue Service Form W-8BEN, Form W-8BEN-E, Form W-8ECI, or any subsequent versions thereof or successor thereto); or
 - (3) such holder’s or beneficial owner’s present or former status as a personal holding company or a foreign personal holding company with respect to the United States, as a controlled foreign corporation with respect to the United States, as a passive foreign investment company with
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respect to the United States, as a foreign tax exempt organization with respect to the United States or as a corporation which accumulates earnings to avoid U.S. federal income tax;

(b) any Taxes imposed by reason of the holder or beneficial owner:

(1) owning or having owned, directly or indirectly, actually or constructively, 10% or more of the total combined voting power of all classes of our stock,

(2) being a bank receiving interest described in section 881(c)(3)(A) of the Internal Revenue Code of 1986, as amended (the “Code”), or

(3) being a controlled foreign corporation with respect to the United States that is related to us by stock ownership;

(c) any Taxes which would not have been so imposed but for the presentation by the holder or beneficial owner of such note for payment on a date more than 10 days after the date on which such payment became due and payable or the date on which payment of the note is duly provided for and notice is given to holders, whichever occurs later, except to the extent that the holder or beneficial owner would have been entitled to such additional amounts on presenting such note on any date during such 10-day period;

(d) any estate, inheritance, gift, sales, transfer, personal property, wealth, interest equalization or similar Taxes;

(e) any Taxes which are payable otherwise than by withholding from payment of principal of or interest on such note;

(f) any Taxes which are payable by a holder that is not the beneficial owner of the note, or a portion of the note, or that is a fiduciary, partnership, limited liability company or other similar entity, but only to the extent that a beneficial owner, a beneficiary or settlor with respect to such fiduciary or member of such partnership, limited liability company or similar entity would not have been entitled to the payment of an additional amount had such beneficial owner, settlor, beneficiary or member received directly its beneficial or distributive share of the payment;

(g) any Taxes required to be withheld by any paying agent from any payment of principal of or interest on any note, if such payment can be made without such withholding by any other paying agent;

(h) any required to be withheld or deducted where such withholding or deduction is imposed pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such European Council Directive;

(i) any Taxes that would not have been imposed in respect of any notes or coupon if such note or coupon had been presented to another paying agent in a Member State of the European Union;

(j) any Taxes imposed under Sections 1471 through 1474 of the Code (or any amended or successor provisions that are substantively comparable) and any current or future regulations or official interpretations thereof; or

(k) any combination of items (a), (b), (c), (d), (e), (f), (g), (h), (i) and (j).

For purposes of this section, the holding of or the receipt of any payment with respect to a note will not constitute a connection (1) between the holder or beneficial owner and the United States or (2) between a

fiduciary, settlor, beneficiary, member or shareholder or other equity owner of, or a person having a power over, such holder or beneficial owner if such holder or beneficial owner is an estate, a trust, a limited liability company, a partnership, a corporation or other entity and the United States.

Any reference in this exhibit to principal or interest shall be deemed to refer also to Additional Amounts which may be payable under the provisions of this section.

We will pay all stamp and other duties, if any, which may be imposed by the United States or any political subdivision thereof or taxing authority therein with respect to the issuance of the notes.

Except as specifically provided in the notes, we will not be required to make any payment with respect to any tax, duty, assessment or other governmental charge imposed by any government or any political subdivision or taxing authority of or in the United States.

In addition, we undertake that, to the extent permitted by law, we will maintain a paying agent in a Member state of the European Union (if any) that will not require withholding or deduction of tax pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such European Council Directive.

Tax Redemption

Unless previously redeemed or repurchased and canceled, the notes will be repayable at par, including Additional Amounts, if any, on November 5, 2021, or such earlier date on which the same shall be due and payable in accordance with the terms and conditions of the notes. However, if the maturity date of the notes is not a Business Day, the notes will be payable on the next succeeding Business Day and no interest shall accrue for the period from November 5, 2021 to such payment date.

The notes may be redeemed at our option, in whole but not in part, at a redemption price equal to 100% of the principal amount of the notes to be redeemed, together with interest accrued and unpaid to the date fixed for redemption, at any time, on giving not less than 30 nor more than 60 days' notice if:

(a) we have or will become obligated to pay Additional Amounts as a result of any change in or amendment to the laws, regulations or rulings of the United States or any political subdivision or any taxing authority of or in the United States affecting taxation, or any change in or amendment to an official application, interpretation, administration or enforcement of such laws, regulations or rulings, which change or amendment is announced or becomes effective on or after October 29, 2013, or

(b) any action shall have been taken by a taxing authority, or any action has been brought in a court of competent jurisdiction, in the United States or any political subdivision or taxing authority of or in the United States, including any of those actions specified in (a) above, whether or not such action was taken or brought with respect to us, or any change, clarification, amendment, application or interpretation of such laws, regulations or rulings shall be officially proposed, in any such case on or after October 29, 2013, which results in a substantial likelihood that we will be required to pay Additional Amounts on the next interest payment date.

However, no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which we would be, in the case of a redemption for the reasons specified in (a) above, or there would be a substantial likelihood that we would be, in the case of a redemption for the reasons specified in (b) above, obligated to pay such Additional Amounts if a payment in respect of the notes were then due.

Such notice, once delivered by us to the trustee, will be irrevocable.

Prescription

Under New York's statute of limitations, any legal action to enforce our payment obligations evidenced by the notes or the coupons must be commenced within six years after the payment thereof is due; thereafter our payment obligations will generally become unenforceable.

Further Issues

We may from time to time, without notice to or the consent of the registered holders of notes, create and issue further notes ranking equally with the notes in all respects (or in all respects other than the payment of interest accruing prior to the issue date of such further notes or except for the first payment of interest following the issue date of such further notes). Such further notes may be consolidated and form a single series with the notes and have the same terms as to status, redemption or otherwise as the other notes.

Restrictions on Secured Debt

If we or any Domestic Subsidiary shall incur, issue, assume or guarantee any Debt secured by a Mortgage on any Principal Domestic Manufacturing Property of ours or any Domestic Subsidiary's or on any shares of stock of any Domestic Subsidiary that owns a Principal Domestic Manufacturing Property, we will secure, or cause such Domestic Subsidiary to secure, the debt securities then outstanding equally and ratably with (or prior to) such Debt. However, we will not be restricted by this covenant if, after giving effect to the particular Debt so secured the total amount of all Debt so secured, together with all Attributable Debt in respect of sale and leaseback transactions involving Principal Domestic Manufacturing Properties, would not exceed 15% of our and our consolidated subsidiaries' Consolidated Net Tangible Assets.

In addition, the restriction will not apply to, and there shall be excluded in computing secured Debt for the purpose of the restriction, Debt secured by

(1) with respect to any series of debt securities, Mortgages existing on the date of the original issuance of the debt securities of such series;

(2) Mortgages on property of, or on any shares of stock of, any corporation existing at the time the corporation becomes a Domestic Subsidiary or at the time it is merged into or consolidated with us or a Domestic Subsidiary;

(3) Mortgages in favor of us or a Domestic Subsidiary;

(4) Mortgages in favor of U.S., State or foreign governmental bodies to secure progress or advance payments;

(5) Mortgages on property or shares of stock existing at the time of their acquisition, including acquisition through merger or consolidation, purchase money Mortgages and construction or improvement cost Mortgages; and

(6) any extension, renewal or refunding of any Mortgage referred to in the immediately preceding clauses (1) through (5), inclusive.

The Indenture does not restrict the incurrence of unsecured debt by us or our subsidiaries.

Restrictions on Sales and Leasebacks

Neither we nor any Domestic Subsidiary may enter into any sale and leaseback transaction involving any Principal Domestic Manufacturing Property, the completion of construction and commencement of full operation of which has occurred more than 180 days prior to the transaction, unless

- we or the Domestic Subsidiary could incur a lien on the property under the restrictions described above under “Restrictions on Secured Debt” in an amount equal to the Attributable Debt with respect to the sale and leaseback transaction without equally and ratably securing the debt securities then outstanding, or
- we, within 180 days, apply to either (or a combination of) the investment in one or more other Principal Domestic Manufacturing Properties or the retirement of our Funded Debt an amount not less than the greater of (1) the net proceeds of the sale of the Principal Domestic Manufacturing Property leased pursuant to such arrangement or (2) the fair market value of the Principal Domestic Manufacturing Property so leased, subject to credits for various voluntary retirements of Funded Debt.

This restriction will not apply to any sale and leaseback transaction

- between us and a Domestic Subsidiary,
- between Domestic Subsidiaries, or
- involving the taking back of a lease for a period of less than three years.

Definitions Applicable to Covenants

The term “Attributable Debt” means the lesser of (1) the fair market value of the Principal Domestic Manufacturing Property sold and leased back at the time of entering into a sale and leaseback transaction and (2) the total net amount of rent, discounted at 10% per annum compounded annually, required to be paid during the remaining term of any lease.

The term “Consolidated Net Tangible Assets” means our total assets, less net goodwill and other intangible assets, less total current liabilities, all as described on our and our consolidated subsidiaries’ most recent balance sheet and calculated based on positions as reported in our consolidated financial statements in accordance with generally accepted accounting principles.

The term “Debt” means notes, bonds, debentures or other similar evidences of indebtedness for money borrowed.

The term “Domestic Subsidiary” means any of our subsidiaries except a subsidiary which neither transacts any substantial portion of its business nor regularly maintains any substantial portion of its fixed assets within the United States or which is engaged primarily in financing our and our subsidiaries’ operations outside the United States.

The term “Funded Debt” means Debt having a maturity of more than 12 months from its date of creation.

The term “Mortgage” means pledges, mortgages and other liens.

The term “Principal Domestic Manufacturing Property” means any facility (together with the land on which it is erected and fixtures comprising a part of the land) used primarily for manufacturing or processing, located in the United States, owned or leased by us or one of our subsidiaries and having a

gross book value in excess of 1.0% of Consolidated Net Tangible Assets. However, the term “Principal Domestic Manufacturing Property” does not include any facility or portion of a facility (1) which is financed by obligations the interest on which is exempt from U.S. federal income tax pursuant to Section 103 of the Code (or any predecessor or successor provision thereof), or (2) which, in the opinion of our board of directors, is not of material importance to the total business conducted by us and our subsidiaries as an entirety.

Events of Default

Any one of the following are events of default under the Indenture with respect to debt securities of any series:

- (1) our failure to pay principal of or premium, if any, on any debt security of that series when due;
- (2) our failure to pay any interest on any debt security of that series when due, continued for 30 days;
- (3) our failure to deposit any sinking fund payment, when due, in respect of any debt security of that series;
- (4) our failure to perform any other of our covenants in the Indenture which affects or is applicable to the debt securities of that series, other than a covenant included in the Indenture solely for the benefit of other series of debt securities, continued for 90 days after written notice as provided in the Indenture;
- (5) certain events involving bankruptcy, insolvency or reorganization; and
- (6) any other event of default provided with respect to debt securities of that series.

If an event of default with respect to outstanding debt securities of any series shall occur and be continuing, either the trustee or the holders of at least 25% in principal amount of the outstanding debt securities of that series may declare the principal amount (or, if the debt securities of that series are original issue discount securities, the portion of the principal amount as may be specified in the terms of that series) of all the debt securities of that series to be due and payable immediately. At any time after a declaration of acceleration with respect to debt securities of any series has been made, but before a judgment or decree based on acceleration has been obtained, the holders of a majority in principal amount of the outstanding debt securities of that series may, under some circumstances, rescind and annul the acceleration. For information as to waiver of defaults, see the section below entitled “Modification and Waiver.”

During default, the trustee has a duty to act with the required standard of care. Otherwise, the Indenture provides that the trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request or direction of any of the holders, unless the holders shall have offered to the trustee reasonable indemnity. If the provisions for indemnification of the trustee have been satisfied, the holders of a majority in principal amount of the outstanding debt securities of any series will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising any trust or power conferred on the trustee, with respect to the debt securities of that series.

We will furnish to the trustee annually a certificate as to our compliance with all conditions and covenants under the Indenture.

Defeasance and Discharge

We will be discharged from any and all obligations in respect of the debt securities of any series if we deposit with the trustee, in trust, money and/or U.S. government securities which through the payment of interest and principal will provide money in an amount sufficient to pay the principal of and premium, if any, and each installment of interest on the debt securities of the series on the dates those payments are due and payable.

If we defease a series of debt securities, the holders of the debt securities of the series will not be entitled to the benefits of the Indenture, except for

- the rights of holders to receive from the trust funds payment of principal, premium and interest on the debt securities,
- our obligation to register the transfer or exchange of debt securities of the series,
- our obligation to replace stolen, lost or mutilated debt securities of the series,
- our obligation to maintain paying agencies,
- our obligation to hold monies for payment in trust, and
- the rights of holders to benefit, as applicable, from the rights, powers, trusts, duties and immunities of the trustee.

We may defease a series of debt securities only if, among other things, we have delivered to the trustee an opinion of counsel to the effect that we have received from, or there has been published by, the U.S. Internal Revenue Service a ruling to the effect that holders and beneficial owners of the debt securities of the series will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the deposit, defeasance and discharge and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if the deposit, defeasance and discharge had not occurred.

Defeasance of Covenants and Events of Default

We may omit to comply with the covenants described above under “Restrictions on Secured Debt” and “Restrictions on Sales and Leasebacks”, and the failure to comply with these covenants will not be deemed an event of default, if we deposit with the trustee, in trust, money and/or U.S. government securities which through the payment of interest and principal will provide money in an amount sufficient to pay the principal of and premium, if any, and each installment of interest on the debt securities of the series on the dates those payments are due and payable. Our obligations under the Indenture and the debt securities of the series will remain in full force and effect, other than with respect to the defeased covenants and related events of default.

We may defease the covenants and the related events of default described above only if, among other things, we have delivered to the trustee an opinion of counsel, who may be our employee or counsel, to the effect that the holders and beneficial owners of the debt securities of the series will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the deposit and defeasance of the covenants and events of default, and the holders and beneficial owners of the debt securities of the series will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if the deposit and defeasance had not occurred.

If we choose covenant defeasance with respect to the debt securities of any series as described above and the debt securities of the series are declared due and payable because of the occurrence of any event of default other than the event of default described in clause (4) under “Events of Default,” the amount of money and U.S. government securities on deposit with the trustee will be sufficient to pay amounts due on the debt securities of the series at the time of their stated maturity. The amount on deposit with the trustee may not be sufficient to pay amounts due on the debt securities of the series at the time of the acceleration resulting from the event of default. However, we will remain liable for these payments.

Modification and Waiver

Procter & Gamble and the trustee may make modifications of and amendments to the Indenture if the holders of at least a majority in principal amount of the outstanding debt securities of any series affected by the modification or amendment consent to the modification or amendment.

However, the consent of the holder of each debt security affected is required for any modification or amendment that

- changes the stated maturity of the principal of, or any installment of principal of or interest on, any debt security,
- reduces the principal amount of, or the premium, if any, or interest, if any, on, any debt security,
- reduces the amount of principal of an original issue discount security payable upon acceleration of the maturity of the security,
- changes the place or currency of payment of principal of, or premium, if any, or interest, if any, on, any debt security,
- impairs the right to institute suit for the enforcement of any payment on any debt security, or
- reduces the percentage in principal amount of debt securities of any series necessary to modify or amend the Indenture or to waive compliance with various provisions of the Indenture or to waive various defaults.

Without the consent of any holder of debt securities, we and the trustee may make modifications or amendments to the Indenture in order to

- evidence the succession of another person to us and the assumption by that person of the covenants in the Indenture,
- add to the covenants for the benefit of the holders,
- add additional events of default,
- permit or facilitate the issuance of securities in bearer form or uncertificated form,
- add to, change, or eliminate any provision of the Indenture in respect of a series of debt securities to be created in the future,
- secure the securities as required by “Restrictions on Secured Debt,”
- establish the form or terms of securities of any series,
- evidence the appointment of a successor trustee, or
- cure any ambiguity, correct or supplement any provision which may be inconsistent with another provision, or make any other provision, provided that any action may not adversely affect the interests of holders of debt securities in any material respect.

The holders of at least a majority in principal amount of the outstanding debt securities of any series may on behalf of the holders of all debt securities of that series waive compliance by us with various restrictive provisions of the Indenture.

The holders of a majority in principal amount of the outstanding debt securities of any series may on behalf of the holders of all debt securities of that series waive any past default with respect to that series, except

- a default in the payment of the principal of or premium, if any, or interest on any debt security of that series, or
- a default in respect of a provision which under the Indenture cannot be modified or amended without the consent of the holder of each outstanding debt security of that series that would be affected.

Consolidation, Merger and Sale of Assets

If the conditions below are met, we may, without the consent of any holders of outstanding debt securities:

- consolidate or merge with or into another entity, or
- transfer or lease our assets as an entirety to another entity.

We have agreed that we will engage in a consolidation, merger or transfer or lease of assets as an entirety only if

- either we are the surviving entity or the entity formed by the consolidation or into which we are merged or which acquires or leases our assets is a corporation, partnership, limited liability company or trust organized and existing under the laws of any United States jurisdiction and assumes our obligations on the debt securities and under the Indenture,
- after giving effect to the transaction no event of default would have happened and be continuing, and
- various other conditions are met.

Regarding the Trustee

Deutsche Bank Trust Company Americas is the trustee under the Indenture. In addition, affiliates of Deutsche Bank Trust Company Americas may perform various commercial banking and investment banking services for Procter & Gamble and its subsidiaries from time to time in the ordinary course of business.

Exhibit (4-11)

Description of the Company's 2.000% Notes due 2022

Description of the Company's 2.000% Notes due 2022, Registered Under Section 12 of the Securities Exchange Act of 1934

The following summary of The Procter & Gamble Company's above referenced debt securities is based on and qualified by the Indenture, dated as of September 3, 2009, between the Company and Deutsche Bank Trust Company Americas, as Trustee (the "Indenture") and the 2.000% Notes Due 2022 (the "Notes"). For a complete description of the terms and provisions of the Company's Notes, refer to the Indenture, which is filed as an exhibit to this Annual Report on Form 10-K and to the form of Notes, which is filed as an exhibit to the Form 8-A filed with the Securities and Exchange Commission on August 16, 2012. Throughout this exhibit, references to "we," "our," and "us" refer to The Procter & Gamble Company.

General

The 2.000% notes:

- were issued in an aggregate initial principal amount of €1,000,000,000, which remains the amount outstanding, subject to our ability to issue additional 2.000% notes which may be of the same series as the 2.000% notes as described under "-Further Issues,"
- mature on August 16, 2022,
- bear interest at a rate of 2.000% per annum,
- are unsecured
- are our senior debt, ranking equally with all of our other present and future unsecured and unsubordinated indebtedness,
- issued as a separate series under the Indenture, in registered, book-entry form only,
- are repayable at par at maturity,
- are redeemable by us only in connection with certain events involving United States taxation,
- are subject to defeasance and covenant defeasance, and
- are not subject to any sinking fund.

The Indenture and the notes do not limit the amount of indebtedness which may be incurred or the amount of securities which may be issued by us or our subsidiaries, and contain no financial or similar restrictions on us or our subsidiaries, except as described under the captions "Restrictions on Secured Debt" and "Restrictions on Sales and Leasebacks."

Interest

We pay interest on the notes annually on August 16 of each year, and on any maturity date (each, an "interest payment date"), commencing August 16, 2013, and ending on any maturity date, to the persons in whose names the notes are registered at the close of business on the Business Day immediately before the next interest payment date; provided, however, that interest payable on any maturity date shall be payable to the person to whom the principal of such notes shall be payable.

Interest payable on any interest payment date or maturity date shall be the amount of interest accrued from, and including, the immediately preceding interest payment date in respect of which interest has been paid or duly provided for (or from and including the original issue date, if no interest has been paid or duly provided for with respect to the notes) to, but excluding, such interest payment date or maturity date, as the case may be. If any interest payment date is not a Business Day at the relevant place of payment, we will pay interest on the next day that is a Business Day at such place of payment as if payment were made on the date such payment was due, and no interest will accrue on the amounts so payable for the period from and after such date to the immediately succeeding Business Day. If the maturity date or redemption date of the notes is not a Business Day at the relevant place of payment, we

will pay interest, if any, and principal and premium, if any, on the next day that is a Business Day at such place of payment as if payment were made on the date such payment was due, and no interest will accrue on the amounts so payable for the period from and after such date to the immediately succeeding Business Day.

Where interest is to be calculated in respect of a period which is equal to or shorter than the relevant period for which interest is to be calculated (an “Interest Period”), it will be calculated on the basis of the actual number of days in the relevant period, from and including the date from which interest begins to accrue, to, but excluding, the date on which it falls due, divided by the number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last).

“Business Day” means any day that is not a Saturday or Sunday and that is not a day on which banking institutions are authorized or obligated by law or executive order to close in The City of New York or London and, for any place of payment outside of The City of New York or London, in such place of payment, and on which the Trans-European Automated Real-time Gross Settlement Express Transfer system (the TARGET2 system), or any successor thereto, operates.

The term “maturity,” when used with respect to a note, means the date on which the principal of such note or an installment of principal becomes due and payable as therein provided or as provided in the indenture, whether at the stated maturity or by declaration of acceleration, call for redemption, repayment or otherwise.

Additional Amounts

All payments of principal and interest in respect of the notes will be made free and clear of, and without deduction or withholding for or on account of any present or future taxes, duties, assessments or other governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by the United States or any political subdivision or taxing authority of or in the United States (collectively, “Taxes”), unless such withholding or deduction is required by law.

In the event such withholding or deduction of Taxes is required by law, subject to the limitations described below, we will pay to the holder or beneficial owner of any note that is not a United States holder such additional amounts (“Additional Amounts”) as may be necessary in order that every net payment by us or any paying agent of principal of or interest on the notes (including upon redemption), after deduction or withholding for or on account of such Taxes, will not be less than the amount provided for in such note to be then due and payable before deduction or withholding for or on account of such Taxes.

However, our obligation to pay Additional Amounts shall not apply to:

(a) any Taxes which would not have been so imposed but for:

(1) the existence of any present or former connection between such holder or beneficial owner (or between a fiduciary, settlor, beneficiary, member or shareholder or other equity owner of, or a person having a power over, such holder or beneficial owner, if such holder or beneficial owner is an estate, a trust, a limited liability company, a partnership, a corporation or other entity) and the United States, including, without limitation, such holder or beneficial owner (or such fiduciary, settlor, beneficiary, member, shareholder or other equity owner or person having such a power) being or having been a citizen or resident or treated as a resident of the United States or being or having been engaged in a trade or business in the United States or being or having been present in the United States or having had a permanent establishment in the United States;

(2) the failure of such holder or beneficial owner to comply with any requirement under United States tax laws and regulations to establish entitlement to a partial or complete exemption from such Taxes (including, but not limited to, the requirement to provide Internal Revenue Service Form W-8BEN, Form W-8BEN-E, Form W-8ECI, or any subsequent versions thereof or successor thereto); or

(3) such holder's or beneficial owner's present or former status as a personal holding company or a foreign personal holding company with respect to the United States, as a controlled foreign corporation with respect to the United States, as a passive foreign investment company with respect to the United States, as a foreign tax exempt organization with respect to the United States or as a corporation which accumulates earnings to avoid U.S. federal income tax;

(b) any Taxes imposed by reason of the holder or beneficial owner:

(1) owning or having owned, directly or indirectly, actually or constructively, 10% or more of the total combined voting power of all classes of our stock,

(2) being a bank receiving interest described in section 881(c)(3)(A) of the Internal Revenue Code of 1986, as amended (the "Code"), or

(3) being a controlled foreign corporation with respect to the United States that is related to us by stock ownership;

(c) any Taxes which would not have been so imposed but for the presentation by the holder or beneficial owner of such note for payment on a date more than 10 days after the date on which such payment became due and payable or the date on which payment of the note is duly provided for and notice is given to holders, whichever occurs later, except to the extent that the holder or beneficial owner would have been entitled to such additional amounts on presenting such note on any date during such 10-day period;

(d) any estate, inheritance, gift, sales, transfer, personal property, wealth, interest equalization or similar Taxes;

(e) any Taxes which are payable otherwise than by withholding from payment of principal of or interest on such note;

(f) any Taxes which are payable by a holder that is not the beneficial owner of the note, or a portion of the note, or that is a fiduciary, partnership, limited liability company or other similar entity, but only to the extent that a beneficial owner, a beneficiary or settlor with respect to such fiduciary or member of such partnership, limited liability company or similar entity would not have been entitled to the payment of an additional amount had such beneficial owner, settlor, beneficiary or member received directly its beneficial or distributive share of the payment;

(g) any Taxes required to be withheld by any paying agent from any payment of principal of or interest on any note, if such payment can be made without such withholding by any other paying agent;

(h) any required to be withheld or deducted where such withholding or deduction is imposed pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such European Council Directive;

- (i) any Taxes that would not have been imposed in respect of any notes or coupon if such note or coupon had been presented to another paying agent in a Member State of the European Union;
- (j) any Taxes imposed under Sections 1471 through 1474 of the Code (or any amended or successor provisions that are substantively comparable) and any current or future regulations or official interpretations thereof; or
- (k) any combination of items (a), (b), (c), (d), (e), (f), (g), (h), (i) and (j).

For purposes of this section, the holding of or the receipt of any payment with respect to a note will not constitute a connection (1) between the holder or beneficial owner and the United States or (2) between a fiduciary, settlor, beneficiary, member or shareholder or other equity owner of, or a person having a power over, such holder or beneficial owner if such holder or beneficial owner is an estate, a trust, a limited liability company, a partnership, a corporation or other entity and the United States.

Any reference in this exhibit to principal or interest shall be deemed to refer also to Additional Amounts which may be payable under the provisions of this section.

We will pay all stamp and other duties, if any, which may be imposed by the United States or any political subdivision thereof or taxing authority therein with respect to the issuance of the notes.

Except as specifically provided in the notes, we will not be required to make any payment with respect to any tax, duty, assessment or other governmental charge imposed by any government or any political subdivision or taxing authority of or in the United States.

In addition, we undertake that, to the extent permitted by law, we will maintain a paying agent in a Member state of the European Union (if any) that will not require withholding or deduction of tax pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such European Council Directive.

Tax Redemption

Except as provided below, the notes are not redeemable prior to maturity. Unless previously redeemed or repurchased and canceled, the notes will be repayable at par, including Additional Amounts, if any, on August 16, 2022, or such earlier date on which the same shall be due and payable in accordance with the terms and conditions of the notes. However, if the maturity date of the notes is not a Business Day, the notes will be payable on the next succeeding Business Day and no interest shall accrue for the period from August 16, 2022 to such payment date.

The notes may be redeemed at our option, in whole but not in part, at a redemption price equal to 100% of the principal amount of the notes to be redeemed, together with interest accrued and unpaid to the date fixed for redemption, at any time, on giving not less than 30 nor more than 60 days' notice if:

- (a) we have or will become obligated to pay Additional Amounts as a result of any change in or amendment to the laws, regulations or rulings of the United States or any political subdivision or any taxing authority of or in the United States affecting taxation, or any change in or amendment to an official application, interpretation, administration or enforcement of such laws, regulations or rulings, which change or amendment is announced or becomes effective on or after August 9, 2012, or
 - (b) any action shall have been taken by a taxing authority, or any action has been brought in a court of competent jurisdiction, in the United States or any political subdivision or taxing authority of or in the
-

United States, including any of those actions specified in (a) above, whether or not such action was taken or brought with respect to us, or any change, clarification, amendment, application or interpretation of such laws, regulations or rulings shall be officially proposed, in any such case on or after August 9, 2012, which results in a substantial likelihood that we will be required to pay Additional Amounts on the next interest payment date.

However, no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which we would be, in the case of a redemption for the reasons specified in (a) above, or there would be a substantial likelihood that we would be, in the case of a redemption for the reasons specified in (b) above, obligated to pay such Additional Amounts if a payment in respect of the notes were then due.

Such notice, once delivered by us to the trustee, will be irrevocable.

Prescription

Under New York's statute of limitations, any legal action to enforce our payment obligations evidenced by the notes or the coupons must be commenced within six years after the payment thereof is due; thereafter our payment obligations will generally become unenforceable.

Further Issues

We may from time to time, without notice to or the consent of the registered holders of notes, create and issue further notes ranking equally with the notes in all respects (or in all respects other than the payment of interest accruing prior to the issue date of such further notes or except for the first payment of interest following the issue date of such further notes). Such further notes may be consolidated and form a single series with the notes and have the same terms as to status, redemption or otherwise as the other notes.

Restrictions on Secured Debt

If we or any Domestic Subsidiary shall incur, issue, assume or guarantee any Debt secured by a Mortgage on any Principal Domestic Manufacturing Property of ours or any Domestic Subsidiary's or on any shares of stock of any Domestic Subsidiary that owns a Principal Domestic Manufacturing Property, we will secure, or cause such Domestic Subsidiary to secure, the debt securities then outstanding equally and ratably with (or prior to) such Debt. However, we will not be restricted by this covenant if, after giving effect to the particular Debt so secured the total amount of all Debt so secured, together with all Attributable Debt in respect of sale and leaseback transactions involving Principal Domestic Manufacturing Properties, would not exceed 15% of our and our consolidated subsidiaries' Consolidated Net Tangible Assets.

In addition, the restriction will not apply to, and there shall be excluded in computing secured Debt for the purpose of the restriction, Debt secured by

(1) with respect to any series of debt securities, Mortgages existing on the date of the original issuance of the debt securities of such series;

(2) Mortgages on property of, or on any shares of stock of, any corporation existing at the time the corporation becomes a Domestic Subsidiary or at the time it is merged into or consolidated with us or a Domestic Subsidiary;

(3) Mortgages in favor of us or a Domestic Subsidiary;

- (4) Mortgages in favor of U.S., State or foreign governmental bodies to secure progress or advance payments;
- (5) Mortgages on property or shares of stock existing at the time of their acquisition, including acquisition through merger or consolidation, purchase money Mortgages and construction or improvement cost Mortgages; and
- (6) any extension, renewal or refunding of any Mortgage referred to in the immediately preceding clauses (1) through (5) , inclusive.

The Indenture does not restrict the incurrence of unsecured debt by us or our subsidiaries.

Restrictions on Sales and Leasebacks

Neither we nor any Domestic Subsidiary may enter into any sale and leaseback transaction involving any Principal Domestic Manufacturing Property, the completion of construction and commencement of full operation of which has occurred more than 180 days prior to the transaction, unless

- we or the Domestic Subsidiary could incur a lien on the property under the restrictions described above under “Restrictions on Secured Debt” in an amount equal to the Attributable Debt with respect to the sale and leaseback transaction without equally and ratably securing the debt securities then outstanding, or
- we, within 180 days, apply to either (or a combination of) the investment in one or more other Principal Domestic Manufacturing Properties or the retirement of our Funded Debt an amount not less than the greater of (1) the net proceeds of the sale of the Principal Domestic Manufacturing Property leased pursuant to such arrangement or (2) the fair market value of the Principal Domestic Manufacturing Property so leased, subject to credits for various voluntary retirements of Funded Debt.

This restriction will not apply to any sale and leaseback transaction

- between us and a Domestic Subsidiary,
- between Domestic Subsidiaries, or
- involving the taking back of a lease for a period of less than three years.

Definitions Applicable to Covenants

The term “Attributable Debt” means the lesser of (1) the fair market value of the Principal Domestic Manufacturing Property sold and leased back at the time of entering into a sale and leaseback transaction and (2) the total net amount of rent, discounted at 10% per annum compounded annually, required to be paid during the remaining term of any lease.

The term “Consolidated Net Tangible Assets” means our total assets, less net goodwill and other intangible assets, less total current liabilities, all as described on our and our consolidated subsidiaries’ most recent balance sheet and calculated based on positions as reported in our consolidated financial statements in accordance with generally accepted accounting principles.

The term “Debt” means notes, bonds, debentures or other similar evidences of indebtedness for money borrowed.

The term “Domestic Subsidiary” means any of our subsidiaries except a subsidiary which neither transacts any substantial portion of its business nor regularly maintains any substantial portion of its fixed assets within the United States or which is engaged primarily in financing our and our subsidiaries’ operations outside the United States.

The term “Funded Debt” means Debt having a maturity of more than 12 months from its date of creation.

The term “Mortgage” means pledges, mortgages and other liens.

The term “Principal Domestic Manufacturing Property” means any facility (together with the land on which it is erected and fixtures comprising a part of the land) used primarily for manufacturing or processing, located in the United States, owned or leased by us or one of our subsidiaries and having a gross book value in excess of 1.0% of Consolidated Net Tangible Assets. However, the term “Principal Domestic Manufacturing Property” does not include any facility or portion of a facility (1) which is financed by obligations the interest on which is exempt from U.S. federal income tax pursuant to Section 103 of the Code (or any predecessor or successor provision thereof), or (2) which, in the opinion of our board of directors, is not of material importance to the total business conducted by us and our subsidiaries as an entirety.

Events of Default

Any one of the following are events of default under the Indenture with respect to debt securities of any series:

- (1) our failure to pay principal of or premium, if any, on any debt security of that series when due;
- (2) our failure to pay any interest on any debt security of that series when due, continued for 30 days;
- (3) our failure to deposit any sinking fund payment, when due, in respect of any debt security of that series;
- (4) our failure to perform any other of our covenants in the Indenture which affects or is applicable to the debt securities of that series, other than a covenant included in the Indenture solely for the benefit of other series of debt securities, continued for 90 days after written notice as provided in the Indenture;
- (5) certain events involving bankruptcy, insolvency or reorganization; and
- (6) any other event of default provided with respect to debt securities of that series.

If an event of default with respect to outstanding debt securities of any series shall occur and be continuing, either the trustee or the holders of at least 25% in principal amount of the outstanding debt securities of that series may declare the principal amount (or, if the debt securities of that series are original issue discount securities, the portion of the principal amount as may be specified in the terms of that series) of all the debt securities of that series to be due and payable immediately. At any time after a declaration of acceleration with respect to debt securities of any series has been made, but before a judgment or decree based on acceleration has been obtained, the holders of a majority in principal amount of the outstanding debt securities of that series may, under some circumstances, rescind and annul the

acceleration. For information as to waiver of defaults, see the section below entitled “Modification and Waiver.”

During default, the trustee has a duty to act with the required standard of care. Otherwise, the Indenture provides that the trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request or direction of any of the holders, unless the holders shall have offered to the trustee reasonable indemnity. If the provisions for indemnification of the trustee have been satisfied, the holders of a majority in principal amount of the outstanding debt securities of any series will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising any trust or power conferred on the trustee, with respect to the debt securities of that series.

We will furnish to the trustee annually a certificate as to our compliance with all conditions and covenants under the Indenture.

Defeasance and Discharge

We will be discharged from any and all obligations in respect of the debt securities of any series if we deposit with the trustee, in trust, money and/or U.S. government securities which through the payment of interest and principal will provide money in an amount sufficient to pay the principal of and premium, if any, and each installment of interest on the debt securities of the series on the dates those payments are due and payable.

If we defease a series of debt securities, the holders of the debt securities of the series will not be entitled to the benefits of the Indenture, except for

- the rights of holders to receive from the trust funds payment of principal, premium and interest on the debt securities,
- our obligation to register the transfer or exchange of debt securities of the series,
- our obligation to replace stolen, lost or mutilated debt securities of the series,
- our obligation to maintain paying agencies,
- our obligation to hold monies for payment in trust, and
- the rights of holders to benefit, as applicable, from the rights, powers, trusts, duties and immunities of the trustee.

We may defease a series of debt securities only if, among other things, we have delivered to the trustee an opinion of counsel to the effect that we have received from, or there has been published by, the U.S. Internal Revenue Service a ruling to the effect that holders and beneficial owners of the debt securities of the series will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the deposit, defeasance and discharge and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if the deposit, defeasance and discharge had not occurred.

Defeasance of Covenants and Events of Default

We may omit to comply with the covenants described above under “Restrictions on Secured Debt” and “Restrictions on Sales and Leasebacks”, and the failure to comply with these covenants will not be deemed an event of default, if we deposit with the trustee, in trust, money and/or U.S. government securities which through the payment of interest and principal will provide money in an amount sufficient to pay the principal of and premium, if any, and each installment of interest on the debt securities of the

series on the dates those payments are due and payable. Our obligations under the Indenture and the debt securities of the series will remain in full force and effect, other than with respect to the defeased covenants and related events of default.

We may defease the covenants and the related events of default described above only if, among other things, we have delivered to the trustee an opinion of counsel, who may be our employee or counsel, to the effect that the holders and beneficial owners of the debt securities of the series will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the deposit and defeasance of the covenants and events of default, and the holders and beneficial owners of the debt securities of the series will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if the deposit and defeasance had not occurred.

If we choose covenant defeasance with respect to the debt securities of any series as described above and the debt securities of the series are declared due and payable because of the occurrence of any event of default other than the event of default described in clause (4) under “Events of Default,” the amount of money and U.S. government securities on deposit with the trustee will be sufficient to pay amounts due on the debt securities of the series at the time of their stated maturity. The amount on deposit with the trustee may not be sufficient to pay amounts due on the debt securities of the series at the time of the acceleration resulting from the event of default. However, we will remain liable for these payments.

Modification and Waiver

Procter & Gamble and the trustee may make modifications of and amendments to the Indenture if the holders of at least a majority in principal amount of the outstanding debt securities of any series affected by the modification or amendment consent to the modification or amendment.

However, the consent of the holder of each debt security affected is required for any modification or amendment that

- changes the stated maturity of the principal of, or any installment of principal of or interest on, any debt security,
- reduces the principal amount of, or the premium, if any, or interest, if any, on, any debt security,
- reduces the amount of principal of an original issue discount security payable upon acceleration of the maturity of the security,
- changes the place or currency of payment of principal of, or premium, if any, or interest, if any, on, any debt security,
- impairs the right to institute suit for the enforcement of any payment on any debt security, or
- reduces the percentage in principal amount of debt securities of any series necessary to modify or amend the Indenture or to waive compliance with various provisions of the Indenture or to waive various defaults.

Without the consent of any holder of debt securities, we and the trustee may make modifications or amendments to the Indenture in order to

- evidence the succession of another person to us and the assumption by that person of the covenants in the Indenture,
 - add to the covenants for the benefit of the holders,
 - add additional events of default,
 - permit or facilitate the issuance of securities in bearer form or uncertificated form,
-

- add to, change, or eliminate any provision of the Indenture in respect of a series of debt securities to be created in the future,
- secure the securities as required by “Restrictions on Secured Debt,”
- establish the form or terms of securities of any series,
- evidence the appointment of a successor trustee, or
- cure any ambiguity, correct or supplement any provision which may be inconsistent with another provision, or make any other provision, provided that any action may not adversely affect the interests of holders of debt securities in any material respect.

The holders of at least a majority in principal amount of the outstanding debt securities of any series may on behalf of the holders of all debt securities of that series waive compliance by us with various restrictive provisions of the Indenture.

The holders of a majority in principal amount of the outstanding debt securities of any series may on behalf of the holders of all debt securities of that series waive any past default with respect to that series, except

- a default in the payment of the principal of or premium, if any, or interest on any debt security of that series, or
- a default in respect of a provision which under the Indenture cannot be modified or amended without the consent of the holder of each outstanding debt security of that series that would be affected.

Consolidation, Merger and Sale of Assets

If the conditions below are met, we may, without the consent of any holders of outstanding debt securities:

- consolidate or merge with or into another entity, or
- transfer or lease our assets as an entirety to another entity.

We have agreed that we will engage in a consolidation, merger or transfer or lease of assets as an entirety only if

- either we are the surviving entity or the entity formed by the consolidation or into which we are merged or which acquires or leases our assets is a corporation, partnership, limited liability company or trust organized and existing under the laws of any United States jurisdiction and assumes our obligations on the debt securities and under the Indenture,
- after giving effect to the transaction no event of default would have happened and be continuing, and
- various other conditions are met.

Regarding the Trustee

Deutsche Bank Trust Company Americas is the trustee under the Indenture. In addition, affiliates of Deutsche Bank Trust Company Americas may perform various commercial banking and investment banking services for Procter & Gamble and its subsidiaries from time to time in the ordinary course of business.

EXHIBIT (10-6)

Long-Term Incentive Program - Related Correspondence and Terms and Conditions

You must scroll and read to the bottom of the grant letter above so you can accept/reject your grant.

AWARD AGREEMENT

[GRANT DATE]

[NAME]

[GLOBAL ID]

Subject: NON-STATUTORY STOCK OPTION SERIES [XX]-AA

In recognition of your contributions to the future success of the business, The Procter & Gamble Company ("Company") hereby grants to you an option to purchase shares of Procter & Gamble Common Stock as follows:

Option Price per Share:	[\$[STOCK PRICE]
Number of Shares:	[SHARES]
Grant Date:	[GRANT DATE]
Expiration Date:	[GRANT DATE + 10 YEARS]
Vest Date:	100% on [GRANT DATE + 3 YEARS]
Acceptance Deadline:	[ACCEPTANCE DATE]

This Award is granted in accordance with and subject to the terms of The Procter & Gamble 2014 Stock and Incentive Compensation Plan (including any applicable sub-plan) (the "Plan"), the Regulations of the Compensation and Leadership Development Committee of the Board of Directors ("Committee"), and this Award Agreement including Attachments and the Exercise Instructions in place as may be revised from time to time. Any capitalized terms used in this Agreement that are not otherwise defined herein are defined in the Plan. You may access the Plan by activating this hyperlink: [The Procter & Gamble 2014 Stock and Incentive Compensation Plan and the Regulations and Sub Plans by activating this hyperlink: Regulations of the Committee](#). If you have difficulty accessing the materials online, please send an email to [email address] for assistance.

Vesting and Exercise

If you leave the Company before June 30th, [Grant Year], the Award will be forfeited, except in the event of death or in connection with a divestiture or separation of any of the Company's businesses. If remain employed through the Vest Date, the Award will become exercisable on the Vest Date. If you terminate employment for any reason before the Expiration Date and prior to exercising the Award, except for the reasons listed below, the Award will be forfeited immediately upon your termination of employment. For the purposes of this Award, termination of employment will be effective as of the date that you are no longer actively employed and will not be extended by any notice period required under local law.

1. Termination on Account of Death. In the event of death, the Vest Date for this Award becomes your date of death and the Award remains exercisable until the Expiration Date.

2. Termination on Account of Retirement or Disability after June 30th of the fiscal year in which this Award was granted. In the event of Retirement or Disability, respectively, that occurs after June 30th of the fiscal year in which this Award was granted, the Award is not forfeited and will be exercisable on the Vest Date in this Award Agreement and will expire on the Expiration Date as long as you remain in compliance with the terms of the Plan and the Regulations.

3. Termination after June 30th of the fiscal year in which this Award was granted pursuant to a Written Separation Agreement. In the event of Termination of Employment from the Company or a Subsidiary that occurs after June 30th of the fiscal year in which this Award was granted, your Award is forfeited unless you have executed a written separation agreement with the Company or a Subsidiary that provides for retention of the Award. If the Award is retained pursuant to a separation agreement, the Award will become exercisable on the Vest Date in this Award Agreement and will expire on the Expiration Date as long as you remain in compliance with the terms of the Plan, the Regulations and the separation agreement.

4. Termination in connection with a divestiture or separation of any of the Company's businesses. In the event of Termination of Employment from the Company in connection with a divestiture or separation of any of the Company's businesses, as determined by the Company's Chief Human Resources Officer, the Award is retained and will become exercisable on the Vest Date in this Award Agreement and will expire on the Expiration Date as long as you remain in compliance with the terms of the Plan and the Regulations.

This Award Agreement, including Attachment A, the Plan and Regulations of the Committee together constitute an agreement between the Company and you in accordance with the terms thereof and hereof, and no other understandings and/or agreements have been entered by you with the Company regarding this specific Award. Any legal action related to this Award, including Article 6 of the Plan, must be brought in any federal or state court located in Hamilton County, Ohio, USA, and you hereby agree to accept the jurisdiction of these courts and consent to service of process from said courts solely for legal actions related to this Award. You have the right to consult with a lawyer before accepting this Award.

THE PROCTER & GAMBLE COMPANY

Tracey Grabowski

Chief Human Resources Officer

[Attachment A](#)

To Accept Your Award

Read and check the boxes below:

- ☐ I have read, understand and agree to be bound by each of:
- The Procter & Gamble 2014 Stock and Incentive Compensation Plan
 - Regulations of the Committee
 - This Award Agreement, including Attachment A
- ☐ I accept the stock option award detailed above (including attachments)

To Reject Your Award

Read and check the box(es) below:

- ☐ I have read and understand the terms noted above and do not agree to be bound by these terms. I hereby reject the stock option award detailed above.

Attachment A

Please note that when the issue or transfer of the Common Stock covered by this Award may, in the opinion of the Company, conflict or be inconsistent with any applicable law or regulation of any governmental agency, the Company reserves the right to refuse to issue or transfer said Common Stock and that any outstanding Awards may be suspended or terminated and net proceeds may be recovered by the Company if you fail to comply with the terms and conditions governing this Award.

Nature of the Award

By completing this form and accepting the Award evidenced hereby, I acknowledge that: i) the Plan is established voluntarily by The Procter & Gamble Company ("P&G"), it is discretionary in nature and it may be amended, suspended or terminated at any time; ii) Awards under the Plan are voluntary and occasional and this Award does not create any contractual or other right to receive future Awards, or benefits in lieu of an Award, even if Awards have been granted repeatedly in the past; iii) all decisions with respect to future Awards, if any, will be at the sole discretion of P&G; iv) my participation in the Plan is voluntary; v) this Award is an extraordinary item and not part of normal or expected compensation or salary for any purposes including, but not limited to, calculating any

termination, severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments; vi) in the event that my employer is not P&G, the Award will not be interpreted to form an employment relationship with P&G; and furthermore, the Award will not be interpreted to form an employment contract with my employer ("Employer"); vii) the future value of the shares purchased under the Plan is unknown and cannot be predicted with certainty, may increase or decrease in value and potentially have no value; viii) my participation in the Plan shall not create a right to further employment with my Employer and shall not interfere with the ability of my Employer to terminate my employment relationship at any time, with or without cause; ix) and no claim or entitlement to compensation or damages arises from the termination of the Award or the diminution in value of the Award or shares purchased and I irrevocably release P&G and my Employer from any such claim that may arise.

Data Privacy

I hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of my personal data as described in this document by and among, as applicable, my Employer and The Procter & Gamble Company and its subsidiaries and affiliates ("P&G") for the exclusive purpose of implementing, administering and managing my participation in the Plan.

I understand that P&G and my Employer hold certain personal information about me, including, but not limited to, my name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in P&G, details of all Awards or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in my favor, for the purpose of implementing, administering and managing the Plan ("Data"). I understand that Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in my country or elsewhere (including countries outside the European Economic Area), and that the recipient's country may have different data privacy laws and protections than my country. I understand that I may request a list with the names and addresses of any potential recipients of the Data by contacting my local human resources representative. I authorize the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing my participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom I may elect to deposit any shares of stock acquired upon exercise or settlement of the Award. I understand that Data will be held only as long as is necessary to implement, administer and manage my participation in the Plan. I understand that I may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing my local human resources representative. I understand, however, that refusing or withdrawing my consent may affect my ability to participate in the Plan. For more information on the consequences of my refusal to consent or withdrawal of consent, I understand that I may contact my local human resources representative.

Responsibility for Taxes

Regardless of any action P&G or my Employer takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items"), I acknowledge that the ultimate liability for all Tax-Related Items is and remains my responsibility and that P&G and/or my Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of this Award, including the issuance, vesting or exercise, settlement, the subsequent sale of shares acquired, the receipt of any dividends or dividend equivalents or the potential impact of current or future tax legislation in any jurisdiction; and (2) do not commit to structure the terms of the Award or any aspect of the Award to reduce or eliminate my liability for Tax-Related Items

Prior to exercise or settlement of an Award, I shall pay or make adequate arrangements satisfactory to P&G and/or my Employer to satisfy all withholding and payment on account obligations of P&G and/or my Employer. In this regard, I authorize P&G and/or my Employer to withhold all applicable Tax-Related Items from my wages or other cash compensation paid to me by P&G and/or my Employer or from proceeds of the sale of the shares. Alternatively, or in addition, if permissible under local law, P&G may (1) sell or arrange for the sale of shares that I acquire to meet the withholding obligation for Tax-Related Items, and/or (2) withhold in shares, provided that P&G only withholds the amount of shares necessary to satisfy the minimum withholding amount. Finally, I shall pay to P&G or my Employer any amount of Tax-Related Items that P&G or my Employer may be required to withhold as a result of my participation in the Plan or my purchase of shares that cannot be satisfied by the means previously described. P&G may refuse to honor the exercise and refuse to deliver the shares if I fail to comply with my obligations in connection with the Tax-Related Items as described in this section.

EXHIBIT (10-10)

Company's Form of Separation Agreement & Release

A-1

SEPARATION AGREEMENT AND RELEASE

To: «Employee_Name»

Date: «Actual_Offer_Date»

«Company» (“P&G”) is willing to provide you with certain assistance in connection with your employment separation from the Company. The following, which is subject to your approval, sets forth our proposed agreement to do so. Your receipt of the benefits described below is conditioned upon your accepting, and abiding by, the terms of this Agreement.

<i>Last Day of Employment:</i>	Your last day of employment will be « Exit_Date », referred to as your “Last Day of Employment.” Unless otherwise noted below, your pay and benefits will cease as of your Last Day of Employment.
<i>Separation Payment:</i>	<p>As soon as administratively practical after your Last Day of Employment, P&G will provide you with a Separation Payment of «Total_Amount», less legally required withholdings and deductions. In no event will payment be made before expiration of the seven-day revocation period discussed below or later than the March 15th of the year following the year which includes your last day of employment.</p> <p>Amounts you owe to P&G as of your Last Day of Employment, including, but not limited to, wage and/or benefit overpayments and unpaid loans, will also be deducted from the Separation Payment.</p>
<i>Payment for Unvested PST:</i>	If you are not fully-vested in the Procter & Gamble Profit Sharing Trust and Employee Stock Ownership Plan (“PST”) as of your Last Day of Employment, as soon as administratively practical after your Last Day of Employment, but no later than the March 15 th of the year following the year which includes your Last Day of Employment, you will receive a lump sum payment in an amount substantially equivalent to the non-vested credits in your account in the PST.
<i>STAR Awards:</i>	As of your Last Day of Employment, if you were otherwise eligible for a STAR award <u>and</u> you worked at least 28 days (4 calendar weeks) during that fiscal year, you will receive a pro-rated STAR award for that fiscal year. Your STAR award will be pro-rated by dividing the number of calendar days during the fiscal year from July 1 through your Last Day of Employment by 365. Your STAR award will be paid in cash in the September (but no later than September 15 th) immediately following the end of the fiscal year in which you terminate.

<p><i>Equity Awards (including Recognition Shares):</i></p>	<p>Your separation will be treated as a Special Separation for purposes of any outstanding equity awards granted under the Procter & Gamble 2009 Stock and Incentive Compensation Plan, the Procter & Gamble 2001 Stock and Incentive Compensation Plan, the Procter & Gamble 1992 Stock Plan, or the Gillette Company 2004 Long-Term Incentive Plan and as a result the awards will be retained subject to the original terms and conditions of the awards.</p> <p>Awards granted under the Procter & Gamble 2014 Stock & Incentive Compensation Plan are retained subject to the terms and conditions of the Awards.</p> <p>This agreement does not alter the rights and obligations that you may have under the Procter & Gamble 2014 Stock & Incentive compensation Plan, the Procter & Gamble 2009 Stock and Incentive Compensation Plan, the Procter & Gamble 2001 Stock and Incentive Plan, the Procter & Gamble 1992 Stock Plan, and the Gillette Company 2004 Long-Term Incentive Plan.</p>
<p><i>Current Health, Dental, and Life Insurance Benefits:</i></p>	<p>If you are enrolled in P&G's active health (including medical, prescription drug, and EAP coverage), active dental, and company-paid life insurance coverage, that coverage will continue under the same terms until «Benefits_End_Date». Note: Any life insurance coverage other than company-paid life insurance coverage will not continue during this time.</p> <p>When your extended coverage ends, you may be entitled to continue your health and dental coverage under COBRA. If you are entitled to COBRA continuation coverage, you will receive a notice of your right to elect COBRA.</p>
<p><i>Retiree Medical and Dental Benefits:</i></p>	<p>If you were eligible for P&G retiree healthcare coverage on your Last Day of Employment, you will be eligible to enroll in P&G's retiree medical and dental insurance coverage. You are eligible for P&G retiree healthcare coverage if you satisfy the regular retiree eligibility rules (i.e., you are a Regular Retiree) as of your Last Day of Employment. Under the terms of this Agreement, you also are eligible for P&G retiree healthcare coverage as a Special Retiree by satisfying the Rule of 70 as of your Last Day of Employment. You satisfy the Rule of 70 when your full years of age plus your full years of service equal 70. Special rules apply to Gillette Heritage Employees with regard to retiree medical eligibility and the retiree medical cost sharing under the retiree medical plan. If you are a Gillette Heritage Employee, you will receive a separate handout on your retiree medical eligibility. If you are eligible for P&G's retiree healthcare coverage as either a Regular Retiree or a Special Retiree as of your Last Day of Employment, you should contact P&G Employee Care before your extension of coverage ends to request retiree healthcare enrollment information. For details regarding the terms and conditions of your retiree health coverage, please refer to and review the summary plan descriptions, available at PGOneLife and Career</p> <p>Important Note: If you become employed by a direct competitor of P&G (as determined by P&G's Chief Human Resources Officer) in an officer and/or director capacity, you will not be eligible for coverage under P&G's retiree healthcare coverage as long as you remain employed by such competitor. If you have questions, please contact P&G Employee Care at 1-833-441-4357.</p>
<p>¹ Special rules apply to Gillette Heritage Employees with regard to retiree medical eligibility and the retiree medical cost sharing under the retiree medical plan. If you are a Gillette Heritage Employee, you will receive a separate handout on your retiree medical eligibility.</p>	

<i>Outplacement Services:</i>	<p>P&G's outplacement supplier, Right Management Consultants, will provide services to assist you in managing your transition to a new future, based on your interest. Services include pre-decision counseling, career transition programs, and job development opportunities. Right Management Consultants will also assist you in preparing for your job search, including résumé preparation, cover letters, other written materials and interview and networking training.</p> <p>After accepting this Agreement, and after obtaining your manager's approval, you <u>may</u> begin utilizing outplacement services on a limited basis prior to your Last Day of Employment, consistent with the needs of the business and your responsibilities to complete and/or transition your work. Note that you <u>must</u> begin utilizing outplacement services within 45 days of your Last Day of Employment to be eligible for this benefit.</p>
<i>Retraining:</i>	<p>You are eligible for reimbursement (up to \$5,000) for the cost of tuition, registration and laboratory fees for courses taken at accredited colleges and universities, or at 2-year colleges, trade schools, or vocational schools approved by appropriate accrediting boards. Correspondence courses which result in credit towards diplomas, degrees, etc. may be acceptable if offered by eligible non-profit institutions.</p> <p>You must have courses approved in advance and submit proof of payment of covered fees and proof (such as a transcript) that the courses were completed successfully. Courses that are recreational in nature, such as golf lessons, will not be approved.</p> <p>All expenses for retraining must be incurred within twenty-four (24) months of your Last Day of Employment. The retraining reimbursement benefit is administered by Right Management Consultants.</p>
<i>No Consideration Without Executing this Agreement:</i>	<p>You affirm that you understand and agree that you would not receive the separation payment and/or benefits specified in this Agreement without executing this Agreement and fulfilling the promises contained in it. Except as provided in this Agreement or under the terms and conditions of an applicable benefit plan or policy sponsored by P&G, you shall not be due any payments or benefits from P&G in connection with the termination of your employment.</p>
<i>Continued Employment Through Your Last Day of Employment:</i>	<p>You agree to perform your work and responsibilities as an employee in a satisfactory manner up to and including your Last Day of Employment, including compliance with all provisions of this "Separation Agreement and Release." If P&G determines that you have engaged in serious misconduct during your employment, you understand and agree that P&G may terminate your employment immediately and will not provide, nor will it be obligated to provide, you with the Separation payment, medical benefits, outplacement, retraining and other benefits described above. If you have already received any such pay or benefits, you agree to repay them to P&G upon demand.</p>
<i>Nonadmission of Wrongdoing:</i>	<p>You affirm that you understand and agree that neither this Agreement nor the furnishing of the consideration for this Agreement, including the Separation Payment, shall be deemed or construed at any time for any purpose as an admission by P&G of wrongdoing or evidence of any liability or unlawful conduct of any kind.</p>

<p><i>Release of Claims - Including Age Discrimination and Employment Claims:</i></p>	<p>In consideration of the Separation Payment and other benefits provided above to which you would not have been entitled under any existing P&G Policy, you release P&G from any and all claims you have against P&G. The term "P&G" includes «Company» and any of its present, former and future owners, parents, affiliates and subsidiaries, and its and their directors, officers, shareholders, employees, agents, servants, representatives, predecessors, successors and assigns and their employee benefit plans and programs and their administrators and fiduciaries.</p> <p>This release applies to claims about which you now know or may later discover, and includes but is not limited to: (1) claims arising under the Age Discrimination in Employment Act, 29 U.S.C. § 621, et seq.; (2) claims arising out of or relating in any way to your employment with P&G or the conclusion of that employment; (3) claims arising under any federal, state and local employment discrimination laws, regulations or ordinances or other orders that relate to the employment relationship and/or employee benefits; and (4) any other federal, state or local law, rule, regulation or ordinance, public policy, contract, tort or common law.</p> <p>This release does not apply to claims that may arise after the date you accept this Agreement or that may not be released under applicable law.</p> <p>You are not waiving any rights you may have to: (a) your own vested accrued employee benefits under the P&G health, welfare, or retirement benefit plans as of the Last Day of Employment; (b) benefits and/or the right to seek benefits under applicable workers' compensation and/or unemployment compensation statutes; (c) pursue claims which by law cannot be waived by signing this Agreement; (d) enforce this Agreement; and/or (e) challenge the validity of this Agreement.</p> <p>You agree that the decision that your last day of employment would be on the Last Day of Employment was made prior to your accepting and executing this Agreement, and you agree that you are releasing any claim in connection with the separation of your employment.</p> <p>If any claim is not subject to release, to the extent permitted by law, you agree that you waive any right or ability to be a class or collective action representative or to otherwise participate in any putative or certified class, collective or multi-party action or proceeding based on such a claim in which P&G is a party.</p> <p>Governmental Agencies: Nothing in this Agreement prohibits or prevents you from filing a charge with or participating, testifying, or assisting in any investigation, hearing, or other proceeding before the U.S. Equal Employment Opportunity Commission, the National Labor Relations Board or a similar agency enforcing federal, state or local anti-discrimination laws. However, to the maximum extent permitted by law, you agree that if such an administrative claim is made to such an anti-discrimination agency, you shall not be entitled to recover any individual monetary relief or other individual remedies. Nothing in this Agreement, including but not limited to the "<i>Release of Claims - Including Age Discrimination and Employment Claims</i>" and the "<i>Confidential, Proprietary, Trade Secret Information & Period of Non-Competition</i>" sections of this Agreement, prohibits you from: (1) reporting possible violations of federal law or regulations, including any possible securities laws violations, to any governmental agency or entity, including but not limited to the U.S. Department of Justice, the U.S. Securities and Exchange Commission, the U.S. Congress, or any agency Inspector General; (2) making any other disclosures that are protected under the whistleblower provisions of federal law or regulations; or (3) otherwise fully participating in any federal whistleblower programs, including but not limited to any such programs managed by the U.S. Securities and Exchange Commission and/or the Occupational Safety and Health Administration. You understand you do not need the prior authorization from the Company to make any such reports or disclosures, and you are not required to notify the Company that you have made such reports or disclosures. Moreover, nothing in this Agreement prohibits or prevents you from receiving individual monetary awards or other individual relief by virtue of participating in such federal whistleblower programs</p>
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<p><i>Confidential, Proprietary, Trade Secret Information & Period of Non-Competition:</i></p>	<p>Subject to the “Governmental Agencies” portion of the “<i>Release of Claims - Including Age Discrimination and Employment Claims</i>” above, you agree that you will not use or share any confidential, proprietary or trade secret information about any aspect of P&G’s business with any non-P&G employee or business entity at any time in the future. You further agree that you will not obtain or have in your possession any confidential, proprietary or trade secret information on or after your last day of employment. Confidential, proprietary or trade secret information includes, but is not limited to, marketing and advertising plans, pricing information, upstream plans, specific areas of research and development, project work, product formulation, processing methods, assignments of individual employees, testing and evaluation procedures, cost figures, construction plans, and special techniques or methods of any kind.</p> <p>Notwithstanding the requirements of confidentiality contained in this section, the federal Defend Trade Secrets Act of 2016 immunizes you against criminal and civil liability under federal or state trade secret laws for your disclosure of trade secrets that is made i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney solely for the purpose of reporting or investigating a suspected violation of law; ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; or iii) to your attorney for use in a lawsuit alleging retaliation for reporting a suspected violation of law, provided that any document containing the trade secret is filed under seal and you do not otherwise disclose the trade secret, except pursuant to court order.</p> <p>Additional non-compete obligation for management employees only: You understand and agree that, unless you have prior written consent from P&G, you will not engage in any activity or provide any services for a period of three (3) years following your Last Day of Employment in connection with the manufacture, development, advertising, promotion or sale of any product which is the same as, similar to, or competitive with any products of P&G or its subsidiaries (including both existing products as well as products in development which are known to you, as a consequence of your employment with P&G):</p> <p style="padding-left: 40px;">With respect to which your work has been directly concerned at any time during the two (2) years preceding your Last Day of Employment; or</p> <p style="padding-left: 40px;">With respect to which during that period of time you, as a consequence of your job performance and duties, acquired knowledge of trade secrets or other confidential information of P&G.</p> <p>For the purposes of this section, it shall be conclusively presumed that you have knowledge or information to which you were directly exposed through the actual receipt of memos or documents containing such information or through actual attendance at meetings at which such information was discussed or disclosed. The provisions of this section are not in lieu of, but are in addition to, your continuing obligation to not use or disclose P&G’s trade secrets and confidential information known to you until any particular trade secret or confidential information becomes generally known (through no fault of yours). Information regarding products in development, in test market or being marketed or promoted in a discrete geographic region, which information P&G is considering for a broader use, shall not be deemed generally known until such broader use is actually commercially implemented. Also, “generally known” means known throughout the domestic United States industry or, if you have job responsibilities outside of the United States, the appropriate foreign country or countries’ industry.</p> <p>If any restriction in this section is found by any court of competent jurisdiction or arbitrator to be unenforceable because it extends for too long a period of time or over too great a range of activities or in too broad a geographic area, it will be modified and interpreted to extend only over the maximum period of time, range of activities or geographic area so that it may be enforceable.</p> <p>If you are a participant in the 2009 Stock and Incentive Compensation Plan, the 2001 Stock and Incentive Compensation Plan, or the 1992 Stock Plan, you are also bound by the terms of Article F - Restrictions & Covenants of those plans, which are incorporated herein by reference.</p> <p>If you are a participant in the 2014 Stock & Incentive Compensation Plan, you are also bound by the terms of Article 6 - Restrictions and Covenants of this plan which are incorporated herein by reference.</p>
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<i>Acknowledgements and Affirmations:</i>	<p>Subject to the “Governmental Agencies” portion of the “<i>Release of Claims - Including Age Discrimination and Employment Claims</i>” above, you affirm that you have not filed, caused to be filed, or presently are a party to any claim against P&G.</p> <p>You affirm that you have been paid and/or have received all compensation, wages, bonuses, commissions, and/or benefits which are due and payable as of the date you sign this Agreement. To the extent that you are required to report hours worked, you affirm that you have reported all hours worked as of the date you sign this Agreement.</p> <p>You affirm that you have been granted any leave to which you were entitled under the Family and Medical Leave Act or related state or local leave or disability accommodation laws.</p> <p>You further affirm that you have no known workplace injuries or occupational diseases that have not been reported.</p>
<i>Assignment of Intellectual Property:</i>	<p>You will promptly and fully disclose, transfer and assign to P&G all inventions and any other intellectual property (collectively “Intellectual Property”) made or conceived by you during your employment with P&G. You agree to fully cooperate in executing any papers required for establishing or protecting the Intellectual Property and for establishing P&G’s ownership, even if such cooperation is necessary after your Last Day of Employment.</p>
<i>Return of P&G Property:</i>	<p>You agree that on or before your Last Day of Employment, you will return to P&G in good condition all of its equipment, materials and information that were in your possession, custody or control (including, but not limited to, computers, files, documents, credit cards, keys and identification badges). You further agree that you will provide your manager with all passwords to P&G electronic communication and data systems before your Last Day of Employment. You further agree that on or before your Last Day of Employment, you will return or if directed to do so by your immediate manager, delete (i.e., destroy all copies of) any and all P&G confidential, proprietary or trade secret information you have maintained in your possession, custody, or control in paper, electronic and/or digital formats, including but not limited to, any such confidential, proprietary, or trade secret information (e.g., files, documents, etc.) that you may have electronically or digitally processed or stored on P&G-issued or on personally-owned or maintained digital devices and/or service accounts. Such digital devices and/or service accounts may include, but are not limited to desktop and laptop computers, notebooks, tablets, iPads, mobile phones, smartphones, personal digital assistants (PDAs), USB and flash drives, external hard drives, CDs, DVDs, and/or external file processing or storage provided by cloud service providers such as box.net, dropbox, Google docs, etc.</p>
<i>Ethics Compliance:</i>	<p>Subject to the “Governmental Agencies” portion of the “<i>Release of Claims - Including Age Discrimination and Employment Claims</i>” above, you agree that you provided P&G all information known to you regarding any violations of the Procter & Gamble Worldwide Business Conduct Manual and/or any other violations of P&G policy or the law.</p>

<i>Agreement to Arbitrate Disputes:</i>	<p>Resolving any future differences we may have in the courts can take a long time and be expensive. You and P&G therefore agree that the only remedy for all disputes that are not released by this Agreement or that arise out of your employment with or separation from P&G, or any aspect of this Agreement, will be to submit any such disputes (with the exception noted at the end of this section) to final and binding arbitration in accordance with the National Rules for Resolution of Employment Disputes of the American Arbitration Association then in effect.</p> <p>You and P&G agree that the aggrieved party must send written notice of any claim to the other party by certified mail, return receipt requested. Written notice for P&G will be sent to: Secretary, One Procter & Gamble Plaza, Cincinnati, OH 45202, and to you at the most current address shown for you in P&G's records. The arbitrator will apply Ohio law. At your written request, P&G will reimburse you for all fees and costs charged by the American Arbitration Association and its arbitrator to the extent they exceed the applicable fees and costs that would have been charged by a court of competent jurisdiction had your claim been filed in court.</p> <p>There is one exception to this section. P&G may seek injunctive relief in any court of competent jurisdiction if it has reason to believe that you have violated or are about to violate (1) the terms of the "Confidential, Proprietary, Trade Secret Information & Period of Non-Competition" section above, or (2) if you are a participant in the 2009 Stock and Incentive Compensation Plan, the 2001 Stock and Incentive Compensation Plan, or the 1992 Stock Plan, the terms of Article F - Restrictions & Covenants of those plans or (3) if you are a participant in the 2014 Stock and Incentive Compensation Plan, the terms of Article 6 - Restrictions & Covenants of that plan.</p>
<i>Severability:</i>	<p>If any court of competent jurisdiction or arbitrator should later find that any portion of this Agreement is invalid, that invalidity will not affect the enforceability of any other portion of this Agreement.</p>
<i>Employment References:</i>	<p>You understand that P&G's historical policy is to not provide employment references to prospective employers. However, P&G is willing to waive that policy in your case on the following basis: You authorize your manager or human resources representative to provide an employment reference upon written or verbal request. In return, you release any claim against P&G and will not bring a lawsuit in court against P&G based upon that employment reference (or lack thereof). You agree that you will refer all reference inquiries to your manager or human resources representative only. You further understand that all disputes regarding employment references or the lack thereof must be resolved through the arbitration process described above.</p>
<i>No Reliance:</i>	<p>This Agreement sets forth the entire agreement between you and P&G and fully supersedes any prior agreements or understanding between the parties except that if you are a participant in the 2009 Stock and Incentive Compensation Plan, the 2001 Stock and Incentive Compensation Plan, or the 1992 Stock Plan, the terms of Article F - Restrictions & Covenants of those plans remain in full force and effect and are incorporated herein by reference and if you are a participant in the 2014 Stock Plan, the terms of Article 6 - Restrictions & Covenants of the plan remain in full force and are in effect and are incorporated herein by reference. In deciding to accept this Agreement, you agree that you have not relied upon any statements or promises by P&G, its managers, agents or employees, other than those set forth in this Agreement. No other promises or agreements concerning the matters described in this Agreement shall be binding unless in a subsequent document signed by these parties.</p>
<i>Your Attorney:</i>	<p>You acknowledge that you have been and hereby are advised to consult with legal counsel before accepting this Agreement and have either done so or have voluntarily declined to do so.</p>

<p><i>Timing for Acceptance or Revocation:</i></p>	<p>You have forty-five (45) calendar days in which to consider this Agreement in which you waive important rights, including those under the Age Discrimination in Employment Act of 1967. If you choose to sign this Agreement, please do so by indicating your acceptance of this Agreement with your electronic signature in P&G's electronic system. We advise you to consult with an attorney of your choosing prior to signing this Agreement. Further, you may within seven (7) calendar days following the date you accept this Agreement, cancel and terminate the Agreement by giving written notice of your intention to revoke the Agreement to your immediate manager, and by returning to P&G any remuneration or benefits that have been advanced to you in anticipation of your not revoking your Agreement and to which you are not entitled. If notice of your revocation is mailed, it must be postmarked within seven (7) calendar days after you sign this Agreement.</p> <p>You agree that any modifications, material or otherwise, made to this Agreement, do not restart or affect in any manner the original up to forty-five (45) calendar day consideration period.</p>

The benefits described in this Agreement and pursuant to the summary plan description for the Procter & Gamble Basic Separation Program for U.S. Employees (see embedded document below), are the special benefits you will receive by signing this Agreement. To the extent this Agreement describes benefits under other benefit plans and policies sponsored by P&G, these special benefits are also described in the summary plan descriptions for those plans. As such, nothing in this Agreement amends or changes the terms of any P&G-sponsored employee benefit plan or policy.

[Embedded SPD, reproduced below]

After your Last Day of Employment, you will no longer be an active P&G employee, which may affect your coverage under those plans and policies. For example, plans may require that you enroll in Medicare to be eligible for coverage. For more information on how not being an active P&G employee may affect your coverage, please refer to and review the summary plan descriptions for each plan.

**Procter & Gamble
Basic Separation Program for
U.S. Employees**

Summary Plan Description

April 1, 2019

A-1

BASIC INFORMATION

Plan Name: The Procter & Gamble Basic Separation Program for U.S. Employees (Basic U.S. Separation Program, Basic Separation Program, Program, or Plan) is a component of the Procter & Gamble Insured-Unfunded Welfare Plan (Insured-Unfunded Plan).

Plan Effective Date: July 1, 2014

SPD Effective Date: January 1, 2019

Plan Sponsor: The Procter & Gamble Company, P&G Plaza, Cincinnati, OH 45202

Employer/Sponsor Tax ID: 31-0411980

Plan Number: 556

Plan Year: For purposes of operating the Insured-Unfunded Plan, the plan year is January 1 through December 31. For purposes of financial reporting (i.e., Form 5500 filing), the plan year is July 1 through June 30

Plan Type: The Basic Separation Program provides severance benefits to eligible employees of the Company (and its subsidiaries). The Insured-Unfunded Plan also provides other employee benefits, the terms of which are described in separate summary plan descriptions.

Plan Administrator: The Procter & Gamble U.S. Business Services Company, c/o U.S. Benefits Manager, P&G Plaza, TE-3, Cincinnati, OH 45202, [phone].

Claims Administrator: The Company's Director of Global Employee Relations (or appropriate delegate) handles initial claims for separation benefits under the Basic Separation Program. The Policy Committee handles appeals.

Plan Administration Type:

The Plan Administrator, Employee Relations, and the Policy Committee share responsibility for administering the Basic Separation Program. Other benefits under the Plan (not described in this booklet) are provided through a combination of contract administration, insurer administration, and self-administration.

Plan Funding: The Company provides from its general assets 100% of the funding for the benefits under the Basic Separation Program.

Agent for Legal Service of Process: CT Corporation System, 4400 Easton Commons Way, Suite 125, Columbus, OH 43219. Legal service of process may also be served on the Plan Administrator.

INTRODUCTION

The Procter & Gamble Company (Company or P&G) sponsors The Procter & Gamble Insured-Unfunded Welfare Plan (Plan), which includes the Procter & Gamble Basic Separation Program for U.S. Employees (Program). Under the Program, the Company provides certain eligible employees with financial support and other benefits upon termination of employment with the Company.

This summary plan description (SPD) provides the specific terms and conditions of the Program's benefits. You should read this SPD carefully as it gives you a detailed description of the Program, how it works, what benefits it provides, how those benefits may be obtained, and how those benefits may be lost. If this SPD does not answer your questions or if you need further information, contact the Associate Director, NA Employee Relations Manager, The Procter & Gamble Company, P&G Plaza, TN-3, Cincinnati, OH 45202, [email] or [phone].

You may examine the SPD during regular business hours at the Plan Administrator's office and obtain a copy of the SPD by written request to the Plan Administrator. You may be charged a fee to cover copying costs.

ELIGIBILITY, PARTICIPATION & BENEFITS

Who is Eligible? An individual is eligible for benefits under the Program if the individual is an employee of the Company who is based in the United States. For purposes of the Program, the United States means only the 50 states and the District of Columbia (but not territories of the United States, such as Puerto Rico). An employee is based in the United States if the employee's home country (as designated by the Company) is the United States, including an employee who is on an expatriate assignment outside the United States.

What triggers an employee's right to Separation Benefits? An employee of the Company who is otherwise eligible for separation benefits under the Program becomes entitled to such benefits if the Company, acting through its Chief Human Resources Officer or appropriate delegate, and the employee enter into a Negotiated Separation Agreement and the employee signs it. Employees may sign a Negotiated Separation Agreement via electronic signature through the Global Separation System.

IMPORTANT NOTE: Only the Company can initiate the process of entering a Negotiated Separation Agreement. If the Company wants to provide an employee with an incentive to leave the Company earlier than the employee planned, the Company may choose to initiate the process by offering the employee a Negotiated Separation Agreement.

What is a Negotiated Separation Agreement? For purposes of the Program, a Negotiated Separation Agreement is an agreement between the Company and an employee that provides the terms of an employee's termination of employment from the Company and must include (1) a Release of Claims; (2) a Last Day of Employment agreed to by the Company; and (3) all other necessary provisions in accordance with the Program. A Negotiated Separation Agreement may include some of the benefits listed in Appendix A, all of which are in addition to the normal benefits an employee would already be entitled to upon separation from the Company. For more information on how separating from the Company impacts your benefits, refer to the applicable summary plan descriptions and policies for such benefits.

IMPORTANT NOTE: *Except for certain limited situations involving extenuating circumstances*, the Company will not enter a Negotiated Separation Agreement with an individual who is no longer an employee of the Company.

What if an employee refuses to sign (or signs and later revokes) the Release of Claims? If an employee refuses to sign (or signs and later revokes) the Release of Claims, the employee will be disqualified from receiving any benefits under the Program, to the extent permitted by law and the terms of the Program.

If an employee signs a Negotiated Separation Agreement, when does his or her employment with the Company end? If an employee signs a Negotiated Separation Agreement with the Company, his or her

employment with the Company ends at the conclusion of the Last Day of Employment specified in the Negotiated Separation Agreement.

If an employee signs a Negotiated Separation Agreement, when does participation in the Program begin? If an employee signs a Negotiated Separation Agreement with the Company, his or her participation in the Program begins on the day he or she signs the agreement. However, certain Program benefits will not be provided until after an employee's Last Day of Employment.

If an employee signs a Negotiated Separation Agreement, what impact will it have on his or her Company sponsored employee benefits? Except to the extent otherwise described in this document and/or an applicable Negotiated Separation Agreement, the employee benefits for an employee who separates from the Company under the terms of a Negotiated Separation Agreement are impacted in the same manner as other separations from the Company. For example, if an employee signs a Negotiated Separation Agreement, in addition to the normal benefits he or she would otherwise be entitled to after terminating employment, the employee will also be entitled to the benefits specified in the Negotiated Separation Agreement. For more information on how separating from the Company impacts your benefits, refer to the applicable summary plan descriptions and policies.

IMPORTANT CONSIDERATIONS: Signing a Negotiated Separation Agreement may have a significant impact on your benefits. For example, if you (or your spouse or dependents) are eligible for Medicare, after your Last Day of Employment, P&G medical coverage will be treated as secondary to Medicare, even if you are not enrolled in Medicare. This means that P&G's medical coverage will cover expenses only after Medicare has covered its share of the expenses. If you (or your spouse or dependents) are not enrolled in Medicare, P&G's medical coverage will determine what portion of the expense Medicare would have covered when determining the portion that P&G's medical coverage will pay. This is just one example of how your benefits may be affected by signing a Negotiated Separation Agreement. Therefore, you are encouraged to consult with your family, as well as your legal and financial advisors, before you sign a Negotiated Separation Agreement.

How can an employee who is otherwise eligible for benefits under the Program lose his or her eligibility for such benefits? An employee who is otherwise eligible for benefits under the Program will lose his or her eligibility for such benefits if he or she:

- Unilaterally and voluntarily resigns from the Company;¹
- Is terminated from the Company for cause;² or
- Fails to comply with the terms of the Negotiated Separation Agreement, including, but not limited to, failing to (a) continue working through the Last Day of Employment without prior written approval from the Company, (b) continue to perform all the required duties of the employee's position and complete all required reporting and other documentation associated with such position, as determined by the employee's manager, through the Last Day of Employment, (c) comply with the terms of the non-compete provisions, or (d) return all Company property.

To the extent an employee has received any benefits under this Program and later loses his or her eligibility for benefits under this Program, the employee may be required to repay the value of such benefits received.

NON-ASSIGNABILITY OF PLAN BENEFITS

No benefits under this Program may be assigned or transferred by you or any other person entitled to benefits. If any person attempts to assign, sell, or otherwise transfer any benefits under the Program, the Plan Administrator may terminate that person's interest in the benefit and dispose of that interest for the benefit of such person or such person's dependents as it sees fit.

CLAIMS PROCEDURES

The Claims Administrator determines the right of any person to benefits under the Program. If you do not receive a benefit to which you believe you are entitled under the Program, you may file a written claim for benefits with the Claims Administrator. Claims should be sent to: Claims Administrator, Basic Separation Program, The Procter & Gamble Company, c/o Global Employee Relations, P&G Plaza, TN-3, Cincinnati, OH 45202.

The Claims Administrator will process your claim and notify you in writing of its decision within a reasonable time, normally within 90 days after you submitted your written claim. When the Claims Administrator requires additional time (up to an additional 90 days) to process your claim

¹ If you unilaterally and voluntarily resign from the Company, you will not be eligible for benefits under the Program. For purposes of the Program, if you unilaterally and voluntarily submit an Intent to Retire, the Company will consider such submission to be a unilateral and voluntary resignation.

² "Cause" means the participant's (a) conviction or plea of guilty, nolo contendere, or no contest, to a felony; (b) willful misconduct; (c) violation of a material written Company policy; or (d) willful and continued failure or refusal to substantially perform essential job functions.

because of special circumstances, it may obtain an extension by notifying you within the initial 90-day period that a decision on the claim will be delayed and when a decision can be expected. If your claim is denied, you will receive a written explanation of the specific findings and conclusions on which the denial is based.

If you do not agree with the Claims Administrator's decision, you or your authorized representative may appeal the decision to the Policy Committee. Your appeal must be submitted in writing within 60 days after you receive the initial claim decision. Appeals should be sent to: Policy Committee, Basic Separation Program, The Procter & Gamble Company, c/o Corporate Secretary's Office, P&G Plaza, C9-159, Cincinnati, OH 45202.

The Policy Committee will review the decision and issue a final written decision, normally within 60 days after the receipt of your appeal, specifying the reasons for its decision. If special circumstances require an extension, the Policy Committee may obtain such an extension by notifying you within the initial 60-day period that the decision on review of the denied claim will be delayed (for up to an additional 60 days), and why and when a decision can be expected.

The claim and appeal procedures are available to any employee or beneficiary who wishes to submit a claim for benefits or request an appeal. To the extent permitted by law, the Policy Committee's decision on appeal is final, binding, and conclusive as to any fact or interpretation of the Program.

A claim or action to recover benefits, clarify rights under the Program or Plan, or enforce rights under the Program or Plan (collectively, Action) may not be filed in any court or other forum³ until these claim procedures have been exhausted with respect to such Action. No Action may be filed in any court or other forum if more than two (2) years has passed since the earlier of (a) the date the first benefit payment was actually made, (b) the date the first benefit payment was allegedly due, (c) for a reimbursement claim, the date on which the expense was incurred, or (d) the date the Plan, the Program, the Company, the Claims Administrator, or the Policy Committee first denied the alleged obligation to provide such benefits. A denial described in (d) above may be made by way of a direct communication with you or a more general oral or written communication related to benefits payable under the Program (such as this summary plan description). If at the end of the two (2) year period described above, the Claims Procedures described above are pending, the deadline for filing an Action will be extended to the date that is 60 calendar days after the final denial (including a deemed denial) by the Policy Committee.

FUTURE OF THE PROGRAM

Consistent with the terms of the Plan, the Company intends to continue the benefits under this Program indefinitely. However, the Company reserves the right to amend, modify, suspend, or terminate the Program to any extent and in any manner that it may deem advisable at any time or times. Any such action shall be taken by the Board of Directors, or its appropriate delegate, through a formal written statement or through formal action at a Board of Directors meeting.

³ If a Negotiated Separation Agreement includes a provision that requires the employee (or former employee) to settle all disputes arising from the Negotiated Separation Agreement through arbitration, then such employee (or former employee) is limited to pursuing such Action in accordance with the terms of such provision (including, but not limited to, whether such arbitration is final and binding).

DEFINITIONS

Last Day of Employment. The Last Day of Employment means the date specified in a Negotiated Separation Agreement as the employee's last day being employed by the Company. The date must be a date to which the Company has agreed and which will be the last day the employee is employed with the Company. If an employee dies after executing a Negotiated Separation Agreement, but before the Last Day of Employment, such employee's Last Day of Employment shall be considered the employee's date of death. All Negotiated Separation Agreements must have a specified Last Day of Employment.

Release of Claims ("Release"). A Release of Claims means a provision in a Negotiated Separation Agreement in which the employee releases legal and other claims against the Company. All Negotiated Separation Agreements must include a Release, which will be in a form approved by the Company. By executing a Negotiated Separation Agreement, an employee also executes and agrees to the terms of the Release therein. Each Release becomes effective in accordance with its terms.

Regular Retiree. A Regular Retiree means a former employee of the Company who was, on his or her Last Day of Employment, (1) at least 55 years old with his or her full years of age plus full Years of Service equal to at least 75, or (2) at least 60 years old with at least 10 full Years of Service. Regular Retirees are eligible to enroll in retiree medical and dental coverage under The Procter & Gamble Retiree Welfare Benefits Plan (Retiree Plan), subject to the terms and conditions of the Retiree Plan, including any amendments to the Retiree Plan.

Special Retiree. A Special Retiree means a former employee of the Company who executed a Negotiated Separation Agreement and satisfied the Rule of 70 on his or her Last Day of Employment. The Rule of 70 is satisfied if an employee's full years of age plus full Years of Service equal at least 70. Special Retirees are eligible to enroll in retiree medical and dental coverage under The Procter & Gamble Retiree Welfare Benefits Plan (Retiree Plan), subject to the terms and conditions of the Retiree Plan, including any amendments to the Retiree Plan.

Special Separation. Special Separation means a former employee of the Company who executed a Negotiated Separation Agreement and was neither a Regular Retiree nor a Special Retiree on his or her Last Day of Employment.

Years of Service. Years of Service means an employee's adjusted years of service with the Company, as determined by the Company.

YOUR RIGHTS UNDER ERISA

As a participant in the Plan, you are entitled to certain rights and protection under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan participants shall be entitled to:

- Examine without charge, at the Plan Administrator's office and at other specified locations, such as work sites, all documents governing the Plan.
- Obtain a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor, which is available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, copies of the latest annual report (Form 5500 Series) and an updated Summary Plan Description. The Plan Administrator may make a reasonable charge for the copies.
- Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your Plan, called fiduciaries of the Plan, have a duty to do so responsibly and in the interest of you and other Plan participants and beneficiaries. No one, including your employer, your union or any other person, may terminate your employment or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you make a written request for a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a medical child support order, you may file suit in federal court. If it should happen that the Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have questions about your Plan, you should contact the Plan Administrator. If you have questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S.

Department of Labor (listed in your local telephone directory), or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, NW, Washington, DC 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

APPENDIX A*: SEPARATION BENEFITS

* If you are an employee who is or was working at either the Kansas City, Kansas or Iowa City, Iowa (Beauty Care) plants during the execution of the North America Supply Chain Redesign (NASCAR) program (i.e., during the period from 2018-2021) and you were determined to be eligible to receive separation package under the NASCAR program as a result of related job reductions at the respective plant, a special Appendix A applies to you. If you did not receive the special Appendix A, please ask your HR manager or NASCAR program HR AD.

The benefits described in this Appendix A are the separation benefits available under the Program. Whether and to what extent you are entitled to any of the benefits below is solely within the Company's discretion, subject to the limitations described below.

SEPARATION PAYMENT	<p>If the Company offers you Separation Payment as part of your Negotiated Separation Agreement, the amount of the Separation Payment will be specified in the terms of your Negotiated Separation Agreement, but shall not exceed the percentage of your Annual Base Pay provided below, based on your full Years of Service.</p> <table data-bbox="451 321 1019 493"> <thead> <tr> <th><u>Years of Service</u></th><th><u>% Annual Base Pay</u></th></tr> </thead> <tbody> <tr> <td>0 years, 0 months - 2 years, 0 months</td><td>25.00%</td></tr> <tr> <td>2 years, 1 month - 8 years, 0 months</td><td>50.00%</td></tr> <tr> <td>8 years, 1 month - 14 years, 0 months</td><td>75.00%</td></tr> <tr> <td>14 years, 1 month - 19 years, 11 months</td><td>99.65%</td></tr> <tr> <td>20 years, 0 months or more</td><td>100.00%</td></tr> </tbody> </table> <p>Separation Payments are payable in one lump sum, less tax withholding, and are issued as soon as administratively practical (typically, four to six weeks) <i>after your Last Day of Employment</i>. Separation Payments are not considered "compensation" for purposes of determining any benefits provided under any pension, savings, or other benefit plan sponsored by the Company.</p>	<u>Years of Service</u>	<u>% Annual Base Pay</u>	0 years, 0 months - 2 years, 0 months	25.00%	2 years, 1 month - 8 years, 0 months	50.00%	8 years, 1 month - 14 years, 0 months	75.00%	14 years, 1 month - 19 years, 11 months	99.65%	20 years, 0 months or more	100.00%
<u>Years of Service</u>	<u>% Annual Base Pay</u>												
0 years, 0 months - 2 years, 0 months	25.00%												
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8 years, 1 month - 14 years, 0 months	75.00%												
14 years, 1 month - 19 years, 11 months	99.65%												
20 years, 0 months or more	100.00%												
PAYMENT FOR UNVESTED PST	<p>If you are not fully-vested in the Procter & Gamble Profit Sharing Trust and Employee Stock Ownership Plan ("PST") as of your Last Day of Employment, as soon as administratively practical after your Last Day of Employment, but no later than the March 15th of the year following the year which includes your Last Day of Employment, you will receive a lump sum payment in an amount substantially equivalent to the non-vested credits in your account in the PST.</p>												
EXTENSION OF MEDICAL, DENTAL, AND BASIC LIFE COVERAGE	<p>If you are enrolled in medical, dental, or basic life insurance benefits on your Last Day of Employment, such benefits will be extended through the end of the month in which the Last Day of Employment occurs.</p> <p>If the Company offers you a further extension of these benefits as part of your Negotiated Separation Agreement, the extension period will begin on the first day of the month following <i>your Last Day of Employment</i> and last for the number of months specified in the terms of your Negotiated Separation Agreement, but such period shall not exceed the number of months provided below, based on your full Years of Service.</p> <table data-bbox="451 1003 938 1176"> <thead> <tr> <th><u>Years of Service</u></th><th><u># Months</u></th></tr> </thead> <tbody> <tr> <td>0 years, 0 months - 2 years, 0 months</td><td>3</td></tr> <tr> <td>2 years, 1 month - 8 years, 0 months</td><td>6</td></tr> <tr> <td>8 years, 1 month - 14 years, 0 months</td><td>9</td></tr> <tr> <td>14 years, 1 month - 18 years, 0 months</td><td>11</td></tr> <tr> <td>18 years, 1 month or more</td><td>12</td></tr> </tbody> </table> <p>If the Company offers you a further extension of benefits, you are required to continue paying for those benefits at the same rate you paid while you were employed, but on an after-tax basis.</p> <p>COBRA: When your medical and dental benefits terminate after your Last Day of Employment (either at the end of that month or, if provided, at the end of your extension of benefits period) you may be eligible for continuation coverage under COBRA, which generally requires a greater premium payment for coverage. If you are a Regular Retiree or Special Retiree, in addition to COBRA, you will be eligible to enroll in retiree medical and dental coverage under The Procter & Gamble Retiree Welfare Benefits Plan. For more information, see definitions of Regular Retiree and Special Retiree.</p> <p>Surviving Spouse/Domestic Partner & Dependents: If you die during an extension of benefits period and your spouse/domestic partner and other dependents were enrolled in P&G medical or dental coverage at the time of your death, they may continue such coverage for 12 months after your death at the same rate on an after-tax basis. This 12-month continuation period begins on the first of the month following the month in which your death occurs. If you are Regular Retiree or Special Retiree, after the 12-month extension of benefits period, your spouse/domestic partner is eligible to enroll in the National Surviving Spouse Program for medical and dental coverage under The Procter & Gamble Retiree Welfare Benefits Plan.</p>	<u>Years of Service</u>	<u># Months</u>	0 years, 0 months - 2 years, 0 months	3	2 years, 1 month - 8 years, 0 months	6	8 years, 1 month - 14 years, 0 months	9	14 years, 1 month - 18 years, 0 months	11	18 years, 1 month or more	12
<u>Years of Service</u>	<u># Months</u>												
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14 years, 1 month - 18 years, 0 months	11												
18 years, 1 month or more	12												

OUTPLACEMENT SERVICES	<p>If the Company offers you outplacement services as part of your Negotiated Separation Agreement, you must contact the Company's third-party outplacement services provider, Right Management Consultants ("RMC"), within 45 days of your Last Day of Employment to use those services. RMC provides outplacement assistance through pre-decision counseling, career transition programs, job development services, and reimbursement for tuition and registration/lab fees for courses taken at accredited institutions (up to \$5,000). RMC will only reimburse tuition and registration/lab fees for each course if (1) RMC has pre-approved the course, and (2) you complete the course within the 2-year period immediately following your Last Day of Employment. RMC will provide outplacement services for up to two years following your Last Day of Employment.</p>
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Exhibit (10-22)

The Procter & Gamble Performance Stock Program - Related Correspondence and
Terms and Conditions

You must scroll and read to the bottom of the grant letter above so you can accept/reject your grant.

AWARD AGREEMENT [GRANT DATE]
[GLOBAL ID]

[NAME]

Subject: PERFORMANCE STOCK UNIT SERIES XX-XX-PSP

In recognition of your contributions to the future success of the business, The Procter & Gamble Company ("Company") hereby grants to you Performance Stock Units ("PSUs") of Procter & Gamble Common Stock as follows:

Target Number of Units:	
Maximum Number of Units:	
Conversion Ratio:	1 PSU = 1 Common Share
Grant Date:	[GRANT DATE]
Vest Date:	30 JUNE 20XX
Performance Period:	1 July 20XX - 30 June 20XX
Original Settlement Date (Shares Delivered on):	[ORIGINAL SETTLEMENT DATE]
Acceptance Deadline:	[ACCEPTANCE DATE]

This Award is granted in accordance with and subject to the terms of The Procter & Gamble 2014 Stock and Incentive Compensation Plan (including any applicable sub-plan) (the "Plan"), the Regulations of the Compensation and Leadership Development Committee of the Board of Directors ("Committee"), and this Award Agreement, including Attachments A and B. Any capitalized terms used in this Agreement that are not otherwise defined herein are defined in the Plan. You may access the Plan by activating this hyperlink: The Procter & Gamble 2014 Stock and Incentive Compensation Plan and the Regulations and Sub Plans by activating this hyperlink: Regulations of the Committee. If you have difficulty accessing the materials online, please send an email to [email address] for assistance.

Voting Rights and Dividend Equivalents

As a holder of PSUs, during the period from the Grant Date until the date the PSUs are paid, each time a cash dividend or other cash distribution is paid with respect to Common Stock, you will receive additional PSUs ("Dividend Equivalent PSUs"). The number of Dividend Equivalent PSUs will be determined as follows: multiply the number of PSUs and Dividend Equivalent PSUs currently held by the per share amount of the cash dividend or other cash distribution on Common Stock, then divide the result by the price of the Common Stock on the date of the dividend or distribution. These Dividend Equivalent PSUs will be subject to the same terms and conditions as the original PSUs that gave rise to them, including performance vesting and settlement terms, except that if there is a fractional number of Dividend Equivalent PSUs on the date the PSUs are paid, the Dividend Equivalent PSUs will be rounded up to the nearest whole number of PSUs. This Award represents an unfunded, unsecured right to receive payment in the future, and does not entitle you to voting rights or dividend rights as a shareholder.

Performance Vesting

1. Your Target Number of Units indicated in this Award Agreement (the "Target Units") will vest depending upon performance during the Performance Period, as specified below. This Award Agreement also sets forth the Maximum Number of Units (the "Maximum Units") that you may receive pursuant to this Award. Your right to receive all, any portion of, or more than the Target Units (but in no event more than the Maximum Units) will be contingent upon the achievement of specified levels of certain performance goals measured over the Performance Period. The applicable performance goals and the payout factors for each performance goal applicable to your Award for the Performance Period are set forth in Attachment B.
 2. Within 60 days following the end of the Performance Period, the Committee will determine (i) whether and to what extent the performance goals have been satisfied for the Performance Period, (ii) the number of PSUs that shall become deliverable under this Award, and (iii) whether the other applicable conditions for receipt of shares of Common Stock in respect of the PSUs have been met. Any PSUs not approved by the Committee in accordance with this paragraph will be forfeited and cancelled.
-

Vesting and Payment

If you leave the Company before June 30th, 20xx, the Award will be forfeited, except in the event of death or in connection with a divestiture or separation of any of the Company's businesses. If remain employed through the Vest Date, the Award will be paid on the Original Settlement Date or Agreed Settlement Date (as defined below), whichever is applicable. If your Termination of Employment occurs for any reason before the Vest Date except for the reasons listed below, the Award will be forfeited. For the purposes of this Award, Termination of Employment will be effective as of the date that you are no longer actively employed and will not be extended by any notice period required under local law.

1. Termination on Account of Death. In the case of death, the Award is not forfeited and will become deliverable on the Settlement Date or Agreed Settlement Date, whichever is applicable.

2. Termination on Account of Retirement or Disability after June 30th of the fiscal year in which this Award was granted. In the case of Retirement or Disability, respectively, that occurs after June 30th of the fiscal year in which this award was granted, the Award is not forfeited and will become deliverable on the Settlement Date or Agreed Settlement Date, whichever is applicable, as long as you remain in compliance with the terms of the Plan and the Regulations.

3. Termination after June 30th of the fiscal year in which this Award was granted pursuant to a Written Separation Agreement. In the event of your Termination of Employment from the Company or a Subsidiary that occurs after June 30th of the fiscal year in which this award was granted, this Award is forfeited unless you have executed a written separation agreement with the Company that provides for retention of the Award. If the Award is retained pursuant to a separation agreement, the Award will be delivered on the Settlement Date or Agreed Settlement Date, whichever is applicable, as long as you remain in compliance with the terms of the Plan, the Regulations, and the separation agreement.

4. Termination in connection with a divestiture or separation of any of the Company's businesses. In the event of Termination of Employment from the Company in connection with a divestiture or separation of any of the Company's businesses, as determined by the Company's Chief Human Resources Officer, the Award is retained and will become deliverable on the Settlement Date or Agreed Settlement Date, whichever is applicable, as long as you remain in compliance with the terms of the Plan and the Regulations.

Notwithstanding the foregoing, in the event of a Change in Control, the Target Number of Units shall be paid pursuant to the terms provided in the Plan.

Payment under this Award will be made in the form of Common Stock or such other form of payment as determined by the Committee pursuant to the Plan, subject to applicable tax withholding.

Deferral Election (Applicable to participants Band 7 and above as of the Award Date).

At any time at least six months prior of the end of the Performance Period and so long as the achievement of the applicable performance goals are not yet readily ascertainable (but in no event later than your Termination of Employment from the Company), you and the Company may agree to postpone the Original Settlement Date to such later date ("Agreed Settlement Date") as may be elected by you, which date shall be at least five years later than the Original Settlement Date and in accordance with Internal Revenue Code Section 409A.

This Award Agreement including Attachments A and B, the Plan and Regulations of the Committee together constitute an agreement between the Company and you in accordance with the terms thereof and hereof, and no other understandings and/or agreements that have been entered by you with the Company regarding this specific Award. Any legal action related to this Award, including Article 6 of the Plan, may be brought in any federal or state court located in Hamilton County, Ohio, USA, and you hereby agree to accept the jurisdiction of these courts and consent to service of process from said courts solely for legal actions related to this Award. You have the right to consult with a lawyer before accepting this Award.

THE PROCTER & GAMBLE COMPANY

Tracey Grabowski

Chief Human Resources Officer

Attachment(s):

[Attachment A](#)

To Accept Your Award

Read and check the boxes below:

- ☐ I have read, understand and agree to be bound by each of:
- The Procter & Gamble 2014 Stock and Incentive Compensation Plan
 - Regulations of the Committee
 - This Award Agreement, including Attachments A and B
- ☐ I accept the stock option award detailed above (including attachments)
- ☐ I accept the performance share award detailed above (including attachments)

To Reject Your Award

Read and check the box(es) below:

- ☐ I have read and understand the terms noted above and do not agree to be bound by these terms. I hereby reject the stock option award detailed above.
- ☐ I have read and understand the terms noted above and do not agree to be bound by these terms. I hereby reject the performance share award detailed above.

Attachment A

Please note that when the issue or transfer of the Common Stock covered by this Award may, in the opinion of the Company, conflict or be inconsistent with any applicable law or regulation of any governmental agency, the Company reserves the right to refuse to issue or transfer said Common Stock and that any outstanding Awards may be suspended or terminated and net proceeds may be recovered by the Company if you fail to comply with the terms and conditions governing this Award.

Nature of the Award

By completing this form and accepting the Award evidenced hereby, I acknowledge that: i) the Plan is established voluntarily by The Procter & Gamble Company ("P&G"), it is discretionary in nature and it may be amended, suspended or terminated at any time; ii) Awards under the Plan are voluntary and occasional and this Award does not create any contractual or other right to receive future Awards, or benefits in lieu of an Award, even if Awards have been granted repeatedly in the past; iii) all decisions with respect to future Awards, if any, will be at the sole discretion of P&G; iv) my participation in the Plan is voluntary; v) this Award is an extraordinary item and not part of normal or expected compensation or salary for any purposes including, but not limited to, calculating any termination, severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments; vi) in the event that my employer is not P&G, the Award will not be interpreted to form an employment relationship with P&G; and furthermore, the Award will not be interpreted to form an employment contract with my employer ("Employer"); vii) the future value of the shares purchased under the Plan is unknown and cannot be predicted with certainty, may increase or decrease in value and potentially have no value; viii) my participation in the Plan shall not create a right to further employment with my Employer and shall not interfere with the ability of my Employer to terminate my employment relationship at any time, with or without cause; ix) and no claim or entitlement to compensation or damages arises from the termination of the Award or the diminution in value of the Award or shares purchased and I irrevocably release P&G and my Employer from any such claim that may arise.

Data Privacy

I hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of my personal data as described in this document by and among, as applicable, my Employer and The Procter & Gamble Company and its subsidiaries and affiliates ("P&G") for the exclusive purpose of implementing, administering and managing my participation in the Plan.

I understand that P&G and my Employer hold certain personal information about me, including, but not limited to, my name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in P&G, details of all Awards or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in my favor, for

the purpose of implementing, administering and managing the Plan ("Data"). I understand that Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in my country or elsewhere (including countries outside the European Economic Area), and that the recipient's country may have different data privacy laws and protections than my country. I understand that I may request a list with the names and addresses of any potential recipients of the Data by contacting my local human resources representative. I authorize the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing my participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom I may elect to deposit any shares of stock acquired upon exercise or settlement of the Award. I understand that Data will be held only as long as is necessary to implement, administer and manage my participation in the Plan. I understand that I may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing my local human resources representative. I understand, however, that refusing or withdrawing my consent may affect my ability to participate in the Plan. For more information on the consequences of my refusal to consent or withdrawal of consent, I understand that I may contact my local human resources representative.

Responsibility for Taxes

Regardless of any action P&G or my Employer takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items"), I acknowledge that the ultimate liability for all Tax-Related Items is and remains my responsibility and that P&G and/or my Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of this Award, including the issuance, vesting or exercise, settlement, the subsequent sale of shares acquired, the receipt of any dividends or dividend equivalents or the potential impact of current or future tax legislation in any jurisdiction; and (2) do not commit to structure the terms of the Award or any aspect of the Award to reduce or eliminate my liability for Tax-Related Items

Prior to exercise or settlement of an Award, I shall pay or make adequate arrangements satisfactory to P&G and/or my Employer to satisfy all withholding and payment on account obligations of P&G and/or my Employer. In this regard, I authorize P&G and/or my Employer to withhold all applicable Tax-Related Items from my wages or other cash compensation paid to me by P&G and/or my Employer or from proceeds of the sale of the shares. Alternatively, or in addition, if permissible under local law, P&G may (1) sell or arrange for the sale of shares that I acquire to meet the withholding obligation for Tax-Related Items, and/or (2) withhold in shares, provided that P&G only withholds the amount of shares necessary to satisfy the minimum withholding amount. Finally, I shall pay to P&G or my Employer any amount of Tax-Related Items that P&G or my Employer may be required to withhold as a result of my participation in the Plan or my purchase of shares that cannot be satisfied by the means previously described. P&G may refuse to honor the exercise and refuse to deliver the shares if I fail to comply with my obligations in connection with the Tax-Related Items as described in this section.

EXHIBIT (21)

**The Procter & Gamble Company and Subsidiaries
Subsidiaries of the Registrant**

The Procter & Gamble Company and Subsidiaries

The registrant's subsidiaries are listed below, omitting certain entities that have de minimis activity or are in the process of being liquidated that, if considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary as of June 30, 2019.

Procter & Gamble Algeria EURL	Algeria
"Procter & Gamble Services" LLC	Russia
"Procter & Gamble" LLC	Russia
Agile Pursuits Franchising, Inc.	Ohio
Agile Pursuits, Inc.	Ohio
Arbora & Ausonia, S.L.U.	Spain
Arbora, S.A.	Spain
Arborinvest, S.A.U.	Spain
Biohagen Farmaceutica do Brasil Ltda	Brazil
Braun (Shanghai) Co., Ltd.	China
Braun GmbH	Germany
Celtic Insurance Company, Inc.	Vermont
Compania Procter & Gamble Mexico, S. de R.L. de C.V.	Mexico
Consumer Health Distribution S.A. de C.V.	Mexico
Corporativo Procter & Gamble, S. de R.L. de C.V.	Mexico
Cosmetic Products Pty. Ltd.	Australia
Detergent Products B.V.	Netherlands
Detergent Products SARL	Switzerland
Detergenti S.A.	Romania
Fameccanica Data S.p.A.	Italy
Fameccanica Indústria e Comércio Do Brasil LTDA.	Brazil
Fameccanica Machinery (Shanghai) Co., Ltd.	China
Fameccanica North America, Inc.	Delaware
Fater Central Europe SRL	Romania
Fater Eastern Europe LLC	Russia
Fater Morocco SARLAU	Morocco
Fater Portugal Unipessoal Lda	Portugal
Fater S.p.A.	Italy
Fater Temizlik Urunleri Ltd STI	Turkey
First Aid Beauty Limited	Delaware
Fountain Square Music Publishing Co., Inc.	Ohio
FPG Oleochemicals Sdn. Bhd.	Malaysia
Gillette (China) Limited	China
Gillette (Shanghai) Ltd.	China
Gillette Australia Pty. Ltd.	Australia
Gillette Commercial Operations North America	Massachusetts
Gillette del Uruguay, S.A.	Uruguay
Gillette Diversified Operations Pvt. Ltd.	India
Gillette Egypt S.A.E.	Egypt
Gillette Group UK Limited	U.K.
Gillette Holding Company LLC	Delaware
Gillette Holding GmbH	Germany
Gillette India Limited	India
Gillette Industries Limited	U.K.
Gillette International B.V.	Netherlands
Gillette Latin America Holding B.V.	Netherlands
Gillette Management, LLC	Delaware
Gillette Pakistan Limited	Pakistan

Gillette Poland International Sp. z.o.o.	Poland
Gillette Poland S.A.	Poland
Gillette U.K. Limited	U.K.
Giorgio Beverly Hills, Inc.	Delaware
Hyginett KFT	Hungary
iMFLUX Inc.	Delaware
Industries Marocaines Modernes SA	Morocco
Laboratoire Mediflor S.A.S.	France
Laboratorios Vicks, S.L.U.	Spain
Lamberts Healthcare Limited	U.K.
Liberty Street Music Publishing Company, Inc.	Ohio
Limited Liability Company 'Procter & Gamble Trading Ukraine'	Ukraine
LLC "Procter & Gamble Distributorskaya Compania"	Russia
LLC "Procter & Gamble Novomoskovsk"	Russia
LLC “Procter & and Gamble Ukraine”	Ukraine
Modern Industries Company - Dammam	Saudi Arabia
Modern Products Company - Jeddah	Saudi Arabia
Nature's Best Health Products Limited	U.K.
New Chapter Canada Inc.	Canada
New Chapter, Inc.	Delaware
Olay LLC	Puerto Rico
Oral-B Laboratories	Delaware
PG13 Launchpad Alpha, Inc.	Delaware
P&G Consumer Health Germany GmbH	Germany
P&G Distribution East Africa Limited	Kenya
P&G Distribution Morocco SAS	Morocco
P&G Hair Care Holding, Inc.	Delaware
P&G Health Austria GmbH & Co. OG	Austria
P&G Health France S.A.S.	France
P&G Health Germany GmbH	Germany
P&G Investment Management Ltd.	United Arab Emirates
P&G Industrial Peru S.R.L.	Peru
P&G Innovation Godo Kaisha	Japan
P&G Israel M.D.O. Ltd.	Israel
P&G K.K.	Japan
P&G Northeast Asia Pte. Ltd.	Singapore
P&G Prestige Godo Kaisha	Japan
P&G South African Trading (Pty.) Ltd.	South Africa
Petersburg Products International LLC	Russia
PGT Health Care (Zhejiang) Limited	China
PGT Healthcare LLP	Delaware
Phase II Holdings Corporation	Philippines
Procter & Gamble (Chengdu) Ltd.	China
Procter & Gamble (China) Ltd.	China
Procter & Gamble (China) Sales Co., Ltd.	China
Procter & Gamble (Egypt) Manufacturing Company	Egypt
Procter & Gamble (Guangzhou) Consumer Products Co., Ltd.	China
Procter & Gamble (Guangzhou) Enterprise Management Service Company Limited	China
Procter & Gamble (Guangzhou) Ltd.	China
Procter & Gamble (Guangzhou) Technology Innovation Co., LTD.	China
Procter & Gamble (Health & Beauty Care) Limited	U.K.
Procter & Gamble (Jiangsu) Ltd.	China
Procter & Gamble (L&CP) Limited	U.K.

Procter & Gamble (Manufacturing) Ireland Limited	Ireland
Procter & Gamble (Shanghai) International Trade Company Ltd.	China
Procter & Gamble (Singapore) Pte. Ltd.	Singapore
Procter & Gamble Amazon Holding B.V.	Netherlands
Procter & Gamble Amiens S.A.S.	France
Procter & Gamble Argentina SRL	Argentina
Procter & Gamble Asia Pte. Ltd.	Philippines
Procter & Gamble Australia Proprietary Limited	Australia
Procter & Gamble Azerbaijan Services LLC	Azerbaijan
Procter & Gamble Bangladesh Private Ltd.	Bangladesh
Procter & Gamble Blois S.A.S.	France
Procter & Gamble Brazil Holdings B.V.	Netherlands
Procter & Gamble Bulgaria EOOD	Bulgaria
Procter & Gamble Business Services Canada Company	Canada
Procter & Gamble Canada Holding B.V.	Netherlands
Procter & Gamble Chile Limitada	Chile
Procter & Gamble Chile, Inc.	Ohio
Procter & Gamble Colombia Ltda.	Colombia
Procter & Gamble Commercial LLC	Puerto Rico
Procter & Gamble Czech Republic s.r.o.	Czech Republic
Procter & Gamble d.o.o. za trgovinu	Croatia
Procter & Gamble Danmark ApS	Denmark
Procter & Gamble de Venezuela, S.C.A.	Venezuela
Procter & Gamble de Venezuela, S.R.L.	Venezuela
Procter & Gamble Detergent (Beijing) Ltd.	China
Procter & Gamble Deutschland GmbH	Germany
Procter & Gamble Distributing (Philippines) Inc.	Philippines
Procter & Gamble Distributing New Zealand Limited	New Zealand
Procter & Gamble Distribution Company (Europe) BVBA	Belgium
Procter & Gamble Distribution S.R.L.	Romania
Procter & Gamble do Brasil S/A	Brazil
Procter & Gamble do Brazil, LLC	Delaware
Procter & Gamble do Nordeste S/A	Brazil
Procter & Gamble DS Polska Sp. z o.o.	Poland
Procter & Gamble Eastern Europe, LLC	Ohio
Procter & Gamble Ecuador Cia. Ltda.	Ecuador
Procter & Gamble Egypt	Egypt
Procter & Gamble Egypt Distribution	Egypt
Procter & Gamble Egypt Holding	Egypt
Procter & Gamble Egypt Supplies	Egypt
Procter & Gamble Energy Company LLC	Ohio
Procter & Gamble España, S.A.	Spain
Procter & Gamble Europe SA	Switzerland
Procter & Gamble Exportadora e Importadora Ltda.	Brazil
Procter & Gamble Far East, Inc.	Ohio
Procter & Gamble Finance (U.K.) Limited	U.K.
Procter & Gamble Finance Holding Limited	U.K.
Procter & Gamble Finance Management S.a.r.l.	Luxembourg
Procter & Gamble Financial Investments LLP	U.K.
Procter & Gamble Financial Services Limited	U.K.
Procter & Gamble Financial Services S.a.r.l.	Luxembourg
Procter & Gamble Finland OY	Finland
Procter & Gamble France S.A.S.	France

Procter & Gamble Germany GmbH & Co. Operations oHG	Germany
Procter & Gamble Ghana Trading Limited	Ghana
Procter & Gamble GmbH	Germany
Procter & Gamble Grundstücks-und Vermögensverwaltungs GmbH & Co. KG	Germany
Procter & Gamble Gulf FZE	United Arab Emirates
Procter & Gamble Hair Care, LLC	Delaware
Procter & Gamble Health Belgium BVBA	Belgium
Procter & Gamble Health Limited	India
Procter & Gamble Health Limited	U.K.
Procter & Gamble Hellas Ltd.	Greece
Procter & Gamble Holding (Thailand) Limited	Thailand
Procter & Gamble Holding France S.A.S.	France
Procter & Gamble Holding GmbH	Germany
Procter & Gamble Holding S.r.l.	Italy
Procter & Gamble Holdings (UK) Limited	U.K.
Procter & Gamble Home Products Private Limited	India
Procter & Gamble Hong Kong Limited	Hong Kong
Procter & Gamble Hungary Wholesale Trading Partnership (KKT)	Hungary
Procter & Gamble Hygiene & Health Care Limited	India
Procter & Gamble Inc.	Canada
Procter & Gamble India Holdings, Inc.	Ohio
Procter & Gamble Indochina Limited Company	Vietnam
Procter & Gamble Industrial - 2012 C.A.	Venezuela
Procter & Gamble Industrial e Comercial Ltda.	Brazil
Procter & Gamble Industrial S.C.A.	Venezuela
Procter & Gamble Interamericas de Costa Rica, Limitada	Costa Rica
Procter & Gamble Interamericas de El Salvador, Limitada de Capital Variable	El Salvador
Procter & Gamble Interamericas de Guatemala, Limitada	Guatemala
Procter & Gamble Interamericas de Panama, S. de R.L.	Panama
Procter & Gamble International Operations Pte Ltd	Singapore
Procter & Gamble International Operations SA	Switzerland
Procter & Gamble International Operations SA-ROHQ	Philippines
Procter & Gamble International S.a.r.l.	Luxembourg
Procter & Gamble Investment Company (UK) Limited	U.K.
Procter & Gamble Investment Holding B.V.	Netherlands
Procter & Gamble Italia, S.p.A.	Italy
Procter & Gamble Japan K.K.	Japan
Procter & Gamble Kazakhstan Distribution LLP	Kazakhstan
Procter & Gamble Kazakhstan LLP	Kazakhstan
Procter & Gamble Korea S&D Co.	Korea
Procter & Gamble Korea, Inc.	Korea
Procter & Gamble Lanka Private Ltd.	Sri Lanka
Procter & Gamble Leasing LLC	Ohio
Procter & Gamble Levant S.A.L.	Lebanon
Procter & Gamble Limited	U.K.
Procter & Gamble Manufacturing (Thailand) Limited	Thailand
Procter & Gamble Manufacturing (Tianjin) Co. Ltd.	China
Procter & Gamble Manufacturing Belgium N.V.	Belgium
Procter & Gamble Manufacturing Berlin GmbH	Germany
Procter & Gamble Manufacturing GmbH	Germany
Procter & Gamble Manufacturing Mexico S. de R.L. de C.V.	Mexico
Procter & Gamble Manufacturing SA (Pty) Ltd	South Africa
Procter & Gamble Marketing and Services doo	Serbia and Montenegro

Procter & Gamble Marketing Romania SRL	Romania
Procter & Gamble Mataro, S.L.U.	Spain
Procter & Gamble Mexico Holding B.V.	Netherlands
Procter & Gamble Mexico Inc.	Delaware
Procter & Gamble Middle East FZE	United Arab Emirates
Procter & Gamble Nederland B.V.	Netherlands
Procter & Gamble Netherlands Services B.V.	Netherlands
Procter & Gamble Nigeria Limited	Nigeria
Procter & Gamble Nordic, LLC	Ohio
Procter & Gamble Norge AS	Norway
Procter & Gamble Operations Polska Sp. z o.o.	Poland
Procter & Gamble Overseas India B.V.	Netherlands
Procter & Gamble Overseas Limited	U.K.
Procter & Gamble Pakistan (Private) Limited	Pakistan
Procter & Gamble Peru S.R.L.	Peru
Procter & Gamble Pharmaceuticals France SAS	France
Procter & Gamble Philippines, Inc.	Philippines
Procter & Gamble Polska Sp. z o.o	Poland
Procter & Gamble Portugal - Produtos De Consumo, Higiene e Saúde S.A.	Portugal
Procter & Gamble Product Supply (U.K.) Limited	U.K.
Procter & Gamble Productions, Inc.	Ohio
Procter & Gamble Productos de Consumo, S.L.U.	Spain
Procter & Gamble Retail Services SARL	Switzerland
Procter & Gamble RHD, Inc.	Ohio
Procter & Gamble RSC Regional Service Company Ltd.	Hungary
Procter & Gamble S.r.l.	Italy
Procter & Gamble Services (Switzerland) SA	Switzerland
Procter & Gamble Services Company N.V.	Belgium
Procter & Gamble Services GmbH	Germany
Procter & Gamble Sverige AB	Sweden
Procter & Gamble Switzerland SARL	Switzerland
Procter & Gamble Taiwan Limited	Taiwan
Procter & Gamble Taiwan Sales Company Limited	Taiwan
Procter & Gamble Technical Centres Limited	U.K.
Procter & Gamble Technology (Beijing) Co., Ltd.	China
Procter & Gamble Trading (Thailand) Limited	Thailand
Procter & Gamble Tuketim Mallari Sanayii A.S.	Turkey
Procter & Gamble UK	U.K.
Procter & Gamble UK Group Holdings Limited	U.K.
Procter & Gamble UK Parent Company Limited	U.K.
Procter & Gamble Universal Holding B.V.	Netherlands
Procter & Gamble Vietnam, Ltd.	Vietnam
Procter & Gamble, Spol. s.r.o. (Ltd.)	Slovak Republic
Procter & Gamble-Rakona s.r.o.	Czech Republic
Progam Realty & Development Corporation	Philippines
PT Procter & Gamble Home Products Indonesia	Indonesia
PT Procter & Gamble Operations Indonesia	Indonesia
Redmond Products, Inc.	Minnesota
Richardson-Vicks Real Estate Inc.	Ohio
Riverfront Music Publishing Co., Inc.	Ohio
Rosemount LLC	Delaware
Series Acquisition B.V.	Netherlands
Seven Seas Limited	U.K.

Snowberry IP Limited	New Zealand
Snowberry New Zealand Limited	New Zealand
SPD Development Company Limited	U.K.
SPD Swiss Precision Diagnostics GmbH	Switzerland
Sunflower Distributing LLC	Delaware
Surfac S.R.L.	Peru
Tambrands Inc.	Delaware
Tambrands Limited	U.K.
TAOS - FL, LLC	Florida
TAOS Retail, LLC	Delaware
Temple Trees Impex & Investment Private Limited	India
The Art of Shaving - FL, LLC	Florida
The Dover Wipes Company	Ohio
The Gillette Company LLC	Delaware
The Procter & Gamble Distributing LLC	Delaware
The Procter & Gamble GBS Company	Ohio
The Procter & Gamble Global Finance Company, LLC	Ohio
The Procter & Gamble Manufacturing Company	Ohio
The Procter & Gamble Paper Products Company	Ohio
The Procter & Gamble U.S. Business Services Company	Ohio
This is L. Inc.	Delaware
US CD LLC	Delaware
Vidal Sassoon (Shanghai) Academy	China
Walker & Co. Brands, Inc.	Delaware
WEBA Betriebsrenten-Verwaltungsgesellschaft mbH	Germany
Zenlen, Inc.	Delaware

EXHIBIT (23)

Consent of Independent Registered Public Accounting Firm

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following registration statements of our reports dated August 6, 2019, relating to the consolidated financial statements of The Procter & Gamble Company (which report expresses an unqualified opinion and includes an explanatory paragraph relating to the adoption of Accounting Standards Update 2014-09, *Revenue from Contracts with Customers (Topic 606)*), and the effectiveness of The Procter & Gamble Company's internal control over financial reporting, appearing in this Annual Report on Form 10-K of The Procter & Gamble Company for the year ended June 30, 2019:

1. Post-Effective Amendment No. 1 to Registration Statement No. 33-49289 on Form S-8 for The Procter & Gamble 1992 Stock Plan;
 2. Registration Statement No. 33-47656 on Form S-8 for The Procter & Gamble International Stock Ownership Plan;
 3. Registration Statement No. 33-50273 on Form S-8 for The Procter & Gamble Commercial Company Employees' Savings Plan;
 4. Registration Statement No. 33-51469 on Form S-8 for The Procter & Gamble 1993 Non-Employee Directors' Stock Plan;
 5. Registration Statement No. 333-14381 on Form S-8 for Profit Sharing Retirement Plan of The Procter & Gamble Commercial Company;
 6. Registration Statement No. 333-21783 on Form S-8 for The Procter & Gamble 1992 Stock Plan (Belgian Version);
 7. Registration Statement No. 333-37905 on Form S-8 for The Procter & Gamble Future Shares Plan;
 8. Registration Statement No. 333-51213 on Form S-8 for Group Profit Sharing, Incentive and Employer Contribution Plan (France);
 9. Registration Statement No. 333-51219 on Form S-8 for Procter & Gamble Ireland Employees Share Ownership Plan;
 10. Registration Statement No. 333-51221 on Form S-8 for Employee Stock Purchase Plan (Japan);
 11. Registration Statement No. 333-34606 on Form S-8 for The Procter & Gamble Future Shares Plan;
 12. Registration Statement No. 333-44034 on Form S-8 for Procter & Gamble International Stock Ownership Plan;
 13. Registration Statement No. 333-47132 on Form S-8 for Employee Stock Purchase Plan (Japan);
 14. Registration Statement No. 333-75030 on Form S-8 for The Procter & Gamble 2001 Stock and Incentive Compensation Plan;
 15. Registration Statement No. 333-100561 on Form S-8 for The Procter & Gamble (U.K.) 1-4-1 Plan;
 16. Registration Statement No. 333-108991 on Form S-8 for The Procter & Gamble 1992 Stock Plan (Belgian Version);
 17. Registration Statement No. 333-108993 on Form S-8 for Employee Stock Purchase Plan (Japan);
 18. Registration Statement No. 333-108994 on Form S-8 for Procter & Gamble Ireland Employees Share Plan;
 19. Registration Statement No. 333-108995 on Form S-8 for Group Profit Sharing, Incentive and Employer Contribution Plan (France);
 20. Registration Statement No. 333-108997 on Form S-8 for Procter & Gamble International Stock Ownership Plan;
 21. Registration Statement No. 333-108998 on Form S-8 for The Procter & Gamble 1993 Non-Employee Directors' Stock Plan;
 22. Registration Statement No. 333-108999 on Form S-8 for The Procter & Gamble 1992 Stock Plan;
 23. Registration Statement No. 333-111304 on Form S-8 for The Procter & Gamble 2003 Non-Employee Directors' Stock Plan;
 24. Amendment No. 1 to Registration Statement No. 333-113515 on Form S-3 for The Procter & Gamble Company Debt Securities and Warrants;
 25. Amendment No. 3 to Registration Statement No. 333-123309 on Form S-4 for The Procter & Gamble Company;
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26. Registration Statement No. 333-128859 on Form S-8 for certain employee benefit plans of The Gillette Company (2004 Long-Term Incentive Plan of The Gillette Company; 1971 Stock Option Plan of The Gillette Company; James M. Kilts Non-Statutory Stock Option Plan; The Gillette Company Employees' Savings Plan; The Gillette Company Supplemental Savings Plan; The Gillette Company Global Employee Stock Ownership Plan (GESOP));
27. Registration Statement No. 333-143801 on Form S-8 for The Procter & Gamble Savings Plan;
28. Registration Statement No. 333-155046 on Form S-8 for Employee Stock Purchase Plan (Japan);
29. Registration Statement No. 333-161725 on Form S-8 for The Procter & Gamble Savings Plan;
30. Registration Statement No. 333-164612 on Form S-8 for The Procter & Gamble 2009 Stock and Incentive Compensation Plan;
31. Registration Statement No. 333-192841 on Form S-8 for The Procter & Gamble 1992 Stock Plan (Belgian Version);
32. Registration Statement No. 333-199592 on Form S-8 for The Procter & Gamble 2014 Stock and Incentive Compensation Plan;
33. Registration Statement No. 333-208407 on Form S-8 for The Profit Sharing Retirement Plan of The Procter & Gamble Commercial Company;
34. Registration Statement No. 333-208408 on Form S-8 for Procter & Gamble Ireland Employees Share Plan;
35. Registration Statement No. 333-208409 on Form S-8 for Procter & Gamble International Stock Ownership Plan;
36. Registration Statement No. 333-208410 on Form S-8 for The Procter & Gamble (U.K.) 1-4-1 Plan;
37. Registration Statement No. 333-208411 on Form S-8 for The Procter & Gamble Commercial Company Employees' Savings Plan;
38. Registration Statement No. 333-208412 on Form S-8 for Group Profit Sharing, Incentive and Employer Contribution Plan (France);
39. Registration Statement No. 333-221035 on Form S-3 for Debt Securities 2017 Registration;
40. Registration Statement No. 333-221037 on Form S-3 for The Procter & Gamble Company Direct Stock Purchase Plan 2017; and
41. Registration Statement No. 333-221038 on Form S-3 for The Procter & Gamble U.K. Share Investment Scheme.

/s/ Deloitte & Touche LLP

Cincinnati, Ohio
August 6, 2019

EXHIBIT (31)

Rule 13a-14(a)/15d-14(a) Certifications

I, David S. Taylor, certify that:

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

/s/ DAVID S. TAYLOR

(David S. Taylor)
Chairman of the Board, President and Chief Executive Officer

August 6, 2019
Date

EXHIBIT (31)

Rule 13a-14(a)/15d-14(a) Certifications

I, Jon R. Moeller, certify that:

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

/s/ JON R. MOELLER

(Jon R. Moeller)
Vice Chairman and Chief Financial Officer

August 6, 2019
Date

EXHIBIT (32)

Section 1350 Certifications

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of The Procter & Gamble Company (the "Company") certifies to his knowledge that:

- (1) Form 10-K of the Company for the year ended June 30, 2019 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in that Form 10-K fairly presents, in all material respects, the financial conditions and results of operations of the Company.

/s/ DAVID S. TAYLOR

(David S. Taylor)
Chairman of the Board, President and Chief Executive Officer

August 6, 2019
Date

A signed original of this written statement required by Section 906 has been provided to The Procter & Gamble Company and will be retained by The Procter & Gamble Company and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT (32)

Section 1350 Certifications

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of The Procter & Gamble Company (the “Company”) certifies to his knowledge that:

- (1) Form 10-K of the Company for the year ended June 30, 2019 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in that Form 10-K fairly presents, in all material respects, the financial conditions and results of operations of the Company.

/s/ JON R. MOELLER

(Jon R. Moeller)
Vice Chairman and Chief Financial Officer

August 6, 2019
Date

A signed original of this written statement required by Section 906 has been provided to The Procter & Gamble Company and will be retained by The Procter & Gamble Company and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT (99-1)

Summary of Directors and Officers Insurance Program

The Procter & Gamble Company purchases Directors and Officers Liability insurance from various insurance carriers. The policy limits for the period from June 30, 2018 to June 30, 2019 were \$300 million.