UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark one)

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

For the Quarterly Period Ended December 31, 2019
OR

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

For the transition period from _____ to _____

THE PROCTER & GAMBLE COMPANY

(Exact name of registrant as specified in its charter)

Ohio	**1-434**	**31-0411980**
(State of Incorporation)	***(Commission File Number)***	***(I.R.S. Employer Identification Number)***

One Procter & Gamble Plaza, Cincinnati, Ohio	**45202**
(Address of principal executive offices)	***(Zip Code)***

(513**)** 983-1100
(Registrant's telephone number, including area code)

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	NYSE
4.125% EUR notes due December 2020	PG20A	NYSE
0.275% Notes due 2020	PG20	NYSE
2.000% Notes due 2021	PG21	NYSE
2.000% Notes due 2022	PG22B	NYSE
1.125% Notes due 2023	PG23A	NYSE
0.500% Notes due 2024	PG24A	NYSE
0.625% Notes due 2024	PG24B	NYSE
1.375% Notes due 2025	PG25	NYSE
4.875% EUR notes due May 2027	PG27A	NYSE
1.200% Notes due 2028	PG28	NYSE
1.250% Notes due 2029	PG29B	NYSE
1.800% Notes due 2029	PG29A	NYSE
6.250% GBP notes due January 2030	PG30	NYSE
5.250% GBP notes due January 2033	PG33	NYSE
1.875% Notes due 2038	PG38	NYSE

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 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	☑	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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 ☑

There were 2,469,452,884 shares of Common Stock outstanding as of December 31, 2019.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

THE PROCTER & GAMBLE COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS

Amounts in millions except per share amounts	Three Months Ended December 31		Six Months Ended December 31	
	2019	2018	2019	2018
NET SALES	**$ 18,240**	$ 17,438	**$ 36,038**	$ 34,128
Cost of products sold	**8,869**	8,919	**17,592**	17,403
Selling, general and administrative expense	**4,889**	4,623	**9,674**	9,275
OPERATING INCOME	**4,482**	3,896	**8,772**	7,450
Interest expense	**(100)**	(138)	**(208)**	(267)
Interest income	**36**	63	**94**	116
Other non-operating income, net	**114**	95	**217**	557
EARNINGS BEFORE INCOME TAXES	**4,532**	3,916	**8,875**	7,856
Income taxes	**789**	700	**1,515**	1,429
NET EARNINGS	**3,743**	3,216	**7,360**	6,427
Less: Net earnings attributable to noncontrolling interests	**26**	22	**50**	34
NET EARNINGS ATTRIBUTABLE TO PROCTER & GAMBLE	**$ 3,717**	$ 3,194	**$ 7,310**	$ 6,393
NET EARNINGS PER SHARE [1]				
Basic	**$ 1.47**	$ 1.25	**$ 2.88**	$ 2.51
Diluted	**$ 1.41**	$ 1.22	**$ 2.77**	$ 2.44
DILUTED WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	**2,630.1**	2,623.0	**2,638.8**	2,617.6

[1] Basic net earnings per share and Diluted net earnings per share are calculated on Net earnings attributable to Procter & Gamble.

See accompanying Notes to Consolidated Financial Statements.

THE PROCTER & GAMBLE COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)

	Three Months Ended December 31		Six Months Ended December 31	
Amounts in millions	**2019**	**2018**	**2019**	**2018**
NET EARNINGS	**$ 3,743**	$ 3,216	**$ 7,360**	$ 6,427
OTHER COMPREHENSIVE INCOME/(LOSS), NET OF TAX				
Foreign currency translation	**392**	(178)	**(148)**	(387)
Unrealized gains/(losses) on investment securities	**(1)**	58	**(6)**	53
Unrealized gains/(losses) on defined benefit retirement plans	**(37)**	98	**142**	250
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS), NET OF TAX	**354**	(22)	**(12)**	(84)
TOTAL COMPREHENSIVE INCOME	**4,097**	3,194	**7,348**	6,343
Less: Total comprehensive income attributable to noncontrolling interests	**24**	23	**44**	31
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO PROCTER & GAMBLE	**$ 4,073**	$ 3,171	**$ 7,304**	$ 6,312

See accompanying Notes to Consolidated Financial Statements.

THE PROCTER & GAMBLE COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

Amounts in millions			December 31, 2019	June 30, 2019
Assets				
CURRENT ASSETS				
Cash and cash equivalents			**$ 6,279**	$ 4,239
Available-for-sale investment securities			**—**	6,048
Accounts receivable			**5,196**	4,951
INVENTORIES				
Materials and supplies			**1,458**	1,289
Work in process			**632**	612
Finished goods			**3,431**	3,116
Total inventories			**5,521**	5,017
Prepaid expenses and other current assets			**1,921**	2,218
TOTAL CURRENT ASSETS			**18,917**	22,473
PROPERTY, PLANT AND EQUIPMENT, NET			**21,250**	21,271
GOODWILL			**39,998**	40,273
TRADEMARKS AND OTHER INTANGIBLE ASSETS, NET			**23,980**	24,215
OTHER NONCURRENT ASSETS			**7,578**	6,863
TOTAL ASSETS			**$ 111,723**	$ 115,095
Liabilities and Shareholders' Equity				
CURRENT LIABILITIES				
Accounts payable			**$ 10,781**	$ 11,260
Accrued and other liabilities			**10,230**	9,054
Debt due within one year			**9,153**	9,697
TOTAL CURRENT LIABILITIES			**30,164**	30,011
LONG-TERM DEBT			**18,985**	20,395
DEFERRED INCOME TAXES			**6,242**	6,899
OTHER NONCURRENT LIABILITIES			**10,424**	10,211
TOTAL LIABILITIES			**65,815**	67,516
SHAREHOLDERS' EQUITY				
Preferred stock			**911**	928
Common stock – shares issued –	December 2019	4,009.2		
	June 2019	4,009.2	**4,009**	4,009
Additional paid-in capital			**64,019**	63,827
Reserve for ESOP debt retirement			**(1,112)**	(1,146)
Accumulated other comprehensive income/(loss)			**(14,942)**	(14,936)
Treasury stock			**(105,761)**	(100,406)
Retained earnings			**98,414**	94,918
Noncontrolling interest			**370**	385
TOTAL SHAREHOLDERS' EQUITY			**45,908**	47,579
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			**$ 111,723**	$ 115,095

See accompanying Notes to Consolidated Financial Statements.

THE PROCTER & GAMBLE COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS EQUITY

Three Months Ended December 31, 2019

Dollars in millions; shares in thousands	Common Stock Shares	Common Stock Amount	Preferred Stock	Add-itional Paid-In Capital	Reserve for ESOP Debt Retirement	Accumu-lated Other Comp-rehensive Income/(Loss)	Treasury Stock	Retained Earnings	Non-controlling Interest	Total Share-holders' Equity
BALANCE SEPTEMBER 30, 2019	2,493,812	$4,009	$915	$63,949	($1,112)	($15,298)	($102,510)	$96,625	$406	$46,984
Net earnings								3,717	26	3,743
Other comprehensive income/(loss)						356			(2)	354
Dividends and dividend equivalents ($0.7459 per share):										
Common								(1,863)		(1,863)
Preferred, net of tax benefits								(64)		(64)
Treasury stock purchases	(28,628)						(3,504)			(3,504)
Employee stock plans	3,681			69			250			319
Preferred stock conversions	588		(4)	1			3			—
ESOP debt impacts					—			(1)		(1)
Noncontrolling interest, net				—					(60)	(60)
BALANCE DECEMBER 31, 2019	2,469,453	$4,009	$911	$64,019	($1,112)	($14,942)	($105,761)	$98,414	$370	$45,908

Six Months Ended December 31, 2019

Dollars in millions; shares in thousands	Common Stock Shares	Common Stock Amount	Preferred Stock	Add-itional Paid-In Capital	Reserve for ESOP Debt Retirement	Accumu-lated Other Comp-rehensive Income/(Loss)	Treasury Stock	Retained Earnings	Non-controlling Interest	Total Share-holders' Equity
BALANCE JUNE 30, 2019	2,504,751	$4,009	$928	$63,827	($1,146)	($14,936)	($100,406)	$94,918	$385	$47,579
Net earnings								7,310	50	7,360
Other comprehensive income/(loss)						(6)			(6)	(12)
Dividends and dividend equivalents ($1.4918 per share)										
Common								(3,737)		(3,737)
Preferred, net of tax benefits								(129)		(129)
Treasury stock purchases	(54,033)						(6,504)			(6,504)
Employee stock plans	16,731			189			1,135			1,324
Preferred stock conversions	2,004		(17)	3			14			—
ESOP debt impacts					34			52		86
Noncontrolling interest, net				—					(59)	(59)
BALANCE DECEMBER 31, 2019	2,469,453	$4,009	$911	$64,019	($1,112)	($14,942)	($105,761)	$98,414	$370	$45,908

See accompanying Notes to Consolidated Financial Statements.

Dollars in millions; shares in thousands	Three Months Ended December 31, 2018									
	Common Stock									
	Shares	Amount	Preferred Stock	Add-itional Paid-In Capital	Reserve for ESOP Debt Retirement	Accumu-lated Other Comp-rehensive Income/(Loss)	Treasury Stock	Retained Earnings	Non-controlling Interest	Total Share-holders' Equity
BALANCE SEPTEMBER 30, 2018	2,491,408	$4,009	$951	$63,711	($1,177)	($15,133)	($99,956)	$99,831	$268	$52,504
Net earnings								3,194	22	3,216
Other comprehensive income/(loss)						(23)			1	(22)
Dividends and dividend equivalents ($0.7172 per share):										
Common								(1,790)		(1,790)
Preferred, net of tax benefits								(65)		(65)
Treasury stock purchases	(8,647)						(751)			(751)
Employee stock plans	18,021			(73)			1,222			1,149
Preferred stock conversions	798		(5)	—			5			—
ESOP debt impacts					(1)			—		(1)
Noncontrolling interest, net				41					162	203
BALANCE DECEMBER 31, 2018	2,501,580	$4,009	$946	$63,679	($1,178)	($15,156)	($99,480)	$101,170	$453	$54,443

Dollars in millions; shares in thousands	Six Months Ended December 31, 2018									
	Common Stock									
	Shares	Amount	Preferred Stock	Add-itional Paid-In Capital	Reserve for ESOP Debt Retirement	Accumu-lated Other Comp-rehensive Income/(Loss)	Treasury Stock	Retained Earnings	Non-controlling Interest	Total Share-holders' Equity
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								6,393	34	6,427
Other comprehensive income/(loss)						(81)			(3)	(84)
Dividends and dividend equivalents ($1.4344 per share):										
Common								(3,581)		(3,581)
Preferred, net of tax benefits								(131)		(131)
Treasury stock purchases	(24,337)						(2,003)			(2,003)
Employee stock plans	25,389			(53)			1,722			1,669
Preferred stock conversions	2,435		(21)	3			18			—
ESOP debt impacts					26			48		74
Noncontrolling interest, net				(117)					(141)	(258)
BALANCE DECEMBER 31, 2018	2,501,580	$4,009	$946	$63,679	($1,178)	($15,156)	($99,480)	$101,170	$453	$54,443

See accompanying Notes to Consolidated Financial Statements.

THE PROCTER & GAMBLE COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

Amounts in millions	Six Months Ended December 31 2019	2018
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF PERIOD	**$ 4,239**	$ 2,569
OPERATING ACTIVITIES		
Net earnings	**7,360**	6,427
Depreciation and amortization	**1,400**	1,293
Share-based compensation expense	**202**	181
Deferred income taxes	**(549)**	37
Gain on sale of assets	**(13)**	(370)
Changes in:		
Accounts receivable	**(257)**	(398)
Inventories	**(533)**	(531)
Accounts payable, accrued and other liabilities	**958**	1,141
Other operating assets and liabilities	**(55)**	(370)
Other	**20**	164
TOTAL OPERATING ACTIVITIES	**8,533**	7,574
INVESTING ACTIVITIES		
Capital expenditures	**(1,684)**	(1,781)
Proceeds from asset sales	**15**	18
Acquisitions, net of cash acquired	**(54)**	(3,848)
Purchases of short-term investments	**—**	(158)
Proceeds from sales and maturities of investment securities	**6,151**	1,117
Change in other investments	**1**	(58)
TOTAL INVESTING ACTIVITIES	**4,429**	(4,710)
FINANCING ACTIVITIES		
Dividends to shareholders	**(3,855)**	(3,703)
(Reductions)/increases in short-term debt	**(68)**	1,206
Additions to long-term debt	**—**	2,368
Reductions to long-term debt	**(1,546)**	(978)
Treasury stock purchases	**(6,504)**	(2,003)
Impact of stock options and other	**1,060**	1,486
TOTAL FINANCING ACTIVITIES	**(10,913)**	(1,624)
EFFECT OF EXCHANGE RATE CHANGES ON CASH, CASH EQUIVALENTS AND RESTRICTED CASH	**(9)**	(113)
CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	**2,040**	1,127
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF PERIOD	**$ 6,279**	$ 3,696

See accompanying Notes to Consolidated Financial Statements.

1. Basis of Presentation

These statements should be read in conjunction with the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2019. In the opinion of management, the accompanying unaudited Consolidated Financial Statements of The Procter & Gamble Company and subsidiaries (the "Company," "Procter & Gamble," "P&G," "we" or "our") contain all adjustments necessary to present fairly the financial position, results of operations and cash flows for the interim periods reported. However, the results of operations included in such financial statements may not necessarily be indicative of annual results.

2. New Accounting Pronouncements and Policies

On July 1, 2019, we adopted ASU 2016-02, "Leases (Topic 842)." The new accounting standard requires the recognition of right-of-use assets and lease liabilities for all long-term leases, including operating leases, on the balance sheet. We elected the optional transition method and adopted the new guidance on a modified retrospective basis with no restatement of prior period amounts. As allowed under the new accounting standard, we elected to apply practical expedients to carry forward the original lease determinations, lease classifications and accounting of initial direct costs for all asset classes at the time of adoption. The adoption did not have a material impact on our financial statements, resulting in an increase of approximately 1% to each of our total assets and total liabilities on our balance sheet as of July 1, 2019. See Note 10 for further information.

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 estimated 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 estimated 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.

3. Segment Information

Under U.S. GAAP, our operating segments 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).

Our operating segments are comprised of similar product categories. Operating segments that individually accounted for 5% or more of consolidated net sales are as follows:

	% of Net sales by operating segment [1]			
	Three Months Ended December 31		Six Months Ended December 31	
	2019	2018	2019	2018
Fabric Care	**22%**	22%	**22%**	22%
Baby Care	**11%**	12%	**11%**	12%
Home Care	**10%**	10%	**10%**	10%
Hair Care	**10%**	9%	**10%**	10%
Skin and Personal Care	**10%**	10%	**10%**	10%
Family Care	**8%**	9%	**9%**	9%
Oral Care	**9%**	9%	**8%**	8%
Shave Care	**7%**	7%	**7%**	8%
Feminine Care	**6%**	6%	**6%**	6%
Personal Health Care	**5%**	4%	**5%**	4%
Other	**2%**	2%	**2%**	1%
Total	**100%**	100%	**100%**	100%

[1] % of Net sales by operating segment excludes sales held in Corporate.

Following is a summary of reportable segment results:

		Three Months Ended December 31			Six Months Ended December 31		
		Net Sales	Earnings/(Loss) Before Income Taxes	Net Earnings	Net Sales	Earnings/(Loss) Before Income Taxes	Net Earnings
Beauty	**2019**	**$ 3,598**	**$ 1,072**	**$ 858**	**$ 7,150**	**$ 2,164**	**$ 1,732**
	2018	3,357	964	772	6,646	1,911	1,531
Grooming	**2019**	**1,648**	**494**	**411**	**3,179**	**920**	**764**
	2018	1,617	448	378	3,179	865	718
Health Care	**2019**	**2,530**	**732**	**571**	**4,751**	**1,272**	**972**
	2018	2,220	669	520	4,065	1,109	852
Fabric & Home Care	**2019**	**5,787**	**1,278**	**975**	**11,619**	**2,616**	**2,003**
	2018	5,557	1,134	860	11,045	2,278	1,737
Baby, Feminine & Family Care	**2019**	**4,582**	**1,076**	**822**	**9,149**	**2,210**	**1,693**
	2018	4,558	930	707	8,948	1,832	1,399
Corporate	**2019**	**95**	**(120)**	**106**	**190**	**(307)**	**196**
	2018	129	(229)	(21)	245	(139)	190
Total Company	**2019**	**$ 18,240**	**$ 4,532**	**$ 3,743**	**$ 36,038**	**$ 8,875**	**$ 7,360**
	2018	17,438	3,916	3,216	34,128	7,856	6,427

4. Goodwill and Other Intangible Assets

Goodwill is allocated by reportable segment as follows:

	Beauty	Grooming	Health Care	Fabric & Home Care	Baby, Feminine & Family Care	Total Company
Goodwill at June 30, 2019	$ 12,985	$ 12,881	$ 7,972	$ 1,855	$ 4,580	$ 40,273
Acquisitions and divestitures	(1)	—	(55)	—	—	(56)
Translation and other	(82)	(48)	(56)	(8)	(25)	(219)
Goodwill at December 31, 2019	**$ 12,902**	**$ 12,833**	**$ 7,861**	**$ 1,847**	**$ 4,555**	**$ 39,998**

Goodwill from current year acquisitions and divestitures primarily reflects opening balance sheet adjustments from the prior year acquisition of the over-the-counter (OTC) healthcare business of Merck KGaA (Merck OTC) in the Health Care reportable segment (see Note 12), along with adjustments from a prior year Beauty acquisition.

Identifiable intangible assets at December 31, 2019 were comprised of:

	Gross Carrying Amount	Accumulated Amortization
Intangible assets with determinable lives	$ 8,509	$ (5,556)
Intangible assets with indefinite lives	21,027	—
Total identifiable intangible assets	**$ 29,536**	**$ (5,556)**

Intangible assets with determinable lives consist of brands, patents, technology and customer relationships. The intangible assets with indefinite lives consist of brands. The amortization expense of determinable lived intangible assets for the three months ended December 31, 2019 and 2018 was $91 and $81, respectively. For the six months ended December 31, 2019 and 2018, the amortization expense was $187 and $154, respectively.

Goodwill and indefinite lived intangible assets are not amortized but are tested annually for impairment. The test to evaluate goodwill for impairment is a two-step process. In the first step, we compare the fair value of the reporting unit to its carrying value. If the fair value of the reporting unit is less than the carrying value, we perform a second step (the step two testing) to determine the implied fair value of the reporting unit's goodwill. The step two testing 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. If the resulting implied fair value of the reporting unit's goodwill is less than its carrying value, that difference represents an impairment.

The business unit valuations used 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, margin expansion and Company business plans. We believe these estimates and assumptions are reasonable. However, 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. Our annual impairment testing for goodwill and indefinite lived intangible assets occurs during the three months ended December 31.

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 reporting unit has a fair value that significantly exceeds the underlying carrying value. As previously disclosed, the carrying value of the Shave Care reporting unit and the related Gillette indefinite-lived intangible asset were impaired during the quarter ended June 30, 2019. The underlying reductions in fair values 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. As a result of the June 30, 2019 impairment determined by the step two testing, the Shave Care fair value exceeded the carrying value by approximately 20% as of June 30, 2019. Because the impairment testing for intangible assets is a one-step process, the Gillette indefinite-lived intangible asset fair value approximated its carrying value at that date. During our annual impairment testing during the quarter ended December 31, 2019, based on developments in the macroeconomic environment we reduced the discount rate used in the valuation. As a result of this change and updates to other underlying cash flow projections, the Shave Care fair value exceeded the carrying value by more than 20% and the Gillette indefinite-lived intangible asset fair value exceeded the carrying value by approximately 5%. The Gillette indefinite-lived intangible asset continues to be susceptible to future impairment risk.

The most significant assumptions utilized in the determination of the estimated fair values of 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. The residual growth rate utilized in our fair value estimates is consistent with the reporting unit and brand operating plans and approximates expected long term category market growth rates. The residual growth rate is dependent on overall market growth rates, the competitive environment, inflation, relative currency exchange rates and business activities that impact market share. As a result, the residual growth rate could be adversely impacted by a sustained deceleration in category growth, grooming habit changes, devaluation of currencies against the U.S. dollar or an increased competitive environment. 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. Spot rates as of the fair value measurement date are utilized in our fair value estimates for cash flows outside the U.S.

While management can and has implemented strategies to address these events, changes in operating plans or adverse changes in the business or in the macroeconomic environment 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. As of December 31, 2019, the carrying values of the Shave Care goodwill and the Gillette indefinite-lived intangible asset were $12.5 billion and $14.1 billion, respectively.

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 in the discount rate or a 25 basis-point decrease in our shorter-term and residual growth rates.

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

5. Earnings Per Share

Basic net earnings per common share are calculated by dividing Net earnings attributable to Procter & Gamble less preferred dividends by the weighted average number of common shares outstanding during the period. Diluted net earnings per common share are calculated 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 and the assumed conversion of preferred stock.

Net earnings per share were as follows:

CONSOLIDATED AMOUNTS	Three Months Ended December 31		Six Months Ended December 31	
	2019	2018	2019	2018
Net earnings	**$ 3,743**	$ 3,216	**$ 7,360**	$ 6,427
Less: Net earnings attributable to noncontrolling interests	**26**	22	**50**	34
Net earnings attributable to P&G (Diluted)	**3,717**	3,194	**7,310**	6,393
Preferred dividends	**(64)**	(65)	**(129)**	(131)
Net earnings attributable to P&G available to common shareholders (Basic)	**$ 3,653**	$ 3,129	**$ 7,181**	$ 6,262
SHARES IN MILLIONS				
Basic weighted average common shares outstanding	**2,487.0**	2,499.7	**2,495.5**	2,497.8
Add: Effect of dilutive securities				
Conversion of preferred shares [1]	**86.4**	90.7	**86.9**	91.3
Impact of stock options and other unvested equity awards [2]	**56.7**	32.6	**56.4**	28.5
Diluted weighted average common shares outstanding	**2,630.1**	2,623.0	**2,638.8**	2,617.6
NET EARNINGS PER SHARE [3]				
Basic	**$ 1.47**	$ 1.25	**$ 2.88**	$ 2.51
Diluted	**$ 1.41**	$ 1.22	**$ 2.77**	$ 2.44

(1) Despite being included currently 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.

(2) Weighted average outstanding stock options of approximately 23 million for the three months ended December 31, 2018, and approximately 2 million and 35 million for the six months ended December 31, 2019 and 2018 respectively, 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 total proceeds upon exercise would have exceeded the market value of the underlying common shares). There were no antidilutive shares for the three months ended December 31, 2019.

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

6. Share-Based Compensation and Postretirement Benefits

The following table provides a summary of our share-based compensation expense and postretirement benefit costs:

	Three Months Ended December 31		Six Months Ended December 31	
	2019	2018	2019	2018
Share-based compensation expense	**$ 92**	$ 79	**$ 202**	$ 181
Net periodic benefit cost for pension benefits [1]	**44**	36	**84**	64
Net periodic benefit cost/(credit) for other retiree benefits [1]	**(52)**	(42)	**(104)**	(83)

(1) The components of the total net periodic benefit cost for both pension benefits and other retiree benefits for these interim periods, on an annualized basis, do not differ materially from the amounts disclosed in the Annual Report on Form 10-K for the fiscal year ended June 30, 2019.

7. 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. There have been no significant changes in our risk management policies or activities during the six months ended December 31, 2019.

The Company has not changed its valuation techniques used in measuring the fair value of any financial assets and liabilities during the period. 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. Also, there was no significant activity within the Level 3 assets and liabilities during the periods presented. There were no significant assets or liabilities that were remeasured at fair value on a non-recurring basis for the six months ended December 31, 2019.

Other investments had a fair value of $64 and $169 as of December 31, 2019 and June 30, 2019, respectively, and are presented in Other noncurrent assets. During the six months ended December 31, 2019, the Company sold all of its existing U.S. government securities and corporate bond securities. Such securities were presented in Available-for-sale investment securities at June 30, 2019, and had fair values of $3,648 and $2,400, respectively. The Company's investments measured at fair value are generally classified as Level 2 within the fair value hierarchy. Cash equivalents were $5,175 and $2,956 as of December 31, 2019 and June 30, 2019, respectively, and 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 $23,746 and $25,378 as of December 31, 2019 and June 30, 2019, respectively. This includes the current portion of long-term debt instruments ($3,008 and $3,390 as of December 31, 2019 and June 30, 2019, 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 December 31, 2019 and June 30, 2019 are as follows:

	Notional Amount		Fair Value Asset		Fair Value (Liability)	
	December 31, 2019	June 30, 2019	December 31, 2019	June 30, 2019	December 31, 2019	June 30, 2019
DERIVATIVES IN FAIR VALUE HEDGING RELATIONSHIPS						
Interest rate contracts	**$ 7,097**	$ 7,721	**$ 128**	$ 177	**$ (5)**	$ (1)
DERIVATIVES IN NET INVESTMENT HEDGING RELATIONSHIPS						
Foreign currency interest rate contracts	**$ 3,291**	$ 3,157	**$ 13**	$ 35	**$ (25)**	$ (24)
TOTAL DERIVATIVES DESIGNATED AS HEDGING INSTRUMENTS	**$ 10,388**	$ 10,878	**$ 141**	$ 212	**$ (30)**	$ (25)
DERIVATIVES NOT DESIGNATED AS HEDGING INSTRUMENTS						
Foreign currency contracts	**$ 5,794**	$ 6,431	**$ 49**	$ 27	**$ (17)**	$ (20)
TOTAL DERIVATIVES AT FAIR VALUE	**$ 16,182**	$ 17,309	**$ 190**	$ 239	**$ (47)**	$ (45)

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 $7,188 and $7,860 as of December 31, 2019 and June 30, 2019, 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 $16,926 and $17,154 as of December 31, 2019 and June 30, 2019, respectively. Changes in the fair value of net investment hedges are recognized in the Foreign currency translation component of Other comprehensive income (OCI). All of the Company's derivative assets and liabilities measured at fair value are classified as Level 2 within the fair value hierarchy.

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

	Amount of Gain/(Loss) Recognized in OCI on Derivatives			
	Three Months Ended December 31		Six Months Ended December 31	
	2019	2018	2019	2018
DERIVATIVES IN NET INVESTMENT HEDGING RELATIONSHIPS [1] [2]				
Foreign exchange contracts	**$ (82)**	$ 23	**$ 31**	$ 19

[1] For the derivatives in net investment hedging relationships, the amount of gain/(loss) excluded from effectiveness testing, which was recognized in earnings, was $21 and $13 for the three months ended December 31, 2019 and 2018, respectively. The amount of gain/(loss) excluded from effectiveness testing was $40 and $27 for the six months ended December 31, 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 Accumulated other comprehensive income/(loss) (AOCI) for such instruments was $(428) and $228 for the three months ended December 31, 2019 and 2018, respectively. The amount of gain/(loss) recognized in AOCI for such instruments was $181 and $241 for the six months ended December 31, 2019 and 2018, respectively.

	Amount of Gain/(Loss) Recognized in Earnings			
	Three Months Ended December 31		Six Months Ended December 31	
	2019	2018	2019	2018
DERIVATIVES IN FAIR VALUE HEDGING RELATIONSHIPS				
Interest rate contracts	**$ (143)**	$ 42	**$ (53)**	$ 18
DERIVATIVES NOT DESIGNATED AS HEDGING INSTRUMENTS				
Foreign currency contracts	**$ 85**	$ (5)	**$ (12)**	$ (7)

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 Statements 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 Selling, general and administrative expense (SG&A).

8. Accumulated Other Comprehensive Income/(Loss)

The table below presents the changes in AOCI, including the reclassifications out of AOCI by component:

	Investment Securities	Pension and Other Retiree Benefits	Foreign Currency Translation	Total AOCI
Balance at June 30, 2019	$ 11	$ (4,198)	$ (10,749)	$ (14,936)
OCI before reclassifications [1]	(4)	(6)	(148)	(158)
Amounts reclassified from AOCI into the Consolidated Statements of Earnings [2]	(2)	148	—	146
Net current period OCI	(6)	142	(148)	(12)
Less: Other comprehensive income/(loss) attributable to non-controlling interests	—	—	(6)	(6)
Balance at December 31, 2019	**$ 5**	**$ (4,056)**	**$ (10,891)**	**$ (14,942)**

[1] Net of tax expense/(benefit) of $(1), $13 and $50 for gains/losses on investment securities, pension and other retiree benefit items and foreign currency translation, respectively.

[2] Net of tax expense/(benefit) of $0, $44 and $0 for gains/losses on investment securities, pension and other retiree benefit items and foreign currency translation, respectively.

The below provides additional details on amounts reclassified from AOCI into the Consolidated Statements 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.

9. 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 2017 the Company announced specific elements of a 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 targeted 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. For the three and six month period ended December 31, 2019, the Company incurred total restructuring charges of $105 and $198, respectively. Of these charges incurred, approximately $63 and $133 were recorded in Cost of products sold and approximately $37 and $59 were recorded in SG&A, respectively. The remainder of these charges were recorded in Other non-operating income, net. The following table presents restructuring activity for the six months ended December 31, 2019:

	Reserve Balance June 30, 2019	Charges Previously Reported (Three Months Ended September 30, 2019)	Charges for the Three Months Ended December 31, 2019	Six Months Ended December 31, 2019		Reserve Balance December 31, 2019
				Cash Spent	Charges Against Assets	
Separations	$ 280	$ 34	$ 47	$ (80)	$ —	**$ 281**
Asset-related costs	—	45	28	—	(73)	**—**
Other costs	188	14	30	(49)	—	**183**
Total	**$ 468**	**$ 93**	**$ 105**	**$ (129)**	**$ (73)**	**$ 464**

Separation Costs

Employee separation charges for the three and six month period ended December 31, 2019 relate to severance packages for approximately 190 and 370 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:

	Three Months Ended December 31, 2019	Six Months Ended December 31, 2019
Beauty	$ 5	$ 13
Grooming	14	32
Health Care	12	24
Fabric & Home Care	7	11
Baby, Feminine & Family Care	9	29
Corporate [1]	58	89
Total Company	**$ 105**	**$ 198**

[1] Corporate includes costs related to allocated overheads, including charges related to our Market Operations, Global Business Services and Corporate Functions activities.

10. Leases

The Company determines whether a contract contains a lease at the inception of a contract by determining if the contract conveys the right to control the use of identified property, plant or equipment for a period of time in exchange for consideration. We lease certain real estate, machinery, equipment, vehicles and office equipment for varying periods. Many of these leases include an option to either renew or terminate the lease. For purposes of calculating lease liabilities, these options are included within the lease term when it has become reasonably certain that the Company will exercise such options. The incremental borrowing rate utilized to calculate our lease liabilities is based on the information available at commencement date, as most of the leases do not provide an implicit borrowing rate. The Company does not have any material financing lease or sublease activities.

The Company incurred lease expense for operating leases of $88 and $173 for the three and six months ended December 31, 2019, respectively. Total cash paid related to leases during the three and six months ended December 31, 2019 was $74 and $145, respectively, including amounts expensed and amounts capitalized. Short-term leases, defined as leases with initial terms of 12 months or less, are not reflected on the Consolidated Balance Sheets. Lease expense for such short-term leases is not material. The most significant assets in our leasing portfolio relate to real estate and vehicles. For purposes of calculating lease liabilities for such leases, we have combined lease and non-lease components.

The right-of-use assets obtained in exchange for new lease liabilities were $19 and $28 for the three and six months ended December 31, 2019, respectively.

Supplemental balance sheet and other information related to leases is as follows:

	December 31, 2019
Operating leases:	
Other noncurrent assets	$ 903
Accrued and other liabilities	251
Other noncurrent liabilities	676
Total operating lease liabilities	**$ 927**
Weighted average remaining lease term:	
Operating leases	6.5 years
Weighted average discount rate:	
Operating leases	4.6 %

At December 31, 2019, future payments of operating lease liabilities were as follows:

	Operating Leases December 31, 2019
1 year	$ 251
2 years	200
3 years	163
4 years	139
5 years	105
Over 5 years	215
Total lease payments	**1,073**
Less: Interest	(146)
Present value of lease liabilities	**$ 927**

As of June 30, 2019, minimum lease payments under non-cancelable operating leases by fiscal year were expected to be:

	Operating Leases June 30, 2019
2020	$ 263
2021	209
2022	165
2023	141
2024	121
After 2024	244
Total lease payments	$ 1,143

11. Commitments and Contingencies

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.

Income Tax Uncertainties

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 closing of statutes of limitations. 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 $146, including interest and penalties.

Additional information on the Commitments and Contingencies of the Company can be found in our Annual Report on Form 10-K for the year ended June 30, 2019.

12. Merck Acquisition

On November 30, 2018, we completed our acquisition of the 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.

During the current period, we completed the allocation of the purchase price to the individual assets acquired and liabilities assumed. The allocation is based on the final determination of fair values of the assets and liabilities acquired. The following table presents the allocation of purchase price related to the Merck OTC business as of the date of the acquisition:

Amounts in millions	November 30, 2018
Current assets	$ 421
Property, plant and equipment	119
Intangible assets	2,134
Goodwill	2,083
Other non-current assets	209
Total assets acquired	$ 4,966
Current liabilities	$ 232
Deferred income taxes	763
Non-current liabilities	94
Total liabilities acquired	$ 1,089
Noncontrolling interest [1]	$ 169
Net assets acquired	$ 3,708

[1] Represents a 48% minority ownership interest in the Merck India company.

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 reportable segment.

The fair value of Merck OTC's identifiable intangible assets is $2.1 billion. The 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	325	20
Total	$ 1,188	15
Intangible assets with indefinite lives		
Brands	946	
Total intangible assets	$ 2,134	

The majority of the acquired intangible assets relate to brand intangibles. Our 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. The customer relationships intangibles are related to Merck OTC's relationships with health care professionals, retailers and distributors.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

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,” “Risk Factors,” and "Notes 4 and 11 to the Consolidated Financial Statements." 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. We undertake no obligation to update or revise publicly any forward-looking statements, whether because of new information, future events or otherwise, except to the extent required by law.

Risks and uncertainties to which our forward-looking statements are subject include, without limitation: (1) the ability to successfully manage global financial risks, including foreign currency fluctuations, currency exchange or pricing controls and localized volatility; (2) the ability to successfully manage local, regional or global economic volatility, including reduced market growth rates, and to generate sufficient income and cash flow to allow the Company to affect the expected share repurchases and dividend payments; (3) the ability to manage disruptions in credit markets or changes to our credit rating; (4) the ability to maintain key manufacturing and supply arrangements (including execution of supply chain optimizations and sole supplier and sole manufacturing plant arrangements) and to manage disruption of business due to factors outside of our control, such as natural disasters and acts of war or terrorism; (5) the ability to successfully manage cost fluctuations and pressures, including prices of commodities and raw materials, and costs of labor, transportation, energy, pension and healthcare; (6) the ability to stay on the leading edge of innovation, obtain necessary intellectual property protections and successfully respond to changing consumer habits and technological advances attained by, and patents granted to, competitors; (7) the ability to compete with our local and global competitors in new and existing sales channels, including by successfully responding to competitive factors such as prices, promotional incentives and trade terms for products; (8) the ability to manage and maintain key customer relationships; (9) the ability to protect our reputation and brand equity by successfully managing real or perceived issues, including concerns about safety, quality, ingredients, efficacy or similar matters that may arise; (10) the ability to successfully manage the financial, legal, reputational and operational risk associated with third-party relationships, such as our suppliers, contract manufacturers, distributors, contractors and external business partners; (11) the ability to rely on and maintain key company and third party information technology systems, networks and services, and maintain the security and functionality of such systems, networks and services and the data contained therein; (12) the ability to successfully manage uncertainties related to changing political conditions (including the United Kingdom’s decision to leave the European Union) and potential implications such as exchange rate fluctuations and market contraction; (13) the ability to successfully manage regulatory and legal requirements and matters (including, without limitation, those laws and regulations involving product liability, product and packaging composition, intellectual property, antitrust, data protection, tax, environmental, and accounting and financial reporting) and to resolve pending matters within current estimates; (14) the ability to manage changes in applicable tax laws and regulations including maintaining our intended tax treatment of divestiture transactions; (15) the ability to successfully manage our ongoing acquisition, divestiture and joint venture activities, in each case to achieve the Company’s overall business strategy and financial objectives, without impacting the delivery of base business objectives; and (16) the ability to successfully achieve productivity improvements and cost savings and manage ongoing organizational changes, while successfully identifying, developing and retaining key employees, including in key growth markets where the availability of skilled or experienced employees may be limited. A detailed discussion of risks and uncertainties that could cause actual results and events to differ materially from those projected herein, is included in the section titled “Economic Conditions and Uncertainties” of this Form 10-Q and the section titled "Risk Factors" (Part I, Item 1A) of the Company's Form 10-K for the year ended June 30, 2019.

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 Results – Six Months Ended December 31, 2019

- Economic Conditions and Uncertainties
- Results of Operations – Three and Six Months Ended December 31, 2019
- Business Segment Discussion – Three and Six Months Ended December 31, 2019
- Liquidity and Capital Resources
- Reconciliation of Measures Not Defined by U.S. GAAP

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), consisting of organic sales growth, core net earnings per share (Core EPS), adjusted free cash flow and adjusted free cash flow productivity. The explanation at the end of the MD&A provides the definition of these non-GAAP measures, details on the use and the derivation of these measures, as well as reconciliations to the most directly comparable U.S. GAAP 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 market 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 of our products in dollar terms on a constant currency basis, 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 as compared to the end of the reporting period.

OVERVIEW

P&G 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.

The table below provides detail on our reportable segments, including the product categories and brand composition within each segment.

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

(1) The Grooming product category is comprised of the Shave Care and Appliances operating segments.

The following table provides the percentage of net sales and net earnings by reportable business segment for the three and six months ended December 31, 2019 (excluding net sales and net earnings in Corporate):

	Three Months Ended December 31, 2019		Six Months Ended December 31, 2019	
	Net Sales	Net Earnings	Net Sales	Net Earnings
Beauty	20%	23%	20%	24%
Grooming	9%	11%	9%	11%
Health Care	14%	16%	13%	13%
Fabric & Home Care	32%	27%	32%	28%
Baby, Feminine & Family Care	25%	23%	26%	24%
Total Company	**100%**	**100%**	**100%**	**100%**

SUMMARY OF RESULTS

Following are highlights of results for the six months ended December 31, 2019 versus the six months ended December 31, 2018:

- Net sales increased 6% to $36.0 billion, driven by a high teens increase in Health Care, a high single digits increase in Beauty, mid-single digits increase in Fabric & Home Care and low single digits increase in Baby, Feminine & Family Care. Grooming net sales were unchanged. Organic sales, which exclude the impacts of acquisitions and divestitures and foreign exchange, increased 6%, driven by high single digits increases in Beauty and Health Care, mid-single digits increase in Fabric & Home Care and low single digits increases in Baby, Feminine & Family Care and Grooming.
- Unit volume increased 4% , with organic volume up 3%. Volume increased mid-teens in Health Care, mid-single digits in Beauty and in Fabric & Home Care and low single digits in Baby, Feminine & Family Care. Grooming volume was unchanged. Excluding the impacts of the Merck OTC acquisition, organic volume increased mid-single digits in Health Care.
- Net earnings were $7.4 billion, an increase of $0.9 billion or 15% versus the prior year period due to the increase in net sales, an increase in operating margin and a reduction in the current period income tax rate, partially offset by the base period gain on dissolution of the PGT Healthcare partnership.
- Net earnings attributable to Procter & Gamble increased $0.9 billion or 14% versus the prior year period to $7.3 billion .
- Diluted net earnings per share increased 14% to 2.77 due primarily to the increase in net earnings.

- Core net earnings attributable to Procter & Gamble, which represents net earnings excluding incremental restructuring charges in both periods and the base period gain on the dissolution of the PGT Healthcare partnership, increased 19% to $7.4 billion. Core net earnings per share increased 18% to $2.79 due primarily to the increase in Core net earnings.
- Operating cash flow was $8.5 billion. Adjusted free cash flow, which is operating cash flow less capital expenditures and certain other impacts, was $7.1 billion. Adjusted free cash flow productivity was 96%.

ECONOMIC CONDITIONS AND UNCERTAINTIES

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 macroeconomic 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 or instability in the Middle East, Central & Eastern Europe, certain Latin American markets, the Hong Kong market in Greater China and the Korean peninsula, economic uncertainty related to the execution of the United Kingdom's exit from the European Union, 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 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 fiscal years, as well as the current year, 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, Brazil, Greater China and the United Kingdom have previously had, and could in the future 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 enacted in December 2017, and the current work being led by the OECD for the G20 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 redefining jurisdictional taxing rights. 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, Argentina 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 potential future changes. Changes in government policies in these areas might cause an increase or decrease in our sales, operating margin and net earnings.

For information on risk factors that could impact our results, please refer to “Risk Factors” in Part I, Item 1A of the Company's Form 10-K for the fiscal year ended June 30, 2019.

RESULTS OF OPERATIONS – Three Months Ended December 31, 2019

The following discussion provides a review of results for the three months ended December 31, 2019 versus the three months ended December 31, 2018.

	Three Months Ended December 31		
Amounts in millions, except per share amounts	**2019**	**2018**	**% Chg**
Net sales	**$18,240**	$17,438	5%
Operating income	**4,482**	3,896	15%
Net earnings	**3,743**	3,216	16%
Net earnings attributable to Procter & Gamble	**3,717**	3,194	16%
Diluted net earnings per common share	**1.41**	1.22	16%
Core net earnings per common share	**1.42**	1.25	14%

	Three Months Ended December 31		
COMPARISONS AS A PERCENTAGE OF NET SALES	**2019**	**2018**	**Basis Pt Chg**
Gross margin	**51.4%**	48.9%	250
Selling, general & administrative expense	**26.8%**	26.5%	30
Operating income	**24.6%**	22.3%	230
Earnings before income taxes	**24.8%**	22.5%	230
Net earnings	**20.5%**	18.4%	210
Net earnings attributable to Procter & Gamble	**20.4%**	18.3%	210

Net Sales

Net sales for the quarter increased 5% to $18.2 billion including a 1% negative impact from foreign exchange. Unit volume increased 3%. Excluding the impacts of acquisitions and divestitures, organic volume also increased 3%. Increased pricing had a 1% favorable impact to net sales. Mix was a 1% positive impact to net sales, driven by disproportionate organic growth of the Health Care segment and the Skin & Personal Care category, both of which have higher than company average selling prices. Volume increased double digits in Health Care, increased mid-single digits in Beauty and increased low single digits in Fabric & Home Care and in Grooming. Volume was unchanged in Baby, Feminine & Family Care. Excluding the impacts of the Merck OTC acquisition, Health Care organic volume increased mid-single digits. On a regional basis, volume growth was driven by mid-single digits increases in Greater China, Europe and Latin America and low single digits increases in North America, and India, Middle East and Africa (IMEA). Volume was unchanged in Asia Pacific. Excluding the impact of Merck OTC acquisition, organic volume increased low single digits in Latin America. Organic sales increased 5% on a 3% increase in organic volume.

	Net Sales Change Drivers 2019 vs. 2018 (Three Months Ended December 31) [1]						
	Volume with Acquisitions & Divestitures	**Volume Excluding Acquisitions & Divestitures**	**Foreign Exchange**	**Price**	**Mix**	**Other [2]**	**Net Sales Growth**
Beauty	5%	5%	(1)%	2%	1%	—%	7%
Grooming	2%	2%	(2)%	2%	—%	—%	2%
Health Care	11%	5%	(1)%	1%	1%	2%	14%
Fabric & Home Care	3%	3%	(1)%	1%	1%	—%	4%
Baby, Feminine & Family Care	—%	—%	(1)%	—%	1%	1%	1%
Total Company	**3%**	**3%**	**(1)%**	**1%**	**1%**	**1%**	**5%**

(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 and rounding impacts necessary to reconcile volume to net sales.

Operating Costs

Gross margin increased 250 basis points to 51.4% of net sales for the quarter. Gross margin benefited from:

- 120 basis points of gross manufacturing cost savings projects (110 basis points net of product and packaging reinvestments),
- 70 basis points of lower commodity costs,
- 40 basis points of positive pricing impacts,

- 50 basis points of lower restructuring costs, and
- 30 basis points of other benefits

These benefits were partially offset by a 10 basis-point decline from unfavorable foreign exchange and a 40 basis point decline from unfavorable product mix (primarily mix within segments due to the growth of lower margin product forms and large sizes in certain categories).

Total SG&A spending increased 6% to $4.9 billion due to increases in marketing spending, overhead costs and other operating costs. SG&A as a percentage of net sales increased 30 basis points to 26.8% due to an increase in marketing spending and other operating costs as a percentage of net sales. Marketing spending as a percentage of net sales increased 20 basis points as the positive scale impacts of the net sales increase and savings in agency compensation, production costs and advertising spending were more than offset by reinvestments in media. Overhead costs as a percentage of net sales were unchanged as the positive scale impacts of the net sales increase and productivity savings were offset by inflation, higher incentive compensation costs and other cost increases. Other net operating costs as a percentage of net sales increased marginally. Productivity-driven cost savings delivered 100 basis points of benefit in SG&A.

Non-Operating Expenses and Income

Interest expense was $100 million for the quarter, a decrease of $38 million versus the prior year period due to a decrease in average debt balances and a reduction in US interest rates. Interest income was $36 million for the quarter, a $27 million decrease versus the prior year period due to lower investment securities balances and reduced US interest rates. Other non-operating income was $114 million, an increase of $19 million due to an increase in gains from minor brand divestitures in the current period.

Income Taxes

For the three months ended December 31, 2019, the effective tax rate decreased 50 basis points versus the prior year period to 17.4% due to:

- a 120 basis-point reduction from a non-recurring tax benefit arising from a simplification of our legal entity structure and,
- a 70 basis-point reduction from favorable impacts from geographic mix of earnings,

These reductions are partially offset by:

- a 90 basis-point increase from reduced excess tax benefits of share-based compensation (80 basis-point reduction in the current period versus 170 basis-point reduction in the prior year period) and,
- a 50 basis-point increase from discrete impacts related to uncertain tax positions (40 basis-point reduction in the current period versus 90 basis-point reduction in the prior year period).

Net Earnings

Operating income increased $586 million, or 15% to $4.5 billion due to the net sales increase and the increase in gross margins, partially offset by the increase in SG&A as a percentage of sales, all of which are described above. Net earnings increased $527 million or 16% to $3.7 billion primarily due to the increase in operating income. Foreign exchange had a negative impact of $40 million on net earnings for the quarter, including both transactional charges and translational impacts from converting earnings from foreign subsidiaries to U.S. dollars. Net earnings attributable to Procter & Gamble increased $523 million or 16% to $3.7 billion for the quarter. Diluted net earnings per share increased 16% to $1.41. Core net earnings per share increased 14% to $1.42. Core net earnings per share represents diluted net earnings per share, excluding the incremental restructuring charges in both periods related to our productivity and cost savings plans.

RESULTS OF OPERATIONS – Six Months Ended December 31, 2019

The following discussion provides a review of results for the six months ended December 31, 2019 versus the six months ended December 31, 2018.

	Six Months Ended December 31		
Amounts in millions, except per share amounts	**2019**	**2018**	**% Chg**
Net sales	$36,038	$34,128	6%
Operating income	8,772	7,450	18%
Net earnings	7,360	6,427	15%
Net earnings attributable to Procter & Gamble	7,310	6,393	14%
Diluted net earnings per common share	2.77	2.44	14%
Core net earnings per common share	2.79	2.36	18%

	Six Months Ended December 31		
COMPARISONS AS A PERCENTAGE OF NET SALES	**2019**	**2018**	**Basis Pt Chg**
Gross margin	**51.2%**	49.0%	220
Selling, general & administrative expense	**26.8%**	27.2%	(40)
Operating income	**24.3%**	21.8%	250
Earnings before income taxes	**24.6%**	23.0%	160
Net earnings	**20.4%**	18.8%	160
Net earnings attributable to Procter & Gamble	**20.3%**	18.7%	160

Net Sales

Net sales for the six months ended December 31, 2019 increased 6% to $36.0 billion including a 1% negative impact from foreign exchange. Unit volume increased 4%. Excluding the impacts of acquisitions and divestitures, organic volume increased 3%. Increased pricing had a 1% favorable impact to net sales. Mix was a 2% positive impact to net sales, driven primarily by disproportionate organic growth of the Health Care segment and the Skin & Personal Care category, both of which have higher than company average selling prices. Volume increased mid-teens in Health Care, increased mid-single digits in Fabric & Home Care and Beauty and increased low single digits in Baby, Feminine & Family Care. Volume was unchanged in Grooming. Excluding the impacts of the Merck OTC acquisition, Health Care organic volume increased mid-single digits. All regions grew volume led by mid-single digits increases in Europe, Greater China, Asia Pacific and Latin America, along with low single digit increases in North America and IMEA. Excluding the impact of minor acquisitions and divestitures, organic volume increased low single digits in Europe. Organic sales increased 6% on a 3% increase in organic volume.

	Net Sales Change Drivers 2019 vs. 2018 (Six Months Ended December 31) [1]						
	Volume with Acquisitions & Divestitures	**Volume Excluding Acquisitions & Divestitures**	**Foreign Exchange**	**Price**	**Mix**	**Other [2]**	**Net Sales Growth**
Beauty	4%	4%	(1)%	2%	3%	—%	8%
Grooming	1%	1%	(2)%	2%	(1)%	—%	—%
Health Care	14%	5%	(2)%	1%	2%	2%	17%
Fabric & Home Care	5%	5%	(1)%	—%	1%	—%	5%
Baby, Feminine & Family Care	1%	1%	(1)%	1%	1%	—%	2%
Total Company	**4%**	**3%**	**(1)%**	**1%**	**2%**	**—%**	**6%**

(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 and rounding impacts necessary to reconcile volume to net sales.

Operating Costs

Gross margin increased 220 basis points to 51.2% of net sales for the six months ended December 31, 2019. Gross margin benefited from:

- 100 basis points of gross manufacturing cost savings projects (90 basis points net of product and packaging reinvestments),
- 60 basis points of positive pricing impacts,
- 60 basis points of lower commodity costs,
- 20 basis points from lower restructuring costs, and

- 10 basis points of other benefits

These benefits were partially offset by a 10 basis-point decline from unfavorable foreign exchange and a 10 basis point net decline from unfavorable product mix (primarily mix within segments due to the growth of lower margin product forms and large sizes 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 margins).

Total SG&A spending increased 4% to $9.7 billion due to increases in marketing spending and overhead costs, partially offset by a reduction in other operating costs. SG&A as a percentage of net sales decreased 40 basis points to 26.8% due to a decrease in overhead and other operating costs as a percentage of net sales. Marketing spending as a percentage of net sales was unchanged as the positive scale impacts of the net sales increase and savings in agency compensation, production costs and advertising spending, were offset by reinvestments in media and other marketing spending. Overhead costs as a percentage of net sales decreased 10 basis points driven by the positive scale impacts of the net sales increase, productivity savings and lower restructuring charges versus the base period, partially offset by inflation, higher incentive compensation costs and other cost increases. Other net operating costs as a percentage of net sales decreased 20 basis points primarily due to gains from legal settlements. Productivity-driven cost savings delivered 90 basis points of benefit in SG&A.

Non-Operating Expenses and Income

Interest expense was $208 million for the six months ended December 31, 2019, a decrease of $59 million versus the prior year period due to a decrease in average debt balances and a reduction in U.S. interest rates. Interest income was $94 million for the six months ended December 31, 2019, a decrease of $22 million versus the prior year period due to a decrease in investment securities balances and a reduction in U.S. interest rates. Other non-operating income was $217 million, a decrease of $340 million due to the base period gain from the dissolution of the PGT Healthcare partnership.

Income Taxes

For the six months ended December 31, 2019, the effective tax rate decreased 110 basis points versus the prior year period to 17.1% due to:

- a 120 basis-point reduction from a non-recurring tax benefit arising from a simplification of our legal entity structure,
- a 50 basis-point reduction from favorable impacts from geographic mix of earnings and,
- a 30 basis-point reduction from increased excess tax benefits of share-based compensation (140 basis-point reduction in the current year versus 110 basis-point reduction in the prior year),

These reductions are offset by:

- an 80 basis-point increase related to the prior year tax impact of the gain on the dissolution of the PGT Healthcare partnership and,
- a 10 basis-point increase from discrete impacts related to uncertain tax positions (10 basis-point reduction in the current year versus 20 basis-point reduction in the prior year).

Net Earnings

Operating income increased $1.3 billion, or 18% to $8.8 billion due to the net sales increase, the increase in gross margins and the reduction in SG&A as a percentage of sales, all of which are described above. Net earnings increased $933 million or 15% to $7.4 billion for the fiscal year to date period, due to the increase in operating income and the lower tax rates as described above, partially offset by the base period gain on the PGT Healthcare partnership dissolution. Foreign exchange had a negative impact of $90 million on net earnings for the quarter, including both transactional charges and translational impacts from converting earnings from foreign subsidiaries to U.S. dollars. Net earnings attributable to Procter & Gamble increased $917 million or 14% to $7.3 billion for the fiscal year to date period. Diluted net earnings per share increased 14% to $2.77. Core net earnings per share increased 18% to $2.79. Core net earnings per share represents diluted net earnings per share excluding the incremental restructuring charges in both periods related to our productivity and cost savings plans and the gain on dissolution of the PGT Healthcare partnership in the base period.

BUSINESS SEGMENT DISCUSSION – Three and Six Months Ended December 31, 2019

The following discussion provides a review of results by reportable business segment. Analysis of the results for the three and six month periods ended December 31, 2019 is provided based on a comparison to the same three and six months period ended December 31, 2018. The primary financial measures used to evaluate segment performance are net sales and net earnings. The table below provides supplemental information on net sales and net earnings by reportable business segment for the three and six months ended December 31, 2019 versus the comparable prior year period (dollar amounts in millions):

	Three Months Ended December 31, 2019					
	Net Sales	% Change Versus Year Ago	Earnings/(Loss) Before Income Taxes	% Change Versus Year Ago	Net Earnings	% Change Versus Year Ago
Beauty	$ 3,598	7 %	$ 1,072	11 %	$ 858	11 %
Grooming	1,648	2 %	494	10 %	411	9 %
Health Care	2,530	14 %	732	9 %	571	10 %
Fabric & Home Care	5,787	4 %	1,278	13 %	975	13 %
Baby, Feminine & Family Care	4,582	1 %	1,076	16 %	822	16 %
Corporate	95	N/A	(120)	N/A	106	N/A
Total Company	**$ 18,240**	**5 %**	**$ 4,532**	**16 %**	**$ 3,743**	**16 %**

	Six Months Ended December 31, 2019					
	Net Sales	% Change Versus Year Ago	Earnings/(Loss) Before Income Taxes	% Change Versus Year Ago	Net Earnings	% Change Versus Year Ago
Beauty	$ 7,150	8 %	$ 2,164	13 %	$ 1,732	13 %
Grooming	3,179	— %	920	6 %	764	6 %
Health Care	4,751	17 %	1,272	15 %	972	14 %
Fabric & Home Care	11,619	5 %	2,616	15 %	2,003	15 %
Baby, Feminine & Family Care	9,149	2 %	2,210	21 %	1,693	21 %
Corporate	190	N/A	(307)	N/A	196	N/A
Total Company	**$ 36,038**	**6 %**	**$ 8,875**	**13 %**	**$ 7,360**	**15 %**

Beauty

Three months ended December 31, 2019 compared with three months ended December 31, 2018

Beauty net sales increased 7% to $3.6 billion during the second fiscal quarter on a 5% increase in unit volume. Favorable product mix added 1% to net sales due to the disproportionate growth of the Skin and Personal Care category, including the Olay Skincare brand, which has higher than segment average selling prices. Higher pricing increased net sales by 2%. Unfavorable foreign exchange impacts reduced net sales by 1%. Organic sales increased 8%. Global market share of the Beauty segment decreased 0.2 points. Volume growth was driven by a double digit increase in Greater China, high single digits increase in Europe, mid-single digits increase in Asia Pacific and a low single digit increases in Latin America and IMEA. Volume in North America was unchanged.

- Volume in Hair Care increased low single digits. Increased volume was driven by high single digits growth in Europe and Asia Pacific and mid-single digits growth in Greater China (due to product innovation, market growth and retailer inventory increase to support promotion and innovation launch), partially offset by a low single digits decline in North America due to market decline. Global market share of the Hair Care category decreased slightly.
- Volume in Skin and Personal Care increased high single digits. Volume increase was primarily driven by a more than 20% increase in Greater China and a double digit increase in Latin America, along with a high single digits increase in Europe. Volume growth was driven by premium innovation, market growth and retailer inventory increase to support promotion activity. Global market share of the Skin and Personal Care category increased slightly.

Net earnings increased 11% to $858 million due to the increase in net sales and an 80 basis-point increase in net earnings margin. The net earnings margin increased primarily due to a reduction in SG&A as a percentage of sales, partially offset by a reduction in gross margin. The gross margin decrease was primarily driven by hurts related to new manufacturing startup costs and the negative impacts of unfavorable mix, due to the disproportionate growth of large sizes, partially offset by increased pricing. The reduction in SG&A as a percentage of sales was primarily due to the positive scale impacts of the net sales increase.

Six months ended December 31, 2019 compared with six months ended December 31, 2018

Beauty fiscal year to date net sales increased 8% to $7.2 billion on a 4% increase in unit volume. Favorable product mix added 3% to net sales due to the disproportionate growth of the Skin and Personal Care category, including the Olay and SKII Skincare brands, which have higher than segment average selling prices. Higher pricing increased net sales by 2%. Unfavorable foreign exchange impacts reduced net sales by 1%. Organic sales increased 9%. Global market share of the Beauty segment was unchanged. Volume grew in all regions led by mid-single digit increases in Greater China, Europe and Asia Pacific, along with low single digit increases in North America, Latin America and IMEA.

- Volume in Hair Care increased low single digits. Increased volume was driven by mid-single digits growth in Europe and Asia Pacific and a low single digits increase in Latin America, North America, Greater China and IMEA (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. Volume growth was driven by a high teens increase in Greater China, a high single digits increase in Latin America, a mid-single digits increase in Europe and low single digit increases in North America and Asia Pacific. Volume growth was driven by premium innovation and market growth. Global market share of the Skin and Personal Care category increased less than half a point.

Net earnings increased 13% to $1.7 billion due to the increase in net sales and a 120 basis-point increase in net earnings margin. The net earnings margin increased primarily due to a reduction in SG&A as a percentage of sales, partially offset by a decrease in gross margin. The gross margin decrease was primarily driven by the negative impacts of unfavorable mix due to the disproportionate growth of large sizes and other hurts related to new manufacturing startup costs, partially offset by increased pricing. The reduction in SG&A as a percentage of sales was primarily due to the positive scale impacts of the net sales increase.

Grooming

Three months ended December 31, 2019 compared with three months ended December 31, 2018

Grooming net sales increased 2% to $1.6 billion during the second fiscal quarter on a 2% increase in unit volume. Unfavorable foreign exchange had a negative 2% impact on net sales. Pricing had a positive 2% impact on net sales. Organic sales increased 4%. Global market share of the Grooming segment increased 0.3 points. The volume increase was driven by a mid-teens growth in Asia Pacific, a mid-single digits increase in IMEA and low single digits growth in Europe partially offset by a high single digits decline in Greater China and a low single digits decline in North America.

- Shave Care volume increased low single digits. The volume increase was driven by a high teens increase in Asia Pacific, mid-single digits increase in IMEA and a low single digits increase in Europe, all due to product innovation, partially offset by a high single digits decrease in Greater China and a low single digits decrease in North America due to competitive activity. Global market share of the Shave Care category increased slightly.
- Volume in Appliances increased low single digits. A mid-single digits increase in North America and a low single digits increase in Europe, both due to innovation was partially offset by a high single digits decline in IMEA and a mid-single digits decline in Greater China due to competitive activity. Global market share of the Appliances category increased a point.

Net earnings increased 9% to $411 million due to the increase in net sales and a 150 basis-point increase in net earnings margin. Net earnings margin increased primarily due to a reduction in SG&A as a percentage of net sales and a marginal increase in gross margin. Gross margin increased marginally as the positive impacts of manufacturing cost savings and increased pricing were largely offset by the negative impact of unfavorable mix (due to the disproportionate growth of disposable razor products and Asia Pacific and IMEA regions which have lower than segment average margins). SG&A as a percentage of net sales decreased primarily due to a reduction in overhead costs driven by productivity savings and the positive scale impacts of the net sales increase.

Six months ended December 31, 2019 compared with six months ended December 31, 2018

Grooming fiscal year to date net sales was unchanged at $3.2 billion on a 1% increase in unit volume. Unfavorable foreign exchange had a negative 2% impact on net sales. Pricing had a positive 2% impact on net sales. Unfavorable mix impact reduced net sales by 1% due to the disproportionate growth of Asia Pacific and IMEA regions which have lower than segment average selling prices. Organic sales increased 2%. Global market share of the Grooming segment decreased 0.1 points. A mid-single digits volume increase in Asia Pacific and a low single digits increase in Europe and IMEA was offset by a mid-single digits decline in North America and a low single digits decline in Greater China.

- Shave Care volume increased low single digits. The volume increase was driven by a double digit increase in Asia Pacific and low single digits increases in Europe and IMEA due to product innovation, partially offset by a mid-single digits decline in North America due to competitive activity. Global market share of the Shave Care category was unchanged.

- Volume in Appliances decreased low single digits. A double digit decline in Asia Pacific (due to market contraction, competitive activities and a reduction in trade inventories), was partially offset by low single digits volume increases in North America and Europe due to innovation. Global market share of the Appliances category increased more than half a point.

Net earnings increased 6% to $0.8 billion due to a 140 basis-point increase in net earnings margin. Net earnings margin increased primarily due to a reduction in SG&A as a percentage of net sales, partially offset by a reduction in gross margin. Gross margin declined due to the negative impact of unfavorable mix (due to the disproportionate growth of disposable razor products and Asia Pacific and IMEA regions which have lower than segment average margins), partially offset by the positive impacts of manufacturing cost savings and increased pricing. SG&A as a percentage of net sales decreased primarily due to a favorable legal settlement in the current period and a reduction in overhead costs due to productivity savings.

Health Care

Three months ended December 31, 2019 compared with three months ended December 31, 2018

Health Care net sales increased 14% to $2.5 billion during the second fiscal quarter on a 11% increase in unit volume. Excluding the impact of the Merck OTC consumer healthcare acquisition, organic sales increased 7% and organic volume increased 5%. Unfavorable foreign exchange impacts decreased net sales by 1%. Pricing had a 1% positive impact to net sales for the quarter. Favorable mix increased net sales by 1% due to the disproportionate organic growth of the Personal Health Care category and premium oral care products which have higher than segment average selling prices. Global market share of the Health Care segment increased 0.3 points. The volume increase was led by over 20% growth in Latin America and IMEA, mid-teens growth in Asia Pacific and double digit growth in Europe, along with mid-single digits growth in North America, partially offset by a low single digits decline in Greater China. Excluding the impact of the Merck OTC consumer healthcare acquisition, organic volume increased mid-teens in IMEA, increased high single digits in Latin America and increased mid-single digits in Europe and in Asia Pacific.

- Oral Care volume increased mid-single digits. Innovation and market growth drove over 20% volume increase in IMEA, high single digits growth in Latin America and Asia Pacific and low single digits growth in North America and Europe. This was partially offset by a low single digits volume decrease in Greater China due to competitive activities. Excluding the impacts of minor brand divestitures, organic volume increased mid-single digits in Europe. Global market share of the Oral Care category increased less than half a point.
- Volume in Personal Health Care increased more than 20% versus the prior year period. Excluding the impact of the Merck OTC consumer healthcare acquisition, organic volume increased mid-single digits. The organic volume increase was driven by high single digits growth in Latin America and IMEA and mid-single digits growth in North America due to innovation and increased marketing spending. Global market share of the Personal Health Care category increased more than half a point.

Net earnings increased 10% to $571 million, due to the increase in net sales, partially offset by a 90 basis-points decrease in net earnings margin. Net earnings margin decreased due to an increase in SG&A as a percentage of net sales, partially offset by an increase in gross margin. The increase in gross margin was driven by the positive impacts of manufacturing cost savings and increased pricing, partially offset by unfavorable mix impact due to the disproportionate organic growth of certain markets in IMEA with lower than segment average margins. SG&A as a percentage of net sales increased primarily due to an increase in overheads, marketing spending and other operating expenses primarily caused by the Merck OTC consumer healthcare acquisition, partially offset by the positive scale benefits of the net sales increase.

Six months ended December 31, 2019 compared with six months ended December 31, 2018

Health Care fiscal year to date net sales increased 17% to $4.8 billion on a 14% increase in unit volume. Excluding the impact of the Merck OTC consumer healthcare acquisition, organic sales increased 8% and organic volume increased 5%. Unfavorable foreign exchange impacts decreased net sales by 2%. Higher pricing increased net sales by 1%. Favorable mix increased net sales by 2% due to the disproportionate organic growth of the Personal Health Care category and premium oral care products which have higher than segment average margins. Global market share of the Health Care segment increased 0.3 points. Volume increase was led by over 20% growth in Latin America and IMEA, high teens growth in Europe and Asia Pacific and mid-single digits growth in North America, partially offset by low single digits decrease in Greater China. Excluding the impact of the Merck OTC consumer healthcare acquisition, organic volume increased double digits in IMEA, increased high single digits in Latin America, increased mid-single digits in Europe and increased low single digits in Asia Pacific.

- Oral Care volume increased mid-single digits. Increased volume was driven by over 20% growth in IMEA, high single digits growth in Latin America and Asia Pacific, mid-single digits growth in North America and low single digits growth in Europe due to innovation and market growth. This was partially offset by a low single digits volume decrease in Greater China due to competitive activities. Global market share of the Oral Care category increased less than half a point.
- Volume in Personal Health Care increased more than 20% versus the prior period. Excluding the impact of the Merck OTC consumer healthcare acquisition, organic volume increased mid-single digits. The organic volume increase was driven by

high single digits growth in North America and Europe and mid-single digits growth in Latin America and IMEA (due to innovation and increased marketing spending), partially offset by high single digits volume decline in Asia Pacific due to devaluation-related price increases. Global market share of the Personal Health Care category increased nearly half a point.

Net earnings increased 14% to $1.0 billion, due to the increase in net sales, partially offset by 50 basis-points decrease in net earnings margin. Net earnings margin decreased due to an increase in SG&A as a percentage of sales, partially offset by an increase in gross margin. The increase in gross margin was driven primarily by the positive impacts of increased pricing and manufacturing cost savings. SG&A as a percentage of net sales increased primarily due to an increase in overheads, marketing spending and other operating expenses primarily caused by the Merck OTC consumer healthcare acquisition, partially offset by the positive scale benefits of the net sales increase.

Fabric & Home Care

Three months ended December 31, 2019 compared with three months ended December 31, 2018

Fabric & Home Care net sales increased 4% to $5.8 billion during the second fiscal quarter on a 3% increase in unit volume. Unfavorable foreign exchange impacts reduced net sales by 1%. Higher pricing had a 1% positive impact to net sales. Positive mix impacts increased net sales by 1% due to the disproportionate growth of the Home Care category and premium products, including unit dose laundry and fabric enhancers, all of which have higher than segment average prices. Organic sales increased 5%. Global market share of the Fabric & Home Care segment increased 0.8 points. Volume growth was driven by high single digit increases in Latin America and Greater China and mid-single digit increases in North America and Europe, partially offset by a mid-single digit decrease in Asia Pacific. The volume decrease in Asia Pacific was partially driven by the previous quarter increase in retailer inventories in Japan prior to the October 2019 VAT increase.

- Fabric Care volume increased low single digits. Increased volume was driven by double digits growth in Latin America, high single digits growth in Greater China and mid-single digits growth in North America and in Europe, all due to product innovation. This was partially offset by a mid-single digits decline in Asia Pacific due to the aforementioned Japan retailer inventory increase in the previous quarter and competitive activities. Global market share of the Fabric Care category increased more than half a point.
- Home Care volume increased mid-single digits. Increased volume was driven by high single digits growth in Europe and IMEA, along with low single digits growth in North America and Asia Pacific, all due to product innovation. Global market share of the Home Care category increased more than a point.

Net earnings increased 13% to $1.0 billion due to the increase in net sales and a 130 basis-points increase in net earnings margin. The net earnings margin increase was primarily due to an increase in gross margin, partially offset by an increase in SG&A as a percentage of net sales. The gross margin increase was driven by manufacturing cost savings, a reduction in commodity costs and increased pricing, partially offset by unfavorable product mix due to the disproportionate growth of premium innovation that has not yet been cost optimized. SG&A as a percentage of net sales increased due to higher marketing spending and overhead costs, partially offset by the positive scale benefits of the net sales increase.

Six months ended December 31, 2019 compared with six months ended December 31, 2018

Fabric & Home Care fiscal year to date net sales increased 5% to $11.6 billion on a 5% increase in unit volume. Unfavorable foreign exchange impacts reduced net sales by 1%. Positive mix impacts increased net sales by 1% due to the disproportionate growth of premium products, including unit dose laundry and fabric enhancers. Pricing had no impact to net sales for the period. Organic sales increased 6%. Global market share of the Fabric & Home Care segment increased 0.8 points. Volume increased in all regions led by a double digit increase in Latin America and a high single digits increase in Greater China, along with mid-single digit increases in North America and Europe and low single digit increases in Asia Pacific and IMEA.

- Fabric Care volume increased mid-single digits. Volume increased in all regions led by double digits growth in Latin America and high single digits growth in Greater China, along with mid-single digits growth in North America and Europe and low single digits growth in Asia Pacific and IMEA. Volume growth was driven by product innovation. Global market share of the Fabric Care category increased more than half a point.
- Home Care volume increased mid-single digits. Increased volume due to product innovation drove high single digits growth in Europe, mid-single digits growth in Asia Pacific and low single digits growth in North America. Global market share of the Home Care category increased more than a point.

Net earnings increased 15% to $2.0 billion due to the increase in net sales and a 150 basis-points increase in net earnings margin. The net earnings margin increase was primarily due to an increase in gross margin, along with a marginal reduction in SG&A as a percentage of net sales. The gross margin increase was driven by manufacturing cost savings and reduction in commodity costs. SG&A expense as a percentage of net sales decreased due to the positive scale benefits of the net sales increase.

Baby, Feminine & Family Care

Three months ended December 31, 2019 compared with three months ended December 31, 2018

Baby, Feminine & Family Care net sales increased 1% to $4.6 billion during the second fiscal quarter on unit volume that was unchanged. Unfavorable foreign exchange impacts decreased net sales by 1%. Positive mix increased net sales by 1% due to the disproportionate growth of premium products, including pants and adult incontinence, and the North America region, which have higher than segment average selling prices. Pricing had no net impact for the quarter. Organic sales increased 1%. Global market share of the Baby, Feminine & Family Care segment decreased 0.5 points. Low single digits volume increases in North America and Greater China were offset by mid-single digit decreases in Asia Pacific, Latin America and IMEA and low single digits decreases in Europe. The volume decrease in Asia Pacific was partially driven by the previous quarter increase in retailer inventories in Japan prior to the October 2019 VAT increase.

- Volume in Baby Care decreased mid-single digits. Volume decreased in all regions driven by a double digit decline in Asia Pacific and mid-single digits declines in Europe, IMEA, Latin America and Greater China. These declines were due to competitive activity, devaluation related price increases, category contraction in certain markets and the aforementioned Japan VAT increase impact. Global market share of the Baby Care category decreased more than a point.
- Volume in Feminine Care increased low single digits. Volume increased over 20% in Asia Pacific due to a new launch in the adult incontinence category in Japan. Volume increased high single digits in Greater China and mid-single digits in North America and Europe due to product innovation, increased marketing spending and adult incontinence category growth. This was partially offset by a low single digits decline in IMEA due to devaluation-related price increases. Excluding the impact of minor brand acquisitions, organic volume increased low single digits in North America. 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 low single digits driven by product innovation, market growth and increased marketing spending. North America share of the Family Care category decreased slightly.

Net earnings increased 16% to $822 million due primarily to a 240 basis-point increase in net earnings margin. Net earnings margin increased primarily due to an increase in gross margin, partially offset by an increase in SG&A as a percentage of net sales. Gross margin increased due to manufacturing cost savings and a reduction in commodity costs, partially offset by negative mix impacts due to the disproportionate growth of large sizes and product forms with lower than segment-average margins. SG&A as a percentage of net sales increased primarily due to increase in marketing spending as a percentage of sales, partially offset by reduced overhead costs, driven by productivity savings.

Six months ended December 31, 2019 compared with six months ended December 31, 2018

Baby, Feminine & Family Care fiscal year to date net sales increased 2% to $9.1 billion on a 1% increase in unit volume. Unfavorable foreign exchange impacts reduced net sales by 1%. Higher pricing increased net sales by 1%. Positive mix increased net sales by 1% due to the disproportionate growth of premium products, including pants and adult incontinence, and the North America region, which have higher than segment average selling prices. Organic sales increased 3%. Global market share of the Baby, Feminine & Family Care segment decreased 0.5 points. Volume growth was driven by low single digit increases in North America, Greater China and Asia Pacific, partially offset by low single digit declines in Europe and Latin America.

- Volume in Baby Care decreased low single digits. Volume decreased high single digits in Latin America, mid-single digits in Europe, IMEA, and low single digits in Greater China due to competitive activity, devaluation related price increases and category contraction in certain markets. This was partially offset by low single digit increases in North America and Asia Pacific due to product innovation and market growth. Global market share of the Baby Care category decreased more than a point.
- Volume in Feminine Care increased mid-single digits. Excluding the impact of minor brand acquisitions, organic volume increased low single digits. Volume increased in all regions led by high single digits increase in Asia Pacific due to new launch in the adult incontinence category in Japan. Volume increased mid-single digits in Europe, IMEA, Greater China and Latin America and low single digits in North America due to product innovation, increased marketing spending and adult incontinence category growth. Global market share of the Feminine Care category increased less than half a point.
- Volume in Family Care, which is predominantly a North American business, increased low single digits driven by product innovation, market growth and increased marketing spending. North America share of the Family Care category decreased less than half a point.

Net earnings increased 21% to $1.7 billion due to the increase in net sales and a 290 basis point increase in net earnings margin. Net earnings margin increased due to an increase in gross margin, partially offset by a marginal increase in SG&A as a percentage of net sales. Gross margin increased due to manufacturing cost savings projects, increased pricing and a reduction in commodity costs, partially offset by negative mix impacts due to the disproportionate growth of large sizes and product forms

with lower than segment-average margins. SG&A as a percentage of net sales increased marginally due to an increase in marketing spending as a percentage of sales, partially offset by reduced overhead costs, driven by productivity savings.

Corporate

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; the gains and losses related to certain divested brands and categories; 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 reportable segments to U.S. GAAP. The most significant reconciling item includes income taxes to adjust from blended statutory rates that are reflected in the reportable segments to the overall Company effective tax rate.

Corporate net sales decreased $34 million to $95 million for the quarter ended December 31, 2019 and decreased $55 million to $190 million for the fiscal year to date. Corporate net earnings improved by $127 million in the quarter primarily due to lower restructuring charges versus the base period, lower interest expense and a decrease in effective tax rates, all of which have been described above. Fiscal year to date Corporate net earnings increased $6 million as lower restructuring charges versus the base period and lower interest expense, lower effective tax rates and lower foreign exchange transactional charges in the current period were largely offset by the base period 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 is expected to further reduce costs in the areas of supply chain, certain marketing activities and overhead expenses. As part of this plan, the Company incurred $1.8 billion in total before-tax restructuring costs across fiscal 2018 and fiscal 2019, with an additional amount of approximately $0.6 billion expected in fiscal 2020. This program is expected to result in additional targeted enrollment reductions, along with further optimization of the supply chain and other manufacturing processes. 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 have and are expected to continue to yield additional benefits to our operating margins.

Refer to Note 9 in the Notes to the Consolidated Financial Statements for more details on the restructuring program.

LIQUIDITY & CAPITAL RESOURCES

Operating Activities

We generated $8.5 billion of cash from operating activities fiscal year to date, an increase of $959 million versus the prior year. Net earnings, adjusted for non-cash items (depreciation and amortization, share-based compensation expense, deferred income taxes and gain on sale of assets), generated $8.4 billion of operating cash flow. Working capital and other impacts generated $133 million of cash in the period. Accounts receivable increased, using $257 million of cash, primarily due to sales growth. Inventory consumed $533 million of cash primarily to support business growth and product initiatives. Accounts payable, accrued and other liabilities increased, generating $958 million of cash primarily due to an increase in taxes payable and to a lesser extent, extended payment terms with our suppliers and to support business growth. Taxes payable increased approximately $650 million, including an approximate $500 million increase related to the integration of Merck, which had no impact on operating cash flows, as there was an equal and offsetting release of a deferred tax liability that was initially created on the acquisition of Merck. All other operating assets and liabilities used $55 million of cash.

Investing Activities

Investing activities generated $4.4 billion of cash fiscal year to date. Capital expenditures were $1.7 billion, or 4.7% of net sales. We received $6.2 billion of cash from sales and maturities of investment securities.

Financing Activities

Our financing activities used $10.9 billion of net cash fiscal year to date. We used $6.5 billion for treasury stock purchases, $3.9 billion for dividends and $1.6 billion for debt repayments. Cash from the exercise of stock options and other impacts generated $1.1 billion of cash.

As of December 31, 2019, our current liabilities exceeded current assets by $11.2 billion. We have short- and long-term debt to meet our financing needs. We anticipate being able to support our short-term liquidity and operating needs largely through cash generated from operations. We have strong short- and long-term debt ratings that 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.

RECONCILIATION OF 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 on underlying business results and trends (i.e., trends excluding non-recurring or unusual items) 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.

Organic sales growth: Organic sales growth is a non-GAAP measure of sales growth excluding the impacts of acquisitions and divestitures and foreign exchange from year-over-year comparisons. We believe this measure provides investors with a supplemental understanding of underlying sales trends by providing sales growth on a consistent basis. This measure is used in assessing achievement of management goals for at-risk compensation.

Adjusted free cash flow: Adjusted free cash flow is defined as operating cash flow less capital spending and excluding payments for the transitional tax resulting from the comprehensive U.S. legislation commonly referred to as the Tax Cuts and Jobs Act enacted in December 2017 (the U.S. Tax Act). Adjusted free cash flow represents the cash that the Company is able to generate after taking into account planned maintenance and asset expansion. Management views 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.

Adjusted free cash flow productivity: Adjusted free cash flow productivity is defined as the ratio of adjusted free cash flow to net earnings. Management views 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, allocating financial resources and for budget planning purposes. This measure is also 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.

Core EPS: Core earnings per share, or Core EPS, is a measure of the Company's diluted net earnings per share adjusted as indicated. Management views this non-GAAP measure as a useful supplemental measure of Company performance over time. This measure is also used when evaluating senior management in determining their at-risk compensation.

The Core earnings measures included in the following reconciliation tables refer to the equivalent GAAP measures adjusted as applicable for the following 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 included 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 PGT Healthcare Partnership: The Company finalized the dissolution of our PGT Healthcare partnership, a venture between the Company and Teva Pharmaceuticals Industries, Ltd. (Teva) in the OTC consumer healthcare business, in the quarter ended September 30, 2018. The transaction was accounted for as a sale of the Teva portion of the PGT business and resulted in the Company recognizing an after-tax gain on the dissolution of $353 million.

We do not view the above items to be part of our sustainable 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.

Organic sales growth:

Three Months Ended December 31, 2019	Net Sales Growth	Foreign Exchange Impact	Acquisition & Divestiture Impact/Other [1]	Organic Sales Growth
Beauty	7%	1%	—%	8%
Grooming	2%	2%	—%	4%
Health Care	14%	1%	(8)%	7%
Fabric & Home Care	4%	1%	—%	5%
Baby, Feminine & Family Care	1%	1%	(1)%	1%
Total Company	**5%**	**1%**	**(1)%**	**5%**

(1) Includes rounding impacts necessary to reconcile net sales to organic sales.

Six Months Ended December 31, 2019	Net Sales Growth	Foreign Exchange Impact	Acquisition & Divestiture Impact/Other [1]	Organic Sales Growth
Beauty	8%	1%	—%	9%
Grooming	—%	2%	—%	2%
Health Care	17%	2%	(11)%	8%
Fabric & Home Care	5%	1%	—%	6%
Baby, Feminine & Family Care	2%	1%	—%	3%
Total Company	**6%**	**1%**	**(1)%**	**6%**

(1) Includes rounding impacts necessary to reconcile net sales to organic sales.

Adjusted free cash flow (dollar amounts in millions):

Six Months Ended December 31, 2019			
Operating Cash Flow	Capital Spending	U.S. Tax Act Payments	Adjusted Free Cash Flow
$8,533	**$(1,684)**	**$215**	**$7,064**

Adjusted free cash flow productivity (dollar amounts in millions):

Six Months Ended December 31, 2019		
Adjusted Free Cash Flow	Net Earnings	Adjusted Free Cash Flow Productivity
$7,064	**$7,360**	**96%**

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

Three Months Ended December 31, 2019

	AS REPORTED (GAAP)	INCREMENTAL RESTRUCTURING	ROUNDING	NON-GAAP (CORE)
COST OF PRODUCTS SOLD	$ 8,869	$ (42)	$ —	$ 8,827
SELLING, GENERAL AND ADMINISTRATIVE EXPENSE	4,889	25	—	4,914
OPERATING INCOME	4,482	17	—	4,499
INCOME TAX	789	5	—	794
NET EARNINGS ATTRIBUTABLE TO P&G	3,717	17	1	3,735
				Core EPS
DILUTED NET EARNINGS PER COMMON SHARE (1)	$ 1.41	$ 0.01	$ —	$ 1.42

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

CHANGE VERSUS YEAR AGO	
CORE NET EARNINGS ATTRIBUTABLE TO P&G	14 %
CORE EPS	14 %

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

Three Months Ended December 31, 2018

	AS REPORTED (GAAP)	INCREMENTAL RESTRUCTURING	ROUNDING	NON-GAAP (CORE)
COST OF PRODUCTS SOLD	$ 8,919	$ (123)	$ —	$ 8,796
SELLING, GENERAL AND ADMINISTRATIVE EXPENSE	4,623	38	(1)	4,660
OPERATING INCOME	3,896	85	1	3,982
INCOME TAX	700	17	(2)	715
NET EARNINGS ATTRIBUTABLE TO P&G	3,194	77	1	3,272
				Core EPS
DILUTED NET EARNINGS PER COMMON SHARE (1)	$ 1.22	$ 0.03	$ —	$ 1.25

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

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

Six Months Ended December 31, 2019

	AS REPORTED (GAAP)	INCREMENTAL RESTRUCTURING	ROUNDING	NON-GAAP (CORE)
COST OF PRODUCTS SOLD	17,592	$ (94)	$ —	$ 17,498
SELLING, GENERAL AND ADMINISTRATIVE EXPENSE	9,674	47	—	9,721
OPERATING INCOME	8,772	47	—	8,819
INCOME TAX	1,515	6	—	1,521
NET EARNINGS ATTRIBUTABLE TO P&G	7,310	48	—	7,358
				Core EPS
DILUTED NET EARNINGS PER COMMON SHARE [1]	$ 2.77	$ 0.02	$ —	$ 2.79

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

CHANGE VERSUS YEAR AGO	
CORE NET EARNINGS ATTRIBUTABLE TO P&G	19 %
CORE EPS	18 %

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

Six Months Ended December 31, 2018

	AS REPORTED (GAAP)	INCREMENTAL RESTRUCTURING	GAIN ON DISSOLUTION OF PGT PARTNERSHIP	ROUNDING	NON-GAAP (CORE)
COST OF PRODUCTS SOLD	$ 17,403	$ (169)	$ —	$ —	$ 17,234
SELLING, GENERAL AND ADMINISTRATIVE EXPENSE	9,275	10	—	—	9,285
OPERATING INCOME	7,450	159	—	—	7,609
INCOME TAX	1,429	23	(2)	(1)	1,449
NET EARNINGS ATTRIBUTABLE TO P&G	6,393	146	(353)	1	6,187
					Core EPS
DILUTED NET EARNINGS PER COMMON SHARE [1]	$ 2.44	$ 0.06	$ (0.14)	$ —	$ 2.36

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

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes in the Company's exposure to market risk since June 30, 2019. Additional information can be found in Note 7 - Risk Management Activities and Fair Value Measurements of the Consolidated Financial Statements.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company's Chairman of the Board, President and Chief Executive Officer, David S. Taylor, and the Company's Vice Chairman, Chief Operating Officer and 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 report. 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 fiscal quarter ended December 31, 2019 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. 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.

Item 1A. Risk Factors

For information on risk factors, please refer to "Risk Factors" in Part I, Item 1A of the Company's Form 10-K for the year ended June 30, 2019. There were no material updates to these risk factors for the three months ended December 31, 2019.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

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
10/01/2019 - 10/31/2019	5,763,316	$121.46	5,763,316	[3]
11/01/2019 - 11/30/2019	11,605,102	$120.64	11,605,102	[3]
12/01/2019 - 12/31/2019	11,230,232	$124.66	11,230,232	[3]
Total	**28,598,650**	**$122.38**	**28,598,650**	

(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 for open market transactions is calculated on a settlement basis and excludes commission.

(3) On January 23, 2020, the Company stated that in fiscal year 2020 the Company expects to reduce outstanding shares through direct share repurchases at a value of $7 to $8 billion, notwithstanding any purchases under the Company's compensation and benefit plans. Purchases may be made in the open market and/or private transactions and purchases may be increased, decreased or discontinued at any time without prior notice. The share repurchases are authorized pursuant to a resolution issued by the Company's Board of Directors and are expected to be financed by a combination of operating cash flows and issuance of long-term and short-term debt.

Item 6. Exhibits

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 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 Form 10-K for the year ended June 30, 2016)
10-1	Regulations of the Compensation and Leadership Development Committee for The Procter & Gamble 2019 Stock and Incentive Compensation Plan and The Procter & Gamble 2014 Stock and Incentive Compensation Plan * +
10-2	The Procter & Gamble Performance Stock Program Summary* +
10-3	Summary of the Company's Long-Term Incentive Program * +
10-4	Summary of the Company's Short Term Achievement Reward Program * +
10-5	Summary of the Company's Retirement Plan Restoration Program * +
10-6	Company's Form of Separation Letter & Release * +
10-7	Company's Form of Separation Agreement & Release * +
10-8	The Procter & Gamble 2019 Stock & Incentive Compensation Plan, which was originally adopted by shareholders at the annual meeting on October 8, 2019 (Incorporated by reference to Exhibit (10-1) of the Company's Current Report on Form 8-K filed October 11, 2019).*
31.1	Rule 13a-14(a)/15d-14(a) Certification – Chief Executive Officer +
31.2	Rule 13a-14(a)/15d-14(a) Certification – Chief Financial Officer +
32.1	Section 1350 Certifications – Chief Executive Officer +
32.2	Section 1350 Certifications – Chief Financial Officer +
101.SCH [(1)]	Inline XBRL Taxonomy Extension Schema Document
101.CAL [(1)]	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF [(1)]	Inline XBRL Taxonomy Definition Linkbase Document
101.LAB [(1)]	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE [(1)]	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)

* Compensatory plan or arrangement

+ Filed herewith

(1) Pursuant to Rule 406T of Regulation S-T, this information is furnished and not filed for purposes of Sections 11 or 12 of the Securities Act of 1933 and Section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these sections.

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

THE PROCTER & GAMBLE COMPANY

January 23, 2020	/s/ VALARIE L. SHEPPARD
Date	(Valarie L. Sheppard) Controller and Treasurer and Executive Vice President - Company Transition Leader (Principal Accounting Officer)

EXHIBIT INDEX

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Exhibit (10-1)

Regulations of the Compensation and Leadership Development Committee for The Procter & Gamble 2019 Stock and Incentive Compensation Plan and The Procter & Gamble 2014 Stock and Incentive Compensation Plan

REGULATIONS
OF THE
COMPENSATION AND LEADERSHIP DEVELOPMENT COMMITTEE
FOR
THE PROCTER & GAMBLE 2019 STOCK AND INCENTIVE COMPENSATION PLAN AND THE PROCTER & GAMBLE 2014 STOCK AND INCENTIVE COMPENSATION PLAN

I. AUTHORITY FOR REGULATIONS

These regulations (the "Regulations") are adopted pursuant to Article 3.1 of The Procter & Gamble 2019 Stock and Incentive Compensation Plan (the "2019 Plan") and Article 3.1 of The Procter & Gamble 2014 Stock and Incentive Compensation Plan (together with the 2019 Plan, the "Plans").

II. ADMINISTRATION

1. Any capitalized terms used in these Regulations that are not otherwise defined herein are defined in the Plans. In the event the meaning of any defined term used in these Regulations is not clear, the Chief Human Resources Officer ("CHRO") will determine the meaning of the term in his or her sole discretion.

2. The Company's Stock Plan Administration group shall be the Plan Administrator for the Plans and is authorized to develop procedures necessary to administer Awards and to engage brokers or other consultants that may be advisable for the administration of the Plans.

3. The Chief Executive Officer ("CEO") is authorized to submit recommendations to the Committee for Awards, except for himself.

4. The CHRO and the Chief Legal Officer and Secretary ("CLO") are each individually authorized to execute Award Agreements consistent with the 2019 Plan, these Regulations, approved executive compensation programs (e.g., the Performance Stock Program), and/or Committee action through resolution.

5. The CHRO is authorized to specify an appropriate time and manner for acceptance of each Award. Any Award not accepted through the specified means within the period specified by the Committee or the CHRO at the time of the grant shall be considered to be canceled.

6. The CLO shall maintain the books and records of Awards granted by the Committee and shall report at each meeting of the Committee at which Awards are to be considered the total number of shares available for Awards under the 2019 Plan. The CLO shall inform the Treasurer and the Plan Administrator of Awards granted on a regular basis.

7. The Treasurer is authorized to delegate to an appropriate manager reporting to the Treasurer the authority to acquire, transfer and deliver shares for the purposes of the Plans.

8. If the CLO is unavailable, an Assistant Secretary is hereby authorized to perform the duties and have the powers of the CLO outlined in these Regulations. If the Treasurer is unavailable, an Assistant Treasurer is hereby authorized to perform the duties and have the powers of the Treasurer outlined in these Regulations.

III. SUSPENSION, TERMINATION, WITHHOLDING, AND REPAYMENT OF AWARDS

1. The CHRO and the CLO are each hereby individually authorized to temporarily withhold payment of an unpaid Award or suspend on a conditional or temporary basis the outstanding Awards of any Participant if the CHRO or CLO believes that such Participant has engaged in action that violates the terms and conditions governing the Award, including, but not limited to, any violation of Article 6 of the Plans. If the Participant is a Principal Officer of the Company, the CEO must concur with the decision.

2. In order to permanently terminate, withhold payment, demand repayment of, or otherwise restrict or recoup an Award, within a reasonable time of any such conditional or temporary suspension or withholding of payment, the CHRO and CLO must each concur that the Participant has engaged in action that violates the terms and conditions governing the Award, including, but not limited to, any violation of Article 6 of the Plans. If the Participant is a Principal Officer of the Company, the CEO must concur with the decision. If the applicable parties concur, the proposed action shall be immediately implemented, except in the case of a Section 16 Officer as described below. If they do not concur, the temporary suspension or withholding of payment shall be lifted.

3. All alleged violations of the terms and conditions governing an Award held by any Section 16 Officer shall be reviewed by the Committee following the concurrence by the CHRO, CLO and, if applicable, the CEO described in Section III.2 above. If the Committee determines a violation has occurred, the Committee may terminate the Participant's outstanding Awards, withhold payment of an Award, demand repayment of an Award, or otherwise restrict or recoup an Award.

4. Actions that significantly contravene the Company's "Statement of Purpose, Values and Principles" will be considered to be actions "significantly contrary to the best interests of the Company" and a violation of Article 6.1(d) of the Plans. This standard also includes any action taken or threatened by the Participant that the Committee determines has, or is reasonably likely to have, a significant adverse impact on the reputation, goodwill, stability, operation, personnel retention and management, or business of the Company or any subsidiary.

IV. TERMS AND CONDITIONS OF AWARDS

1. The Committee establishes the terms and conditions of Awards by its approval of the program summaries for each compensation program or by approving individual awards. The Award Agreements will include the Grant Date, Vest Date, Expiration Date (for Stock Options and SARs), and Settlement Date (for RSUs) determined by the Committee.

2. A Participant's beneficiary under an Award is the Participant's estate. However, to the extent permitted by the CHRO with respect to Awards under the Plans, and in accordance with rules and procedures established by the CHRO, each Participant may designate a beneficiary or beneficiaries to receive any benefit payable upon death under the terms of the Plans or an Award. In the absence of such designation, the Participant's beneficiary will be the Participant's estate.

V. EXERCISE OR SETTLEMENT OF AWARDS

1. Pursuant to Article 6.1 of the Plans, if upon the delivery of notice to exercise, the Participant refuses to certify intent to either remain in the employ of the Company or one of its Subsidiaries for at least one (1) year or otherwise comply with the non-compete provisions of Article 6, a Principal Officer or an employee of the Company or any of its Subsidiaries who has the title of Vice President shall be informed of the Participant's refusal.

2. Notice of exercise of a Stock Option or SAR shall be given prior to the expiration of the Award and shall be given in the form and manner established by the Plan Administrator.

3. The Plan Administrator is authorized from time to time to suspend the exercise of any Stock Option or SAR, the delivery of any Shares or the settlement of any RSUs, where such suspension is deemed necessary or appropriate for corporate purposes. No such suspension shall extend the life of the Stock Option or SAR right beyond its expiration date, and in no event will there be a suspension in the five (5) calendar days immediately preceding the expiration date.

4. The Treasurer or CHRO with Treasurer concurrence, is hereby authorized to establish such terms and conditions regarding exercise or delivery of any Award as is required or advisable to accommodate for differences in local law, tax policy or custom, including but not limited to, requiring that Participants: (i) hold shares acquired upon exercise of any Stock Option for a specified period of time; (ii) hold shares acquired upon exercise of any Stock Option outside of the Participant's jurisdiction of residence; or (iii) immediately repatriate proceeds from the sale of shares or dividends on shares to their local jurisdiction.

5. In the event that the New York Stock Exchange is closed for business on the day upon which shares of the Company's Common Stock are to be valued, the Plan Administrator shall value such shares on the immediately following business day of such Exchange on which day such stock is traded.

6. Awards may be surrendered for cancellation before exercise or settlement in the manner prescribed by the Plan Administrator. Acceptance of such surrender for cancellation before exercise or settlement shall not constitute waiver of the Participant's obligations under Article 6 of the Plans.

VI. AWARDS GRANTED TO PARTICIPANTS LOCATED OUTSIDE THE UNITED STATES

1. Where local law would prohibit enforcement of provisions 6.1, 6.2 or 6.3 of the Plans, the Committee authorizes the CHRO to waive any or all of those provisions in the Award Agreement.

2. Provided Participants located in Belgium pay tax on a Key Manager Stock Option Award at grant, the CHRO is authorized to treat up to thirty-four percent (34%) of Award as non-forfeitable on the Grant Date.

3. The CHRO may adjust Award Agreements issued to Participants located in the United Kingdom to shift the employer tax obligations to Participants, if appropriate.

4. The CHRO may adjust other Award Agreements as necessary to comply with the terms set out in foreign sub-plans adopted by the Committee.

VIII. MISCELLANEOUS

1. Determination by the Committee as to the interpretation of the terms and provisions of the Plans shall be conclusive on all interested parties.

2. In the case of a triggering event under Article 4 of the 2019 Plan the appropriate number of such new or additional or different shares or securities will be issued by the Treasurer with the applicable restrictive legend to Participants holding restricted shares, in accordance with each Award Agreement.

3. These Regulations may be amended at any time by action of the Committee.

Originally adopted October __, 2019

2019 STOCK & INCENTIVE COMPENSATION PLAN

AUSTRALIA ADDENDUM

1. Purpose

This Addendum (the "Australian Addendum") to The Procter & Gamble 2019 Stock and Incentive Compensation Plan (the "U.S. Plan") is hereby adopted to set forth certain rules which, together with the provisions of the U.S. Plan (which are modified by this addendum in certain respects to ensure compliance with the Class Order (see below)), shall govern the operation of the Plan with respect to Australian-resident employees of P&G and its Australian subsidiaries. The Plan is intended to comply with the provisions of the *Corporations Act 2001* (Cth) ASIC Regulatory Guide 49 and ASIC Class Order 14/1000 (the "Class Order").

2. Definitions

Except as set out below, capitalized terms used herein shall have the meaning ascribed to them in the U.S. Plan. In the event of any conflict between these provisions and the U.S. Plan, these provisions shall prevail.

For the purposes of this Australian Addendum:

"ASIC" means the Australian Securities & Investments Commission;

"Associated Body Corporate" means (as determined in accordance with the Corporations Act 2001(Cth)):

(a) a body corporate that is a related body corporate of the Company;
(b) a body corporate that has voting power in the Company of not less than 20%; or
(c) a body corporate in which the Company has voting power of not less than 20%;

"Australian Subsidiaries" means all subsidiaries of the Company incorporated in Australia;

"Common Stock" means the common stock, without par value, of the Company;

"Company" means The Procter & Gamble Company;

"Option" means an option to acquire, by way of issue, a fully-paid share of Common Stock of the Company in the same class as shares which have been quoted on the New York Stock Exchange for at least 3 months (without suspension for more than a total of 5 trading days during that period) immediately prior to the date of grant, following the lapse of specific restrictions, as determined by the Committee;

"Plan" means the U.S. Plan as modified for implementation in Australia by the Australian Addendum;

"Restricted Stock Units" means a promise by the Company, as of the date of the grant, to deliver fully-paid shares of Common Stock in the same class as shares which have been quoted on the New York Stock Exchange for at least 3 months (without suspension for more than a total of 5 trading days during that period), following the lapse of specific restrictions, as determined by the Committee; and

"U.S. Plan" means The Procter & Gamble 2019 Stock and Incentive Compensation Plan; and

"P&G" means The Procter & Gamble Company.

3. Forms of Awards

Only shares of Common Stock, Restricted Stock, Options and Restricted Stock Units shall be awarded or offered under the Plan in Australia. Options must be granted at no monetary cost.

Performance awards (including Restricted Stock, Options, and Restricted Stock Units that are subject to performance measures) and other incentive based awards may also be awarded under the Plan in Australia to the extent that these awards fall within the definition of Incentive Right contained in the Class Order.

4. Employees

In Australia, the Plan may only be extended to persons who at the time of the offer are full or part-time employees, non-executive directors, contractors or casual employees (contractors and casual employees who work the pro-rata equivalent of 40% or more of a comparable full-time position) of the Company or an Australian Subsidiary.

5. Form of Offer

5.1 Any offer made in Australia to participate in the Plan must be included in a document ("Offer Document") which sets out the terms of the offer and which must include or be accompanied by a copy of the Plan, or a summary of the Plan. Where a summary only is provided with the offer, the Offer Document must include an undertaking that during the period (the "offer period") during which a Participant may exercise Options acquired under the Plan, the Company or its Australian subsidiary will, within a reasonable period of the Participant so requesting, provide the Participant without charge with a copy of the Plan.

5.2 The Company must take reasonable steps to ensure that any Participant to whom an offer is made is given a copy of the Offer Document.

5.3 Further, the Offer Document must include a statement to the effect that any advice given by the person in connection with the offer is general advice only, and that Participants should consider obtaining their own financial product advice from an independent person who is licensed by ASIC to give such advice.

6. Australian Dollar Equivalent of Option Price at Offer Date

The Offer Document must specify the Australian dollar equivalent of the exercise price of the Options the subject of the Offer Document ("Option Price") as at the date of the offer.

7. Updated Pricing Information

The Offer Document must include an undertaking that, and an explanation of the way in which the Company will, during the offer period and within a reasonable period of a Participant so requesting, make available to the Participant the following information:

(a) the Australian dollar equivalent of the current market price of a share of Common Stock, as at the date of the Participant's request; and

(b) the Australian dollar equivalent of the Option Price, as at the date of the Participant's request.

For the purposes of this clause, the current market price of a share of Common Stock shall be taken as the final price published by the New York Stock Exchange for the previous trading day.

8. Exchange Rate for Australia Dollar Equivalent of a Price

For the purposes of clauses 7 and 8, the Australian dollar equivalent of the Option Price and current market price of shares of Common Stock shall be calculated by reference to the Australian/U.S. dollar exchange rate published by an Australian bank (the “Bank”) no earlier than the business day before the day to which the price relates.

9. Loan or Financial Assistance

If the Company or any Australian Subsidiary offers a Participant any loan or other financial assistance for the purpose of acquiring the Common Stock to which the offer relates, the Company or any Australian Subsidiary:

(a) must ensure that the loan is not provided to acquire Options or Incentive Rights; and

(b) must ensure that under the terms of the loan:

(i) no fees or interest is payable; and

(ii) either:

(A) the lender has no recourse against the Participant in relation to the repayment of the loan; or

(B) the recourse of the lender against the Participant in relation to the repayment of the loan is limited to forfeiture of the Common Stock issued or transferred to, or held on behalf of, the Participant in connection with the scheme.

10. Restriction on Capital Raising: 5% limit

In the case of any offer that will involve the issue of shares of Common Stock including as a result of an exercise of an Option, the number of shares of Common Stock that are the subject of the offer under the Plan, or to be received on exercise of an Option when aggregated with:

(a) the number of shares of Common Stock in the same class which would be issued were each outstanding offer of shares of Common Stock or Option to acquire unissued shares of Common Stock under the Plan or any other employee share scheme of the Company, accepted or exercised (as the case may be); and

(b) the number of shares of Common Stock in the same class issued during the previous three years pursuant to the Plan or any other employee share scheme extended only to full or part-time employees or directors of the Company or of any Associated Body Corporate of the Company;

but disregarding any offer made, or option acquired or shares of Common Stock issued by way or as a result of:

(c) an offer to a person situated at the time of receipt of the offer outside Australia;

(d) an offer that was an excluded offer or invitation within the meaning of the Corporations Law as it stood prior to 13 March 2000;

(e) an offer that did not require disclosure to investors because of section 708 of the *Corporations Act 2001* (Cth);

(f) an offer that did not require the giving of a Product Disclosure Statement because of section 1012D of the *Corporations Act 2001* (Cth); or

(g) an offer made under a disclosure document or a Product Disclosure Statement,

must not exceed 5% of the total number of issued shares in that class of shares of the Company as at the time of the offer or invitation.

11. Lodgment of Offer Document with the ASIC

Within one month of the first offer being made to an Australian Participant under this Australian Addendum, the Company must give ASIC a notice of reliance in accordance with the Class Order.

12. Compliance with Undertakings

The Company or an Australian Subsidiary must comply with any undertaking required to be made in the Offer Document by reason of the Class Order, including the undertaking to provide pricing information upon request.

2019 STOCK AND INCENTIVE COMPENSATION PLAN

FRANCE ADDENDUM

Article A. Introduction

The Board of Directors of The Procter & Gamble Company (the "Company") has established a 2019 Stock and Incentive Compensation Plan (the "U.S. Plan") for the benefit of certain employees of the Company and its subsidiary companies, including its French subsidiaries, (the "Subsidiary") of which the Company holds directly or indirectly at least 10% of the share capital. Article 3 of the U.S. Plan specifically authorizes the Compensation Committee (or other committee) (the "Committee") designated by the Board of Directors (the " Board") to adopt procedures and forms relating to the U.S. Plan as it deems advisable with respect to foreign participants. The Board, therefore, intends to establish a sub-plan for France of the U.S. Plan for the purpose of granting Options which may qualify for the favorable tax and social security treatment in France applicable to Options granted under Sections L. 225-177 to L. 225-186-1 of the French Commercial Code as amended to qualifying employees under the U.S. Plan who are resident in France for French tax purposes (the "Optionees"). The terms of the U.S. Plan, as subsequently amended and as set out in Appendix 1 hereto, shall, subject to the modifications in the following rules, constitute the Rules of the 2019 Omnibus Incentive Compensation Plan for Employees in France (the "French Plan").

Under the French Plan, the Optionees will be granted only Options as defined under Article B hereunder. In no case will grants under the French Plan include any other substitute awards, *e.g.*, stock appreciation rights and restricted stock.

Article B. Definitions

Capitalized terms used but not defined in the French Plan shall have the same meanings as set forth in the U.S. Plan.

In addition, the term "Option" shall have the following meaning:

A. Purchase Options, that are rights to acquire Common Stock repurchased by the Company prior to the vesting of said Options; or

B. Subscription Options, that are rights to subscribe newly issued Common Stock.

The term "Closed Period" means specific periods as set forth by section L. 225-177 of the French Commercial Code as amended during which French qualifying Options cannot be granted.

Notwithstanding any provisions in the U.S. Plan, the term "Grant Date" shall be the date on which the Board or the Committee both (a) designates the Optionee and (b) specifies the terms and conditions of the Option including the number of shares and the method of determining the Option Price.

The term "Effective Grant Date" shall be the date on which the Option is effectively granted, *i.e.*, the date on which the condition precedent of the expiration of a Closed Period applicable to the Option, if any, is satisfied. Such condition precedent shall be satisfied when the Board, Committee or other authorized body shall determine that the granting of Options is no longer prevented under a Closed Period. If the Grant Date does not occur within a Closed Period, the "Effective Grant Date" shall be the same day as the "Grant Date".

The term “Vesting Date” shall mean the date on which an Optionee's right to all or a portion of an Option granted under the French Plan becomes non-forfeitable.

The term “Disability” is defined in accordance with categories 2 and 3 under Section L. 341-4 of the French Social Security Code, as amended, and subject to the fulfillment of related conditions.

The term “Forced Retirement” shall mean forced retirement as determined under Section L. 1237-5 of the French Labor Code, as amended, and subject to the fulfillment of related conditions.

Article C. Entitlement to Participate

Any individual who at the Effective Grant Date of the Option under the French Plan is either employed under the terms and conditions of an employment contract (“*contrat de travail*”) with the Subsidiary or is a corporate officer of the Subsidiary, shall be eligible to receive Options under the French Plan provided that he or she also satisfies the eligibility conditions of the U.S. Plan. Options may not be issued under the French Plan to employees or officers owning more than ten percent (10%) of the Company's share capital or to individuals other than employees and corporate officers of the Subsidiary. Options may not be issued to directors of the Subsidiary, other than managing directors (Président du Conseil d’Administration, Directeur Général, Directeur Général Délégué, Membre du Directoire, Gérant de sociétés par actions), unless the director is an employee of the Subsidiary as defined by French law.

Article D. Conditions of the Option

To ensure the qualified status of Options under the French Plan, the terms and conditions of any Options granted under the French Plan shall not be modified after the Effective Grant Date, unless otherwise authorized by French law.

Notwithstanding any provision in the U.S. Plan to the contrary and since Common Stock of the Company is traded on a regulated securities market, no Option may be granted to eligible Optionees in France during specific Closed Periods as set forth by section L. 225-177 of the French Commercial Code as amended to the extent such Closed Periods are applicable to the Options.

1. Vesting and Exercisability of Options and Holding of Common Stock

The Options will vest and be exercisable pursuant to the terms and conditions set forth in the U.S Plan and the French Plan and any stock option agreement or notice. As such, no Option can be exercised before the Vesting Date. However, in the case of death of an Optionee, outstanding Options shall be immediately vested and exercisable under the conditions set forth in Article F of the French Plan.

The vesting of Options may be accelerated in accordance with the Change in Control provisions of the U.S. Plan as noted in Article H below.

Specific provisions apply in the event of termination of employment/service and death as provided in Article F below.

2. Option Price

The method of determining the option price payable pursuant to Options issued hereunder shall be fixed by the Committee on the date the Option is granted (“Option Price”). If Options are considered granted on the Effective Grant Date, the Option price will be determined in accordance with the method set forth by the Committee on the Grant Date. In no event shall the Option Price per share be less than the greater of:

a. with respect to Purchase Options over Common Stock, the higher of either 80% of the average opening price of such Common Stock during the 20 days of quotation immediately preceding the Effective Grant Date or 80% of the average purchase price paid for such Common Stock by the Company;

b. with respect to Subscription Options over the Common Stock, 80% of the average opening price of such Common Stock during the 20 days of quotation immediately preceding the Effective Grant Date; and

c. the minimum Option Price permitted under the U.S. Plan.

3. Payment of the Option Price

Notwithstanding any provisions in the U.S. Plan to the contrary, upon exercise of an Option, the full Option Price will be paid either in cash, by check or by credit transfer, exclusive of any other method of payment. Under a cashless exercise program, the Optionee may give irrevocable instructions to a stockbroker to properly deliver the Option Price to the Company. Notwithstanding any provisions in the U.S. Plan to the contrary, no delivery of previously owned shares having a fair market value on the date of delivery equal to the aggregate Option Price of the shares may be used as consideration for exercising the Options.

Furthermore, notwithstanding any provisions in the U.S. Plan to the contrary, shares owed to the Optionee upon exercise may not be withheld in order to meet the tax and/or social security contributions which might be due at the time of exercise or sale of the underlying shares. However, upon sale of the underlying shares, the Company and/or the Subsidiary shall have the right to withhold, or request any third party to withhold, from the proceeds to be paid to the Optionee the sums corresponding to any social security contributions due at exercise or sale by the Optionee. If such amounts are due and are not withheld, the Optionee agrees to submit the amount due to the Subsidiary by means of check, cash or credit transfer.

The shares acquired upon exercise of an Option will be recorded in an account in the name of the shareholder with a broker or in such other manner as the Company may otherwise determine in order to ensure compliance with applicable law.

4. Mandatory Holding Period

To the extent applicable to French-qualified Options granted by the Company, a specific holding period for the Common Stock or a restriction on the exercise of Options may be specified for Optionees in France who serve as managing directors under French law (“mandataires sociaux”). French law defines the following positions as mandataires sociaux: Président du Conseil d'Administration, Directeur Général, Directeur Général Délégué, Membre du Directoire, Gérant de Sociétés par actions.

Article E. Non-transferability of Options

Notwithstanding any provision in the U.S. Plan to the contrary and except in the case of death, Options cannot be transferred to any third party. In addition, the Options are only exercisable by the Optionee during the lifetime of the Optionee.

Article F. Termination of Employment/Service

1. Death

In the event of the death of an Optionee, any outstanding Options on date of death shall become immediately vested and exercisable. The Optionee's heirs may exercise the Option within six months following the death, but any Option which remains unexercised shall expire six months following the date of the Optionee's death.

2. Forced Retirement or Dismissal

In the event of the Forced Retirement (as defined in Article B) or dismissal of a Optionee, as defined by Section 91-ter of Exhibit II to the French Tax Code as construed by the French tax and social security circulars and subject to the fulfilment of related conditions, his or her Option will benefit from the favorable treatment of French qualified Options upon sale of his or her shares of Common Stock, but only if the Option was exercised at least three (3) months prior to the effective date of the retirement or the delivery of the relevant dismissal notice to the Optionee, as defined by French law and as construed by competent French courts.

3. Other Reasons

In the event of a termination of employment for reasons other than death, the Option shall be exercisable as set forth in the stock option Award Agreement entered into with the Optionee.

Article G. Changes In Capitalization

To ensure the qualified status of Options under the French Plan, adjustments to the Option Price and/or the number of shares subject to an Option issued hereunder shall be made to preclude the dilution or enlargement of benefits under the Option only in the event of a transaction involving the Company listed under Section L. 225-181 of the French Commercial Code, as amended, a repurchase of Common Stock by the Company at a price higher than the stock quotation price on the open market, and according to the provisions of Section L. 228-99 of the French Commercial Code, as amended, as well as according to specific decrees.. Furthermore, even upon occurrence of a transaction involving the Company listed under Section L. 225-181 of the French Commercial Code, as amended, a repurchase of Common Stock by the Company at a price higher than the stock quotation price on the open market, and according to the provisions of Section L. 228-99 of the French Commercial Code, as amended, as well as according to specific decrees, no adjustment to the kind of shares to be granted shall be made (*i.e.*, only shares of Common Stock shall be granted to Optionees) to preserve the qualified status of the Option. In the event of an adjustment to the Option Price and/or the number of shares of Common Stock subject to an Option issued hereunder, other than as described in this Article G, the Options may not qualify for favorable income tax and social security treatment under French law.

Article H. Change in Control

In the event that a significant decrease in the value of Options granted to the Optionee occurs or is likely to occur as a result of a Change of Control of the Company or a liquidation, reorganization, merger, consolidation or amalgamation with another company in which the Company is not the surviving company, the Committee may, accordingly to the provisions of the U.S. Plan, in its discretion, authorize immediate vesting and exercise of Options before the date on which any Change of Control, liquidation, reorganization, merger, consolidation or amalgamation becomes effective. If this occurs, the Options may not qualify for favorable income tax and social security treatment under French law.

Article I. Disqualification of French-Qualified Options

If the Options are otherwise modified or adjusted in a manner in keeping with the terms of the U.S. Plan or as mandated as a matter of law and the modification or adjustment is contrary to the terms and

conditions of this French Plan, the Options may no longer qualify as French-qualified options. The Company does not undertake nor is it required to maintain the French-qualified status of the Options, and the Optionees understand, acknowledge and agree that it will be their responsibility to bear any additional income taxes and/or social security contributions that may be payable as a result of the disqualification of the French-qualified Options.

If the Options no longer qualify as French-qualified options, the Committee may, provided it is authorized to do so under the U.S. Plan, lift, shorten or terminate certain restrictions applicable to the vesting of the Options, the exercisability of the Options, or the sale of the shares of Common Stock which may have been imposed under this French Plan or in the stock option agreement delivered to the Optionees.

Article J. Term of the Option

The term of the Option will be no greater than ten years after the Grant Date. The specific term will be specified in the applicable stock option agreement. This term can be extended only in the event of the death of the Optionee.

Article K. No Surrender of Options

Notwithstanding the provisions of the U.S. Plan, Optionees may not surrender Options in lieu of exercise for cash.

Article L. No Conversion

Notwithstanding the provisions of the U.S. Plan, Optionees may not convert cash compensation into Options.

Article M. Interpretation

In the event of any conflict between the provisions of the present French Plan and the U.S. Plan, the provisions of the French Plan shall control for any grants made thereunder to Optionees.

It is intended that Options granted under the French Plan shall qualify for the favorable tax and social security treatment applicable to stock options granted under Sections L. 225-177 to L. 225-186-1 of the French Commercial Code, as amended, and in accordance with the relevant provisions set forth by French tax and social security laws and the French tax and social security administrations, but there are no undertakings to maintain this status. The terms of the French Plan shall be interpreted accordingly and in accordance with the relevant provisions set forth by French tax and social security laws, the French tax and social security administrations, any relevant Guidelines published by French tax and social security administrations and are subject to the fulfillment of legal, tax and reporting obligations, if any.

Article N. Employment Rights

The adoption of this French Plan shall not confer upon the Optionees any employment rights and shall not be construed as a part of the Optionee's employment contracts. Articles 6.1(a), 6.1(b) and 6.1(c) of the U.S. Plan do not apply to Optionees in France.

Article O. Amendments

Subject to the terms of the U.S. Plan, the Committee reserves the right to amend or terminate the French Plan at any time. Such amendments would only apply to future grants and would not be retroactive.

Article P. Adoption

The French Plan is effective as of October __, 2019.

RULES OF THE PROCTER & GAMBLE 2019
SCHEDULE 4 CSOP SUB-PLAN FOR THE UNITED KINGDOM

1 General

This schedule to the Procter & Gamble 2019 Stock and Incentive Compensation Plan (the "**Plan**") sets out the rules of the Procter & Gamble 2019 Schedule 4 CSOP Sub-Plan for the United Kingdom (the "**Sub-Plan**").

2 Establishment of Sub-Plan

The Procter & Gamble Company (the "**Company**") has established the Sub-Plan under Section 3.2(f) of the Plan, which authorises the Committee to establish sub-plans to the Plan.

3 Purpose of Sub-Plan

The purpose of the Sub-Plan is to enable the grant to, and subsequent exercise by, employees and directors in the United Kingdom, on a tax advantaged basis, of options to acquire Shares under the Plan within the provisions of Schedule 4.

4 Rules of Sub-Plan

The rules of the Plan, in their present form and as amended from time to time, shall, with the modifications set out in this schedule, form the rules of the Sub-Plan. The provisions on "Vesting and Exercise" in the form of Award Agreement appended to this schedule form part of the Sub-Plan. In the event of any conflict between the rules of the Plan and this Sub-Plan, the Sub-Plan shall prevail.

5 Relationship of Sub-Plan to Plan

The Sub-Plan shall form part of the Plan and not a separate and independent plan.

6 Interpretation

In this Sub-Plan, unless the context otherwise requires, the following words and expressions have the following meanings:

Acquiring Company	a company which obtains Control of the Company in the circumstances referred to in rule 25;
Associated Company	the meaning given to that expression by paragraph 35(1) of Schedule 4;
Close Company	the meaning given to that expression by section 989 of the Income Tax Act 2007, and paragraph 9(4) of Schedule 4;

Committee	the Compensation & Leadership Development Committee of the Board or such other committee as may be designated by the Board to administer the Plan;
Consortium	the meaning given to that word by paragraph 36(2) of Schedule 4;
Constituent Company	means the Company or a company which is: (a) a Subsidiary or (b) a Jointly Owned Company where neither it nor any company Controlled by it is a constituent company under the provisions of paragraph 34(4) of Schedule 4 in any other CSOP scheme as that term is defined in paragraph 2 of Schedule 4;
Control	the meaning given to that word by section 719 of ITEPA 2003 and "Controlled" shall be construed accordingly;
Date of Grant	the date on which an Option is granted to an Eligible Employee in accordance with the Articles of the Plan;
Eligible Employee	an individual who falls within the provisions of Article 5 of the Plan and who is: (a) an employee (other than a director) of a Constituent Company; or (b) a director of a Constituent Company who is contracted to work at least 25 hours per week for the Company and its subsidiaries or any of them (exclusive of meal breaks) and who, in either case,: (i) is not eligible solely by reason that he is a non-executive director of a Constituent Company; (ii) has earnings in respect of his office or employment which are (or would be if there were any) general earnings to which sections 15, 22 or 26 of ITEPA 2003 applies; and (iii) does not have at the Date of Grant, and has not had during the preceding twelve months, a Material Interest in a Close Company which is the Company or a company which has Control of the Company or a member of a Consortium which owns the Company;

ITEPA 2003	means the Income Tax (Earnings and Pensions) Act 2003;
Market Value	notwithstanding Section 7.2 of the Plan, (a) in the case of an Option granted under the Sub-Plan: (i) if at the relevant time the Shares are listed on the New York Stock Exchange, the average of the highest and lowest sale prices of a Share on the Date of Grant (as quoted in the *Wall Street Journa*l) or, if there were no trades on that day, on the dealing day immediately preceding the Date of Grant; (ii) if paragraph (i) above does not apply, the market value of a Share as determined in accordance with Part VIII of the Taxation of Chargeable Gains Act 1992 and agreed in advance with HM Revenue & Customs Shares and Assets Valuation on the Date of Grant or such earlier date or dates (not being more than thirty days before the Date of Grant) as may be agreed with HM Revenue & Customs; provided that the Market Value of Shares subject to a Relevant Restriction shall be determined as if they were not subject to a Relevant Restriction; (b) in the case of an option granted under any other share option scheme, the market value of a Share shall be determined under the rules of such scheme for the purpose of the grant of the option;
Material Interest	the meaning given to that expression by paragraphs 9 to 14 of Schedule 4;
New Option	an option granted by way of exchange under rule 25.1;
New Shares	the shares subject to a New Option as set out in rule 25;
Option	a right to acquire Shares granted under the Sub-Plan;
Option Holder	an individual who holds an Option or, where the context permits, his legal personal representatives;
Relevant Restriction	any provision in any contract, agreement, arrangement or condition to which any of sub-sections (2) to (4) of section 423 of ITEPA 2003 would apply if references in those sub-sections to employment-related securities were references to the Shares;

Schedule 4	means Schedule 4 to ITEPA 2003;
Schedule 4 CSOP	a share plan that meets the requirements of Schedule 4;
Shares	common stock of the Company; and
Subsidiary	means a company which is a subsidiary of the Company within the meaning of section 1159 of the Companies Act 2006 over which the Company has Control.

In this Sub-Plan, unless the context otherwise requires:

- words and expressions not defined above have the same meanings as are given to them in the Plan;
- the contents and rule headings are inserted for ease of reference only and do not affect their interpretation;
- a reference to a rule is a reference to a rule in this Sub-Plan; and
- a reference to a statutory provision is a reference to a United Kingdom statutory provision and includes any statutory modification, amendment or re-enactment thereof.

7 Companies participating in Sub-Plan

Notwithstanding the provisions contained in the definition of “Subsidiary” in Article 2 of the Plan, the companies participating in the Sub-Plan shall be the Company and any Constituent Company which has been nominated by the Company to participate in the Sub-Plan.

8 Shares used in Sub-Plan

The Shares shall form part of the ordinary share capital of the Company and shall at all times comply with the requirements of paragraphs 16 to 20 of Schedule 4.

9 Grant of Options

An Option shall be granted under and subject to the rules of the Plan as modified by this Sub-Plan.

10 Identification of Options

An Award Agreement issued in respect of an Option shall expressly state that it is issued in respect of an Option. An option which is not so identified shall not constitute an Option.

11 Contents of Award Agreement

11.1 An Award Agreement issued in respect of an Option shall state:

- that it is issued in respect of an Option;
- the date of grant of the Option;
- the number of Shares subject to the Option (or how that number may be calculated);
- the exercise price under the Option (or the method by which the exercise price will be determined);
- any performance target or other condition imposed on the exercise of the Option;
- the times at which the Option will ordinarily be exercisable;
- the circumstances in which the Option will lapse;
- details of any Relevant Restriction to which the Shares are subject; and
- any conditions imposed by the Committee under Section 3.2 of the Plan in relation to the Option.

11.2 Notwithstanding the definition of "Award Agreement" in Article 2 of the Plan, an Option granted under this Sub-Plan shall include the terms on vesting and exercise of Options under the heading "Vesting and Exercise" in the form of Award Agreement appended to this schedule, or such other terms as to vesting and exercise at the Vest Date (as defined in the appended form of Award Agreement) or on Termination of Employment as determined by the Committee that comply with the requirements of Schedule 4.

12 **Persons to whom Options may be granted**

An Option may not be granted to an individual who is not an Eligible Employee at the Date of Grant.

13 **Options non transferable**

Notwithstanding Article 15 of the Plan, an Option shall be personal to the Eligible Employee to whom it is granted and, subject to rule 23, shall not be capable of being transferred, charged or otherwise alienated and shall lapse immediately if the Option Holder purports to transfer, charge or otherwise alienate the Option.

14 **Limit on number of Shares placed under Option under Sub-Plan**

For the avoidance of doubt, Shares placed under Option under the Sub-Plan shall be taken into account for the purpose of Section 4.1 of the Plan.

15 **HM Revenue & Customs limit (£30,000)**

An Option may not be granted to an Eligible Employee if the result of granting the Option would be that the aggregate Market Value of the shares subject to all outstanding options granted to him under the Sub-Plan or any other share option scheme established by the Company or an Associated Company under Schedule 4) would exceed sterling £30,000 or such other limit as may from time to time be specified in paragraph 6 of Schedule 4.

16 **Foreign Currency Options**

For the purpose of the limit contained in rule 15, the United Kingdom sterling equivalent of the Market Value of a share on any day shall be determined by taking the spot sterling/US dollar exchange rate for that day as shown in the Financial Times.

17 **Scaling Down**

If the grant of an Option would otherwise cause the limit in rule 15 to be exceeded, it shall take effect as the grant of an Option under the Sub-Plan over the highest number of Shares which does not cause the limit to be exceeded. If more than one Option is granted on the same Date of Grant, the number of Shares which would otherwise be subject to each Option shall be reduced *pro rata*.

18 **Exercise price under Options**

Notwithstanding Section 7.2 of the Plan, the amount payable per Share on the exercise of an Option shall not be manifestly less than the Market Value of a Share on the Date of Grant.

19 **Latest date for exercise of Options**

An Option may not be exercised more than ten years after the Date of Grant and to the extent not so exercised by that time the Option shall lapse immediately. This term can be extended only in the event of the death of the Option Holder as required by rule 23.

20 **Material Interest**

An Option may not be exercised if the Option Holder then has, or has had within the preceding twelve months, a Material Interest in a Close Company which is the Company or which is a company which has Control of the Company or which is a member of a Consortium which owns the Company.

21 **Payment for Shares on exercise of Options**

The amount due on the exercise of an Option may be paid in cash or by cheque or banker's draft, or by using other payment methods acceptable to the Company for payment of the amount due. The payment may not be in the form of relinquishing a portion of the Option or paid by the transfer to the Company of Shares or any other shares or securities, and in any circumstance the Company must not charge an administrative fee for the exercise of an Option. The date of exercise of an Option shall be the date on which the Company receives the amount due on the exercise of the Option under this rule 21, together with any payment or documentation required under rule 29.

22 **Issue or transfer of Shares on exercise of Options**

The Company shall, as soon as reasonably practicable and in any event not later than thirty days after the date of exercise of an Option, issue or transfer to the Option Holder, or procure the issue or transfer to the Option Holder of, the number of Shares specified in the notice of exercise, subject only to compliance by the Option Holder with the rules of the Sub-Plan and to any delay necessary to complete or obtain:

22.1 the listing of the Shares on any stock exchange on which Shares are then listed; or
22.2 such registration or other qualification of the Shares under any applicable law, rule or regulation as the Company determines is necessary or desirable.

23 Death of Option Holder

If an Option Holder dies before the tenth anniversary of the Date of Grant, his personal representatives shall be entitled to exercise his Options at any time during the twelve-month period following his death. If not so exercised, the Options shall lapse immediately.

24 Retirement of Option Holder

The definition of the term “Retirement” in Article 2 of the Plan shall not apply to this Sub-Plan and the term “Retirement” in paragraph 2 of the appended form of Award Agreement under the heading “Vesting and Exercise” shall bear its natural meaning in the United Kingdom.

25 Change in Control of Company

25.1 Exchange of Options

Should a Change in Control occur within the terms of Article 17 of the Plan, then only if a company (“Acquiring Company”) obtains Control of the Company as a result of making:

25.1.1 a general offer to acquire the whole of the issued ordinary share capital of the Company which is made on a condition such that if it is satisfied the person making the offer will have Control of the Company;

25.1.2 a general offer to acquire all the shares in the Company of the same class as the Shares:

25.1.3 a compromise or arrangement sanctioned by the court under section 899 of the Companies Act 2006; or

25.1.4 a “non-UK company reorganisation arrangement” (within the meaning of paragraph 35ZA of Schedule 4); or

25.1.5 should an Acquiring Company become bound or entitled to acquire Shares under sections 979 to 982 of the Companies Act 2006,

an Option Holder may, at any time during the period set out in rule 25.2, by agreement with the Acquiring Company, release his Option in consideration of the grant to him of a new option (“New Option”) which is equivalent to the Option but which relates to shares (“New Shares”) in:

- the Acquiring Company;
- a company which has Control of the Acquiring Company; or
- a company which either is, or has Control of, a company which is a member of a Consortium which owns either the Acquiring Company or a company having Control of the Acquiring Company.

25.2 Period allowed for exchange of Options

The period referred to in rule 25.1 is:

25.2.1 for events in rules 25.1.1 to 25.1.4 (inclusive), the period of six months beginning with the time when the person making the offer has obtained Control of the Company and any condition subject to which the offer is made has been satisfied; and

25.2.2 for the event in rule 25.1.5, the period during which the Acquiring Company remains bound or entitled to acquire Shares under sections 979 to 982 of the Companies Act 2006.

25.3 **Meaning of "equivalent"**

The New Option shall not be regarded for the purpose of this rule 25 as equivalent to the Option unless:

25.3.1 the New Shares satisfy the conditions in paragraphs 16 to 20 of Schedule 4; and

25.3.2 the New Option is exercisable in the same manner as the Option and subject to the provisions of the Sub-Plan as it had effect immediately before the release of the Option; and

25.3.3 the total market value, immediately before the release of the Option, of the Shares which were subject to the Option is substantially the same as the total market value, immediately after the grant of the New Option, of the New Shares subject to the New Option (market value being determined using a methodology agreed by HM Revenue & Customs);

25.3.4 the total amount payable by the Option Holder for the acquisition of the New Shares under the New Option is substantially the same as the total amount that would have been payable by the Option Holder for the acquisition of the Shares under the Option.

25.4 **Date of grant of New Option**

The date of grant of the New Option shall be deemed to be the same as the Date of Grant of the Option.

25.5 **Application of Sub-Plan to New Option**

In the application of the Sub-Plan to the New Option, where appropriate, references to "Company" and "Shares" shall be read as if they were references to the company to whose shares the New Option relates and the New Shares, respectively, (save that in the definition of "Committee", the reference to "Company" shall be read as if it were a reference to The Procter & Gamble Company).

26 **Rights attaching to Shares issued on exercise of Options**

Notwithstanding the provisions of Article 3 of the Plan, which grant the Committee authority to determine the conditions and restrictions, if any, applying to shares of Common Stock acquired through the exercise of an option, all Shares issued in respect of the exercise of an Option shall, as to any voting, dividend, transfer and other rights, including those arising on a liquidation of the Company, rank equally in all respects and as one class with the shares of the same class in issue at the date of such issue save as regards any rights attaching to such shares by reference to a record date prior to the date of such issue.

27 **Amendment of Sub-Plan**

Notwithstanding Section 19.1 of the Plan, no amendment may be made to a "key feature" of the Sub-Plan (within the meaning given to that expression in paragraph 30(4) of Schedule 4), whether

taking the form of an amendment of the Plan or the Sub-Plan, that would result in the Sub-Plan no longer being a Schedule 4 CSOP.

28 **Adjustment of Options**

Notwithstanding Section 4.5 of the Plan, to the extent that any adjustment of an Option is permitted under these rules, it shall not be made unless the adjustment is permitted pursuant to, and in compliance with, paragraph 22 of Schedule 4.

29 **Tax and social security withholding**

An Option may not be exercised unless the Option Holder has beforehand made provision for the payment or withholding of any taxes and social security required to be withheld in accordance with the applicable law of any jurisdiction in respect of the exercise of the Option, or the receipt of the Shares. Notwithstanding the provisions of Article 20 of the Plan which permit different arrangements to be made to satisfy the payment in respect of any taxes and social security required to be withheld, the payment may not be in the form of relinquishing a portion of the Option or paid by the transfer to the Company of Shares or any other shares or securities, unless this is the Shares by virtue of the exercise of the Option. The Option Holder may, by agreement with the Company, enter into some other arrangement to ensure that such amount is available (whether by authorising the sale of some or all of the Shares subject to his Option and the payment to the Company, or where appropriate the Option Holder's employing company of the requisite amount out of the proceeds of sale or otherwise). Where this is the case, the Option shall not be treated as exercised until the Company determines that such arrangements are satisfactory to it.

30 **Transfer of Employer's NIC**

The Committee may, at its discretion, impose requirements for the payment by the Option Holder of all or any part of the employer's national insurance contributions ("NIC") which may arise as a result of the exercise of his Option. Such requirements shall be specified on the Date of Grant and shall be a condition of exercise of the Option, provided that the Committee (acting fairly and reasonably) may waive these requirements. They may include in particular, but not by way of limitation, a determination that the Option may not be exercised unless the Option Holder has beforehand paid to the Company (or the company which employs the Option Holder, if different) an amount sufficient to discharge all or any part of the employer's NIC. Alternatively, the Option Holder may, by agreement with the Company or the employing company (as the case may be), enter into some other arrangement to ensure that such amount is available to them or it (whether by authorising the sale of some or all of the Shares subject to his Option and the payment to the Company or the employing company (as the case may be) of the requisite amount out of the proceeds of sale or otherwise). Where this is the case, the Option shall not be treated as exercised until the Company or the employing company (as the case may be) determine that such arrangements are satisfactory to it.

31 **Disapplication of certain provisions of Plan**

Sections 6.2 and 6.3 of the Plan shall not apply for the purpose of this Sub-Plan. In addition the provisions of the Plan dealing with:

- Incentive Stock Options;
- Stock Appreciation Rights;
- Restricted Stock;
- Restricted Stock Units;
- Performance Stock Units;

- Other Stock-Based Awards; and
- Cash-Based Awards
- the cash cancellation of share options including those contained in Article 17.3(a)(i) of the Plan; and
- the granting of Options in tandem with Stock Appreciation Rights and the subsequent cancellation of Options

shall not form part of, and no such rights may be granted under, this Sub-Plan.

APPENDIX

FORM OF AWARD AGREEMENT

You must scroll and read to the bottom of the grant letter below so you can accept/reject your grant.

AWARD AGREEMENT [●] 20[●]

NAME GLOBAL ID

Subject: UK Tax Advantaged (NON-STATUTORY) STOCK OPTION SERIES 20-LTIP-F

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:	$_____
Number of Shares:	
Grant Date:	[●] 20[●]
Expiration Date:	[●] 20[●]
Vest Date:	[●]% on [●] 20[●]
Acceptance Deadline:	[●] 20[●]

This Award is granted in accordance with and subject to the terms of The Procter & Gamble 2019 Stock and Incentive Compensation Plan and the applicable sub-plan, the Schedule 4 CSOP Sub-Plan for the United Kingdom (the "Plan"), the Regulations of the Compensation and Leadership Development Committee of the Board of Directors ("Committee"), and this Award Agreement, including Attachment A and the Exercise Instructions in place as may be revised from time to time, except that the Committee has waived the provisions of Sections 6.1(a) and 6.1(c) of the Plan. 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 2019 Stock and Incentive Compensation Plan and the Schedule 4 CSOP Sub-Plan for the United Kingdom and the Regulations of the Committee by activating this hyperlink: Regulations of the Committee. If you have difficulty accessing the materials online, please send an email to [email] for assistance.

Vesting and Exercise

This Award will be forfeited if you leave employment with the Company and its Subsidiaries before [●] 20[●] for any reason, except in the event of death or in connection with a divestiture or separation of any of the Company's businesses. If you 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 first anniversary of your date of death.

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 that occurs after June 30th of the fiscal year in which this Award was granted, 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.

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 that occurs after June 30th of the fiscal year in which this Award was granted, the Award is forfeited unless you have executed a written separation agreement with the Company or a Constituent Company 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 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. If you are in doubt as to the action you should take before accepting this Award, you are recommended to take your own independent advice from a lawyer or other appropriate professional adviser authorized under the Financial Services and Markets Act 2000.

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 2019 Stock and Incentive Compensation Plan
- The Schedule 4 CSOP Sub-Plan for the United Kingdom (applies to series 20-LTIP-F only)
- 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.

Exhibit (10-2)

The Procter & Gamble Performance Stock Program Summary

PERFORMANCE STOCK PROGRAM SUMMARY

(Effective July 1, 2019)

The Performance Stock Program ("PSP") is a part of The Procter & Gamble Company's (the "Company") long-term incentive ("LTI") compensation and is designed to provide additional focus on key Company measures for top executives with senior management responsibility for total Company results. Awards granted under the PSP ("PSP Awards") are made pursuant to authority delegated to the Compensation & Leadership Development Committee (the "C&LD Committee") by the Board of Directors for determining compensation for the Company's principal officers and for making awards under the Procter & Gamble 2019 Stock and Incentive Compensation Plan (the "2019 Plan") or any successor stock plan approved in accordance with applicable listing standards.

I. ELIGIBILITY

The Chairman of the Board and/or Chief Executive Officer and those active executives at Band 6 or above as of October 1 prior to the grant date and recommended by management are eligible to participate ("Participants"). In special circumstances such as for acquisitions or experienced hires, the CHRO may authorize participation for Band 6 or above employees who are not active as of October 1 but are active employees as of the grant date.

II. OVERVIEW

A significant portion of the Band 6 and above compensation is delivered through two long-term incentive programs tied to Company performance: PSP and the Long-term Incentive Program.
Total long-term incentive compensation targets are based on relevant competitive market data considering the median total long-term compensation of comparable positions, regressed for revenue size. The C&LD Committee establishes the Peer Group and sets compensation targets for all Principal Officers including the CEO. The CEO approves compensation targets for non-Principal Officers (generally Band 6 managers).

The C&LD Committee determines the long-term incentive award for the CEO. The CEO recommends all other Principal Officer awards to the C&LD Committee based on benchmarked long-term compensation targets, adjusted for business results and individual contributions attributable to each executive and including that individual's leadership skills. The C&LD Committee retains full authority to accept, modify, or reject these recommendations. The CEO approves awards for participants who are not Principal Officers based on long-term compensation targets, business results and individual contributions. Long-term incentive awards can be up to 50% above or 50% below the benchmarked target. In exceptional cases, no award will be made. After total LTI award size is determined then approximately half of each Band 7 manager's long-term compensation is allocated to PSP via an Initial PSU Grant (as defined below). The remaining portion is a Long-term Incentive Program Grant. Approximately 25% of each Band 6 manager's total LTI is allocated to PSP with the remainder awarded under the Long-term Incentive Program.

PSP rewards Participants for Company performance against certain three-year performance goals in categories established by the C&LD Committee. The C&LD Committee sets these performance goals for each three-year period that begins on July 1 and ends on June 30 three

years later (“Performance Period”). In the first year of each Performance Period, the C&LD Committee grants Performance Stock Units (“PSUs”) to Participants that will vest at the end of the Performance Period based on the Company’s performance relative to the pre-established performance goals (“Initial PSU Grant”). The number of PSUs that vest at the end of the Performance Period depends on the Company’s performance against the pre-established performance goals. Vested PSUs, including dividend equivalents, are converted into shares of the Company’s common stock (“Common Stock”) delivered to the applicable Participant within 60 days following the end of the Performance Period, or such later date as may be elected by the Participant in accordance with Section 409A of the Internal Revenue Code (“Section 409A”).

III. PERFORMANCE CATEGORIES

The PSP Award is based on the Company’s performance in each of the following categories (each a “Performance Category”) and weighted as indicated:

- Organic sales growth (percentile rank in the competitive peer group)* – 30%
- Constant currency core before-tax operating profit growth – 20%
- Core earnings per share (EPS) growth – 30%
- Adjusted free cash flow productivity – 20%

Awards will be further adjusted based on the three-year relative total shareholder return (R-TSR) of P&G compared to the competitive peer group*. Awards will be adjusted for top quartile performance using a 125% multiplier to increase awards, and reduced for bottom quartile performance using a 75% multiplier.
** Competitive peer group is defined in the PSP Accounting Guidelines.*

Within the first 90 days of each Performance Period, the C&LD Committee sets three-year performance goals (“Performance Goals”) for each Performance Category for such Performance Period and establishes a sliding scale to measure the Company’s performance against each Performance Goal in each Performance Category. The C&LD Committee uses the sliding scale to establish a payout factor between 0% and 200% for each Performance Category (a “Sales Factor”, “Profit Factor”, “EPS Factor” and “Cash Flow Factor”, collectively, “Performance Factors”).

In all cases, the C&LD Committee retains the discretion to include or exclude certain of the Performance Categories for purposes of determining the PSP Award. The C&LD Committee may reduce or eliminate any payment if it determines that such payout is inconsistent with long-term shareholders’ interests or incongruous with the overall performance of the company.

PSP awards will have the following terms unless otherwise approved by the C&LD Committee:

IV. THE INITIAL PSU GRANT

The C&LD Committee has the sole discretion to establish the target award (“PSP Target”) for each Participant serving as a Principal Officer. The CEO establishes the PSP Targets for participants who are not Principal Officers. The PSP Target will be a cash amount and will be the basis for the Initial PSU Grant. The C&LD Committee will make the Initial PSU Grant on the last business date in February (“Grant Date”) following the beginning of each Performance Period. If the New York Stock Exchange is closed on the day of the grant, then the C&LD will establish a grant date as soon as practical subsequent to the date previously specified for such award. The Initial PSU Grant will set forth a target and maximum number of PSUs. The target number of

PSUs will be determined by dividing the PSP Target by the expense value of one PSU using the same methodology by which the Company expenses PSUs, rounding to the nearest whole unit.

The Initial PSU Grant maximum will be two times the Initial PSU Grant.

V. PSU VESTING AND PAYMENT

After the Performance Period is complete, the C&LD Committee will establish the Payout Factors for each of the Performance Categories based on the Company's results versus the pre-established Performance Goals. The number of PSUs that vest will be determined by multiplying the Performance Factors by their respective weightings, summing up the results, then applying the R-TSR multiplier if applicable. The final result will be rounded up or down to the nearest full percentage. The resulting percentage will be applied to the number of PSUs in the Initial PSU Grant target, including dividends that would have accumulated since the initial PSU grant on the vested units. Any resulting fractional share units may be paid as cash, fractional shares, or rounded up to the next full share based on administrative preference of the Company. The number of PSUs that vest may be equal to, above or below the Initial PSU Grant target depending on the Company's performance in the Performance Categories, but in no event more than the Initial PSU Grant maximum. Vested PSUs are converted into shares of Common Stock delivered to the applicable Participant within 60 days following the end of the Performance Period, or such later date as may be elected by the Participant if applicable and in accordance with Section 409A.

Participants at Band 7 and above may elect to defer delivery of the Common Stock by electing to receive Restricted Stock Units. PSP RSUs will have the following terms unless otherwise approved by the Committee at grant:

> VESTING AND SETTLEMENT: PSP RSUs will be vested on the grant date with a settlement date at least one year following the original PSU delivery date (as elected by the Participant), are eligible for dividend equivalents, and can be further deferred in accordance with Section 409A. These RSUs will be paid on their Original Settlement Date or the Agreed Settlement Date, except in the case of death. In the case of death (except in France and the UK), payment will be made by the later of the end of the calendar year or two and a half months following the date of death. For awards granted in France or the UK, the consequences of death are determined by the local plan supplement, if applicable.

VI. SEPARATION FROM THE COMPANY (Defined terms shall have the meaning designated in the 2019 Plan or related award documents)

If the Participant's Termination of Employment occurs for any reason before the Vest Date, except for the reasons listed below, the Award will be forfeited. Participants must remain in compliance with the terms and conditions set forth in the 2019 Plan, including those in Article 6.

- Termination on Account of Death (except in France and the UK). The Award is immediately vested and will become deliverable on the Settlement Date or Agreed Settlement Date, whichever is applicable.

- Termination on Account of Death for awards granted in France or the UK. The consequences of death are determined by the local plan supplement, if applicable.

- Termination on Account of Retirement or Disability after June 30th of the fiscal year in which this Award was granted. PSUs are retained and will be delivered on the Settlement Date.

- Termination pursuant to a Written Separation Agreement that provides for retention of the Award, after June 30th of the fiscal year in which this Award was granted. PSUs are retained and will be delivered on the Settlement Date.

- Termination in connection with a divestiture or separation of any of the Company's businesses, as determined by the Company's Chief Human Resources Officer. PSUs are retained and will be delivered on the Settlement Date.

VII. CHANGE IN CONTROL

Notwithstanding the foregoing, if there is a Change in Control that meets the requirements of a change in control event under Section 409A, all outstanding PSP Awards will vest at 100% of the Initial PSU Grant target (or 100% of the PSP Target if the Change in Control occurs prior to the Initial PSU Grant) including dividends that would have accumulated since the initial PSU grant on the vested units, and shall be paid in shares of Common Stock at the time of such Change in Control. If there is a Change in Control event that does not meet the requirements of a change in control event under Section 409A, all outstanding PSP Awards will be settled according to the terms and conditions set forth herein, without the application Article 17 of the 2019 Plan. "Change in Control" shall have the same meaning as defined in the 2019 Plan or any successor stock plan approved in accordance with applicable listing standards.

VIII. GENERAL TERMS AND CONDITIONS

It shall be understood that the PSP does not give to any officer or employee any contract rights, express or implied, against any Company for any PSP Award, or for compensation in addition to the salary paid to him or her, or any right to question the action of the Board of Directors or the C&LD Committee.

Each PSP Award made to an individual at Band 7 and above is subject to the Senior Executive Recoupment Policy adopted by the C&LD Committee in December 2006.

To the extent applicable, it is intended that the PSP comply with the provisions of Section 409A. The PSP will be administered and interpreted in a manner consistent with this intent. Neither a Participant nor any of a Participant's creditors or beneficiaries will have the right to subject any deferred compensation (within the meaning of Section 409A) payable under the PSP to any anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment or garnishment. Except as permitted under Section 409A, any deferred compensation (within the meaning of Section 409A) payable to a Participant under the PSP may not be reduced by, or offset against, any amount owing by a Participant to the Company.

This program document may be amended at any time by the C&LD Committee

Approved October 8, 2019

Exhibit (10-3)

Summary of the Company's Long-Term Incentive Program

LONG-TERM INCENTIVE PROGRAM

(Effective July 1, 2019)

The Long-Term Incentive Program ("LTI Program") is part of The Procter & Gamble Company's (the "Company") long-term incentive compensation and is designed to increase employee ownership and focus employees on the long-term success of the Company. Awards granted under the LTI Program ("LTI Awards") are made pursuant to authority delegated to the Compensation & Leadership Development Committee (the "Committee") by the Board of Directors for determining compensation for the Company's principal officers and for making awards under The Procter & Gamble 2019 Stock and Incentive Compensation Plan (the "2019 Plan") or any successor stock plan approved in accordance with applicable listing standards.

I. ELIGIBILITY

Active employees at Band 4 and above as of October 1 prior to grant date are included in the Plan, as well as a select percent of Band 3 employees. In special circumstances such as for acquisitions or experienced hires, the CHRO may authorize grants for employees who are not active as of October 1 but are employees as of the grant date. Employees recommended by management and approved by the Committee or Committee's delegate are eligible to participate ("Participants").

II. OVERVIEW

The LTI Program motivates leaders to achieve results in the long term by driving ownership behavior through the awarding of stock options, stock appreciation rights (SARs), and restricted stock units (RSUs). Participants at Band 4 and above may be provided a choice of a mix of stock options and RSUs, except for the CEO, whose grant form is solely determined by the Committee. The choice must be made before the end of the calendar year preceding the award date. Band 3 participants receive awards in the form of stock options, RSUs, or a mix as authorized by the CEO prior to grant date. Exceptions may exist in some countries where stock options and/or RSUs are not locally allowed or effective as a compensation vehicle.

III. AWARD DETERMINATION

Market target grant values by Job Band are based on competitive market data from peer companies and analysis of global long-term incentive practices.

- CEO – The market analysis is reviewed and a final award value for the CEO is determined solely by the Committee.
- Principal Officers – Market target grant values for Principal Officers are authorized by the Committee. Final awards for Principal Officers are recommended by the CEO and approved directly by the Committee.
- Band 4-6 – The CEO authorizes market target grant values by band below Band 7. Individual employee award targets are determined based on the employee's home country and job band. The final award values for Band 4-6 may be further adjusted by Business Unit leaders for individual performance. Final award amounts for employees Band 4-6 are approved by the CEO as delegated by the Committee. Awards for low performers are reduced or eliminated.

- Band 3 – The CEO authorizes market grant values, award mix, and participation rates at Band 3. The Business Unit leaders select the Band 3 participants within their organizations. The final award values for Band 3 are set based on home country and approved by the CEO as authorized by the Committee.

The number of stock options or SARs awarded to each employee will be determined on grant date using the same methodology by which the Company expenses stock options. The number of RSUs awarded will be determined based on the price of P&G stock on grant date.

The option price or grant price used for any LTI Award will be the closing price for a share of Common Stock on the New York Stock Exchange on the day of the grant, or such higher price as may be specified in the French Addendum of the Regulations (the "Grant Price"). If the New York Stock Exchange is closed on the day of the grant, then the date of the Award will be the first day of trading of the Company's stock subsequent to the date previously specified for such award.

LTI Awards will be granted on the last business day of February each year. Employees who did not receive the appropriate award on this date due to an administrative or data error will receive their appropriate LTI Award on the last business day prior to May 10 each year.

If applicable, Participants must accept their awards according to the terms of the Award Letter or the Award will not be granted.

IV. VESTING AND SETTLEMENT

Stock options and SARs vest three years following the grant date. They expire ten years after the grant date. RSUs have a vest date and settlement date three years following the grant date, are eligible for dividend equivalents, and cannot be deferred in accordance with Internal Revenue Code 409A unless otherwise determined by the Committee at grant.

V. SEPARATION FROM THE COMPANY (Defined terms shall have the meaning designated in the 2019 Plan or related award documents)

If the Participant's Termination of Employment occurs for any reason before the Expiration Date and prior to exercising the Award for stock options and SARs, or before the Vest Date for RSUs, except for the reasons listed below, the Award will be forfeited. Participants must remain in compliance with the terms and conditions set forth in the 2019 Plan, including those in Article 6.

- Termination on Account of Death (except in France and the UK). The Vest Date for stock options and SARs becomes the date of death and the Award remains exercisable until the Expiration Date. For RSUs, the Award will be fully vested and payment will be made by the later of the end of the calendar year or two and a half months following the date of death.

- Termination on Account of Death for awards granted in France or the UK. The consequences of death are determined by the local plan supplement, if applicable.

- Termination on Account of Retirement or Disability after June 30th of the fiscal year in which this Award was granted. Stock options and SARs are retained and will be exercisable on the Vest Date and will expire on the Expiration Date. RSUs are retained and will be delivered on the Settlement Date.

- Termination pursuant to a Written Separation Agreement that provides for retention of the Award, after June 30th of the fiscal year in which this Award was granted. Stock options and SARS are retained and will become exercisable on the Vest Date and will expire on the Expiration Date. RSUs are retained and will be delivered on the Settlement Date.

- Termination in connection with a divestiture or separation of any of the Company's businesses, as determined by the Company's Chief Human Resource's Officer. All outstanding Stock options and SARs are retained and will become exercisable on the Vest Date and will expire on the Expiration Date. All outstanding RSUs are retained and will be delivered on the Settlement Date.

VI. CHANGE IN CONTROL

If there is a Change in Control, the provisions of Article 17 of the 2019 Plan will apply.

VII. GENERAL TERMS AND CONDITIONS

It shall be understood that the LTI Program does not give to any employee any contract rights, express or implied, against the Company for any LTI Award, or for compensation in addition to the salary paid to him or her.

This program document may be amended at any time by the Committee.

Exhibit (10-4)

Summary of the Company's Short Term Achievement Reward Program

SHORT TERM ACHIEVEMENT REWARD PROGRAM
(Effective July 1, 2019)

The Short-Term Achievement Reward ("STAR") Program is The Procter & Gamble Company's (the "Company") annual bonus program designed to motivate and reward employees for achieving outstanding short-term business results for the Company and its subsidiaries. STAR awards are made pursuant to authority delegated to the Compensation & Leadership Development Committee (the "C&LD Committee") by the Board of Directors for awarding compensation to the Company's principal officers and for making awards under the Procter & Gamble 2019 Stock and Incentive Compensation Plan (the "2019 Plan") or any successor stock plan approved in accordance with applicable listing standards.

I. ELIGIBILITY

Employees at Band 2 or above and who worked at least 28 days (four calendar weeks) during the applicable fiscal year are eligible to participate. Eligible employees who do not work a full schedule (e.g., leaves of absence, disability, and less-than-full time schedules) in the fiscal year in which the award is payable may have awards pro-rated.

II. CALCULATION

The individual STAR Award is calculated as follows:

(**STAR Target**) x [(**Business Unit Performance Factor** x 70% weighting) + (**Total Company Performance Factor** X 30% weighting)]

- The **STAR Target** for each participant is calculated as:

  (Base Salary) x (STAR Target percent) where *Base Salary* at the end of the applicable fiscal year is used to calculate the STAR award. Generally, the *STAR Target Percent* is dependent on the individual's position and level (Band) in the organization. The STAR Target percent for participants at Band 7 or above is set by the C&LD Committee. The STAR Target percent for all other participants is set by the Chief Executive Officer, with the concurrence of the Chief Human Resources Officer, pursuant to authority delegated to them by the C&LD Committee. If an individual's position and/or level changes during a fiscal year, and that change results in a new STAR Target Percent, the STAR Target Percent is pro-rated according to the amount of time in each position/level during the fiscal year.

- The **Business Unit Performance Factor** is weighted at 70% and is based on the fiscal year success for the appropriate STAR business unit. The STAR business units are defined by the Chief Human Resources Officer and may consist of business categories, segments, geographies, functions, organizations or a combination of one or more of these items. The STAR business units will be defined within ninety (90) days of the beginning of the fiscal year but may be adjusted as necessary to reflect business and/or organizational changes (e.g., reorganization, acquisition, merger, divestiture, etc.). The Business Unit Performance Factors can range from 0% to 200% with a target of 100%. In general, a committee consisting of at least two of the Chief Executive Officer, Chief Financial Officer, Chief Human Resources Officer and/or the Chief Operating Officer (the "STAR Committee"), conducts a comprehensive retrospective assessment of the fiscal year performance of each STAR business unit against previously established goals and relative to competition for one or more of the following measures: Operating Total Shareholder Return, After Tax Profit, Free Cash Flow Productivity, Value Share, Organic Sales, Internal controls, Accounts receivable ,Inventory, Organization Head Self-Assessment, and Cross Organization Assessment. The STAR Committee makes a recommendation of an appropriate Business Unit Performance Factor to the C&LD Committee. There may also be other factors significantly affecting STAR business unit results positively or negatively which can be considered by the STAR Committee when making its recommendation. No member of the STAR Committee makes any recommendation or determination as to their own STAR award. As a result, there are certain instances in which a Business Unit Performance Factor recommendation to the C&LD Committee must be made exclusively by the Chief Executive Officer.

  Business Unit leaders may then allocate the approved STAR Business Unit Factors among the divisions of the Business Unit to more closely align the STAR award with performance, so long as the total expenditure does not exceed that approved by the STAR Committee and no individual STAR award exceeds 200% of target.

- The **Total Company Performance Factor** is weighted at 30% and is based on the total Company's success during the fiscal year and ranges from 0% to 200%, with a target of 100%. The same Total Company Performance Factor is applied to all STAR award calculations, regardless of STAR business unit. It is determined using a matrix which compares results against pre-established goals for fiscal year organic sales growth and core earnings per share ("EPS") growth for the fiscal year.

While the STAR Committee makes recommendations to the C&LD Committee regarding the Business Unit and Total Company performance factors to be applied to all STAR awards (except those for the STAR Committee members), only the final award amounts for principal officers are approved specifically by the C&LD Committee. The C&LD Committee has delegated the approval of STAR awards for other participants to the Chief Executive Officer. The C&LD Committee has discretion to use, increase or decrease the performance factors recommended by the STAR Committee and/or to choose not to pay STAR awards during a given year.

III. TIMING AND FORM

STAR awards are determined after the close of the fiscal year and are paid on or about September 15. The award form choices and relevant considerations are explained to participants annually. Participants receive written notice of their award detailing the calculation and grant letters for those employees who elect to receive awards in stock options

Generally, STAR awards are paid in cash. However, before the end of the calendar year preceding the award date, eligible participants can elect to receive their STAR award in forms other than cash. Alternatives to cash include stock options, stock appreciation rights ("SARS"), local deferral programs (depending on local regulations in some countries) and/or deferred compensation (for employees eligible to participate in the Executive Deferred Compensation Program). The number of stock options or SARs awarded to each employee will be determined on grant date by determining the USD value of the award chosen by the employee to be paid in stock options and dividing that value by the grant date GAAP expense of one stock option. The result will be rounded up to the nearest whole share. Any STAR award paid in stock options or other form of equity shall be awarded pursuant to this program and the terms and conditions of the 2019 Plan or any successor stock plan approved in accordance with applicable listing

standards, as they may be revised from time to time. STAR awards paid in stock options or SARS will have the following terms unless otherwise approved by the C&LD Committee at grant:

Grant date will be the last business day on or before September 15. If the New York Stock Exchange is closed on the day of the grant, then the C&LD Committee will establish a grant date as soon as practical following the date previously specified. Provided participants remain in compliance with the terms and conditions set forth in the currently active Stock Plan and the Regulations, STAR stock options and SARs are not forfeitable, will become exercisable three years after the grant date, and will expire ten years after the grant date. In the event of death of the participant, the award becomes exercisable as of the date of death and the award remains exercisable until the Expiration Date. For awards granted in France or the United Kingdom, the consequences of death are determined by the local plan supplement, if applicable.
The option price used for any STAR Award will be the closing price for a share of Common Stock on the New York Stock Exchange on the grant date, or such higher price as may be specified in the French Addendum of the Regulations (the "Grant Price").

IV. SEPARATION FROM THE COMPANY

- **Retirement, Death or Special Separation with a Separation Package**: If a participant worked at least 28 days (4 calendar weeks) during the fiscal year, the STAR award is pro-rated by dividing the number of calendar days the participant was an "active employee" during the fiscal year by 365.

- **Voluntary Resignation or Termination for cause:** Separating employees must have been active employees as of June 30 or the last business day in June (the close of the fiscal year for which the award is payable) to receive an award.

- **Separation due to a Company authorized divestiture:** In the case of divestitures the CHRO is authorized to determine the appropriate STAR payout based on Business Unit factors either at Target or at projected or actual business results. The CHRO is also authorized to pay awards for the current or following partial fiscal year at time of divestiture close for administrative convenience.

Eligible participants who have left the Company will receive a cash payment (stock options can only be issued to active employees) on the same timing as STAR awards or as soon thereafter as possible.

V. CHANGE IN CONTROL

Notwithstanding the foregoing, if there is a Change in Control in any fiscal year, STAR awards will be calculated in accordance with Section II above, but each factor will be calculated for the period from the beginning of the fiscal year in which a Change in Control occurred up to and including the date of such Change in Control ("CIC Period"). "Change in Control" shall have the same meaning as defined in the 2019 Plan or any successor stock plan.

VI. GENERAL TERMS AND CONDITIONS

While any STAR award amount received by one individual for any year shall be considered as earned remuneration in addition to salary paid, it shall be understood that this plan does not give to any officer or employee any contract rights, express or implied, against any Company for any

STAR award or for compensation in addition to the salary paid to him or her, or any right to question the action of the Board of Directors or the C&LD or STAR Committees.

The Chief Human Resources Officer or the Chief Legal Officer may withhold a STAR award for a separated employee who is discovered to have engaged in serious misconduct or actions detrimental to the Company's interests.

Each award to an individual at Band 7 and above, made pursuant to this plan, is subject to the Senior Executive Recoupment Policy as amended by the C&LD Committee in April 2018.

To the extent applicable, it is intended that STAR comply with the provisions of Section 409A. STAR will be administered and interpreted in a manner consistent with this intent. Neither a Participant nor any of a Participant's creditors or beneficiaries will have the right to subject any deferred compensation (within the meaning of Section 409A) payable under STAR to any anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment or garnishment. Except as permitted under Section 409A, any deferred compensation (within the meaning of Section 409A) payable to a Participant under STAR may not be reduced by, or offset against, any amount owing by a Participant to the Company.

This program document may be amended at any time by the C&LD Committee.

Exhibit (10-5)

Summary of the Company's Retirement Plan Restoration Program

RETIREMENT PLAN RESTORATION PROGRAM SUMMARY

I. OVERVIEW

Each year, the Company grants retirement plan awards intended to supplement or replace awards made under The Procter & Gamble Profit Sharing Trust and Employee Stock Ownership Plan ("PST"). Awards (the "Retirement Awards") are in the form of RSUs under three programs, granted under and subject to The Procter & Gamble 2019 Stock and Incentive Compensation Plan (the "2019 Plan").

The PST Restoration program provides an award to eligible U.S. participants already enrolled in the PST. The IRS caps the amount of salary that can be used to calculate individual credits to the PST. This program restores the difference between the allowable PST credit and the amount that would have been credited without the IRS cap by granting PST Restoration Awards to all qualifying participants, including the CEO.

In addition, the International Retirement Plan (IRP) provides awards to foreign-based employees who are placed on U.S. pay programs but work outside the U.S. and are therefore not eligible for the PST. These employees receive a yearly grant of IRP RSUs based on a formula that mirrors the PST contribution formula.

Finally, the Supplemental Retirement Income (SRI) program provides awards to a small number of experienced senior hires. It is intended to supplement the PST based on additional credit service years agreed to at the time of employment.

II. AWARD TERMS

The Retirement Awards earned from the prior fiscal year ended June 30 will be granted on the first Thursday in August (the "Grant Date"). The Retirement Awards vest immediately if the employee has more than 5 years of service. The Retirement Awards are eligible for dividend equivalents. Except as provided in Section III below, the Retirement Awards will have the payment terms and conditions reflected in the applicable attached RSU award agreement (Form RTD for participants other than Principal Officers; Form RTD-C for Principle Officers), as applicable to the participant.

As provided in more detail in the RSU award agreement, vested Retirement Awards will be delivered by default one year post separation and may be further deferred by at least five years in accordance with section 409A of the Internal Revenue Code. In addition, the Restoration Awards and dividend equivalents granted to Principal Officers may be diversified using investment choices available under The Procter & Gamble Company Executive Deferred Compensation Plan once the Principal Officer is age 50. The amount diversified will be determined by multiplying the number of RSUs to be converted by the closing price of the Company's Common Stock on the New York Stock Exchange on the date of conversion.

Award amounts are calculated by the US PST Administration pursuant to the terms of the PST plan. The Awards will be made in the form of RSUs, with the number of units determined by dividing the amounts of each award by the average of the closing price of the Company's Common Stock on the New York Stock Exchange for last five business days of the fiscal year and including the value of the missed dividend payment. Amounts are rounded up to the next full unit.

If applicable, Participants must accept their awards according to the terms of the Award Letter or the Award will not be granted.

III. AWARD FORM

Awards are made in the form of RSUs, except that If a participant with more than 5 years of service separates before the Grant Date, the award is paid as a lump sum cash payment as soon as practicable following the Grant Date, and in any event no later than [30] days following the Grant Date.

V. AWARD SETTLEMENT (Defined terms shall have the meaning designated in the 2019 Plan or related award documents)

Upon separation from the Company, the Retirement Awards will be settled as shares on the one-year anniversary of the participant's separation, or on the dates designated pursuant to a deferral election or subsequent deferral election under section 409A.

VI. CHANGE IN CONTROL

If there is a Change in Control, the provisions of Article 17 of the 2019 Plan will apply.

VII. GENERAL TERMS AND CONDITIONS

This program document may be amended at any time by the Committee. A participant shall not have a legally binding right to a Retirement Award or a lump sum cash payment unless and until the award is granted or the payment is made.

Exhibit 10-6

Company's Form of Separation Letter & Release

[On P&G Letterhead]

[DATE]

[EMPLOYEE NAME]
[EMPLOYEE ADDRESS]
[EMPLOYEE ADDRESS]

RE: Separation Letter & Release

Dear [EMPLOYEE NAME]:

[ ] ("P&G") is willing to assist you following your employment separation from P&G in exchange for your agreement and compliance with the terms set forth below.

Employment Separation Date:	Your last day of employment with P&G will be [DATE], which will be your "Employment Separation Date" for purposes of this letter. You understand and agree that if P&G determines that you engaged in misconduct during your employment, or if you fail to perform your work and responsibilities in a satisfactory manner up to and including your Employment Separation Date, P&G may terminate your employment immediately and will not provide, nor be obligated to provide, the payment(s) and other benefits described in this letter.
Vacation:	You will receive payment for your accrued but unused vacation as of your Employment Separation Date, which sum will be paid to you in accordance with P&G policy and applicable laws. You will not accrue any additional vacation following your Employment Separation Date.
STAR Award [Optional]	As of your Employment Separation Date, if you were otherwise eligible for a STAR award and you worked at least 28 days (4 calendar weeks) during the fiscal year, you will receive a pro-rated STAR award for the 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 Employment Separation Date by 365. Your STAR award will be paid in cash in the September (but no later than September 15th) immediately following the end of the fiscal year in which your employment terminates with P&

Separation Payment [Optional]:	P&G will, within thirty (30) calendar days after your Employment Separation Date, provide you with a separation payment in the amount of $[AMOUNT] ("Separation Payment") (representing [#] weeks of pay at your current salary), less applicable state and federal withholdings and deductions, which sum will be paid in one lump sum payment. The Separation Payment will be the only assistance P&G provides upon your separation. Other resources may be available to you as a participant in general compensation and benefit plans, which it will be your responsibility to identify and make any necessary arrangements upon separation. Amounts you owe to P&G as of your Employment Separation Date, including, but not limited to, wage and/or benefit overpayments and unpaid loans, will also be deducted from the Separation Payment.
Unemployment Compensation Benefits [Optional]:	Your Separation Payment will be allocated to the [#] week period following your Employment Separation Date.

Special Retirement ("Rule of 70") [Optional]

P&G will agree to allow the "Rule of 70" to apply to you, but only for purposes of eligibility for retiree health care benefits under the Procter & Gamble Retiree Welfare Benefits Plan. The Rule of 70 is a special eligibility rule for retiree health care coverage (including medical, dental, and prescription drug benefits) under the Procter & Gamble Retiree Welfare Benefits Plan that only applies in specific circumstances. The Rule of 70 will apply to you with respect to health care coverage under the Procter & Gamble Retiree Welfare Benefits Plan as long as that Plan continues to exist and as long as the Rule of 70 continues as an eligibility rule for coverage under that Plan.

For purposes of this paragraph only, the parties agree that your employment with P&G ended on [EMPLOYMENT SEPARATION DATE], and that you were not terminated for cause. The parties also agree that at the time your employment with the Company ended, you were [##] years old and had [##] years of service with the Company, making your full years of age plus full years of service [TOTAL], which is greater than 70.

To avoid confusion, other than establishing that the Rule of 70 applies to you for purposes of retiree health care coverage under the Procter & Gamble Welfare Benefits Plan, you are subject to the same terms and conditions of the Procter & Gamble Welfare Benefits Plan, including but not limited to (1) coverage does not begin until you enrolls in the Plan, and once enrolled coverage is only prospective, (2) the monthly premiums required for coverage under the Plan must be paid on time to avoid coverage from terminating, (3) you will become ineligible for coverage under the Plan while you are 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 (if you were at Band 5 or below at the time your employment with the Company ended) or in any capacity (if you were at Band 6 or above at the time your employment with the Company ended), and (4) the Company's reservation of amendment and termination rights with respect to the Plan.

Retention of Vested & Unvested Equity Awards [Optional]

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, you will retain the awards subject to the original terms and conditions of the awards. You will also retain awards granted under the Procter & Gamble 2014 Stock & Incentive Compensation Plan and the Procter & Gamble 2019 Stock & Incentive Compensation Plan subject to the terms and conditions of those Awards.

This Separation Letter & Release does not alter the rights and obligations that you may have under the Procter & Gamble 2019 Stock & Incentive Compensation Plan, 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.

Release of Claims - Including Employment Claims:

You hereby release P&G from any and all claims or rights you may have against P&G. The term "P&G" includes The Procter & Gamble Company and any of its present, former and future owners, parents, affiliates and subsidiaries, and its and their directors, officers, shareholders, employees, agents, benefit plans, trustees, fiduciaries, servants, representatives, predecessors, successors and assigns. 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 th**e Age Discrimination in Employment A**ct ("ADEA"), 29 U.S.C. § 621, et seq.; (2) claims arising under any other federal, state or local law, regulation or ordinance or other order that regulates the employment relationship and/or employee benefits; and (3) claims arising out of or relating in any way to your employment with P&G or the conclusion of that employment. This release does not apply to claims that may arise after the date you sign this letter or that may not be released under applicable law.

Governmental Agencies: Nothing in this Separation Letter & Release 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 Separation Letter & Release 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 Separation Letter & Release prohibits or prevents you from receiving individual monetary awards or other individual relief by virtue of participating in such federal whistleblower programs.

Return of P&G Property:

You agree that by your Employment Separation Date, 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, phones, iPads, tablets 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 Employment Separation Date.

Confidential Business Information: Consistent with the "Information for the Departing Employee" document reviewed with you prior to your Employment Separation Date, you agree to protect P&G business information. Subject to the "Government Agencies" paragraph in the above Release of Claims, you agree not to disclose or transfer to yourself or others any P&G business information, even information you may have created yourself or to which you may have contributed as a P&G employee. Please refer to the "Information for the Departing Employee" document for more information.

Continuing Cooperation [Optional] Regardless of whether you sign this Agreement and in the event it becomes necessary, following your Employment Separation Date, you are required to cooperate in executing any and all papers required for filing and prosecuting any patent applications and establishing P&G's ownership of all inventions relating to its business which are made by employees hired to invent or create. You understand that you will not receive any additional compensation for such cooperation.

No Other Agreements: Except as specifically set forth in this Paragraph ("No Other Agreements"), this letter supersedes any prior written or oral agreements between P&G and you concerning the termination of your employment and any benefits you might receive following that event. This letter is neither a Negotiated Separation Agreement under the Procter & Gamble Basic Separation Program nor an agreement under any other separation program or plan sponsored by The Procter & Gamble Company or any of its subsidiaries. This letter does not alter your rights and obligations under the terms of the P&G Profit Sharing and Employee Stock Ownership Plan, other retirement plans, the P&G Stock and Incentive Compensation Plan, and other compensation plans.

To accept the terms set forth in this letter, please sign below. By signing below, you acknowledge that you have read the entire letter, that you understand it, and that you voluntarily accept its terms. You further agree that you understand this is a legally binding agreement, that you have been advised to consult with an attorney, that you have been given 21 days to consider this Separation Letter & Release and that you can revoke your acceptance within seven days of your acceptance by providing written notification to your human resources manager. **Finally, you understand that (1) this Separation Letter & Release includes the release of all claims and (2) you are waiving unknown claims and are doing so intentionally and voluntarily.**

Sincerely,

The Procter & Gamble Company

By: _____

Accepted and agreed to this _____ day of _____, 20__.

_____

[EMPLOYEE NAME]

Exhibit 10-7

Company's Form of Separation Agreement & Release

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.

Last Day of Employment:	Your last day of employment will be **«Exit_Date»,** referred to as your "Last Day of Employment." You understand and agree that if P&G determines that you engaged in misconduct during your employment, or if you fail to perform your work and responsibilities in a satisfactory manner up to and including your Last Day of Employment, P&G may terminate your employment immediately and will not provide, nor be obligated to provide, the payment(s) and other benefits described in this Agreement. Otherwise, unless noted below, your pay and benefits will cease as of your Last Day of Employment.
Separation Payment:	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. 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.
Payment for Unvested PST:	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.

STAR Awards:	As of your Last Day of Employment, if you were otherwise eligible for a STAR award and 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 15th) immediately following the end of the fiscal year in which you terminate.
Equity Awards (including Recognition Shares):	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, you will retain the awards subject to the original terms and conditions of the awards. You will also retain awards granted under the Procter & Gamble 2014 Stock & Incentive Compensation Plan and the Procter & Gamble 2019 Stock & Incentive Compensation Plan subject to the terms and conditions of those Awards. This agreement does not alter the rights and obligations that you may have under the Procter & Gamble 2019 Stock & Incentive Compensation Plan, 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.
Current Health, Dental, and Life Insurance Benefits:	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»**. N**ote:** Any life insurance coverage other than company-paid life insurance coverage will not continue during this time. 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.

Retiree Medical and Dental Benefits:	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.[1] 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 PGOne - Life and Career **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.
Outplacement Services:	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. After accepting this Agreement, and after obtaining your manager's approval, you may 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 must begin utilizing outplacement services within 45 days of your Last Day of Employment to be eligible for this benefit.

[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.

Retraining:	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.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. 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.
No Consideration Without Executing this Agreement:	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.
Continued Employment Through Your Last Day of Employment:	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.
Nonadmission of Wrongdoing:	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.

Release of Claims – Including Age Discrimination and Employment Claims:	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. 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. 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. 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. 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. 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. 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 "*Release of Claims – Including Age Discrimination and Employment Claims"* and the "*Confidential, Proprietary, Trade Secret Information & Period of Non-Competition"* 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 programsMoreover, 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 programsMoreover, 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.

Confidential, Proprietary, Trade Secret Information & Period of Non-Competition:	Subject to the "Governmental Agencies" portion of the "*Release of Claims – Including Age Discrimination and Employment Claims"* 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, transfer or have in your possession any confidential, proprietary or trade secret information on or after your last day of employment, even information you may have created yourself or to which you may have contributed as a P&G employee. 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. 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. 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): 1. 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 2. 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. 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. 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. 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. 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 referenceIf 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 referenceIf 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
Acknowledgments and Affirmations:	Subject to the "Governmental Agencies" portion of the "*Release of Claims – Including Age Discrimination and Employment Claims"* above, you affirm that you have not filed, caused to be filed, or presently are a party to any claim against P&G. 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. 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. You further affirm that you have no known workplace injuries or occupational diseases that have not been reported.

Assignment of Intellectual Property:	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.
Return of P&G Property:	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.
Ethics Compliance:	Subject to the "Governmental Agencies" portion of the "*Release of Claims – Including Age Discrimination and Employment Claims"* 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.

Agreement to Arbitrate Disputes:	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. 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. 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.
Severability:	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.
Employment References:	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.

No Reliance:	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.
Your Attorney:	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.
Timing for Acceptance or Revocation:	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. 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.

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.

To accept this separation package according to the terms of the above Agreement, go back to the e-mail and electronic link you received and click on the “Accept” button. By clicking “Accept,” you acknowledge that you have read the entire Agreement, that you understand it, and that you voluntarily accept its terms. You further agree that you understand that it is a legally binding agreement, that you have been advised to consult with an attorney, that you have been given 45 days to consider the Agreement, and that you can revoke your acceptance within seven days of accepting the Agreement by providing written notification to your immediate manager. If you do not wish to accept the terms of this Agreement, click on the “Decline” button.

Procter & Gamble Basic Separation Program for U.S. Employees

Summary Plan Description

April 1, 2019

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"). sic 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 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 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.

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[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.

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 forum[3] 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 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 plan, 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	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. Years of Service % Annual Base Pay 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% Separation Payments are payable in one lump sum, less tax withholding, and are issued as soon as administratively practical (typically, four to six weeks) *after your Last Day of Employment*. 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.
PAYMENT FOR UNVESTED PST	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.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.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.

EXTENSION OF MEDICAL, DENTAL, AND BASIC LIFE COVERAGE	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. 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 *your Last Day of Employment* 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. Years of Service # Months 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 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. **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. **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.
OUTPLACEMENT SERVICES	If the Company offers you outplacement services as part of you 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.

EXHIBIT 31.1

Rule 13a-14(a)/15d-14(a) Certifications

I, David S. Taylor, certify that:

(1) I have reviewed this quarterly report on Form 10-Q 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

January 23, 2020

Date

EXHIBIT 31.2

Rule 13a-14(a)/15d-14(a) Certifications

I, Jon R. Moeller, certify that:

(1) I have reviewed this quarterly report on Form 10-Q 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, Chief Operating Officer and Chief Financial Officer

January 23, 2020

Date

EXHIBIT 32.1

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) The Quarterly Report on Form 10-Q of the Company for the quarterly period ended December 31, 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-Q 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

January 23, 2020

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 32.2

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) The Quarterly Report on Form 10-Q of the Company for the quarterly period ended December 31, 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-Q 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, Chief Operating Officer and Chief Financial Officer

January 23, 2020

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.