Employers Holdings, Inc.
Form 4
August 28, 2015

FORM 4

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

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB Number:	3235-0287
Expires:	January 31, 2005
Estimated average burden hours per response...	0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
Rumbolz Michael D

(Last) (First) (Middle)

10375 PROFESSIONAL CIRCLE

(Street)

RENO, NV 89521

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
Employers Holdings, Inc. [EIG]

3. Date of Earliest Transaction (Month/Day/Year)
08/26/2015

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director　　_____ 10% Owner
_____ Officer (give title below)　　_____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price Derivati Security (Instr. 5

Derivative Security						Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)					
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Dividend Equivalent Rights	(1)	08/26/2015	A		32		(1)	(1)	Common Stock, par value $0.01	32	$ 0

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Rumbolz Michael D 10375 PROFESSIONAL CIRCLE RENO, NV 89521	X			

Signatures

/s/ Lenard T. Ormsby, attorney in fact	08/27/2015
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) The dividend equivalent rights ("DERs") accrued on vested restricted stock units ("RSUs") previously granted to the reporting person where the reporting person has voluntarily deferred delivery of such RSUs until six months following termination of service on the board of directors. The DERs become exercisable proportionately with the RSUs to which they relate. Each DER is the economic equivalent of one share of common stock of Employers Holdings, Inc.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. PADDING-TOP: 2pt"
vAlign=bottom> **2013** **2012** **2011**Current Federal$247$200$139 State231219 Foreign204845Total current290260203Deferred Federal(10) 71 State(2)12 Foreign1(13) Total deferred(11)(12)73Total$279$248$276

*Continues on next page*4

NOTE 18. INCOME TAXES (Continued)

The components of earnings from continuing operations before income taxes, by tax jurisdiction, consisted of the following as of June 30:

	2013	2012	2011
United States	$731	$655	$446
Foreign	122	136	117
Total	$853	$791	$563

A reconciliation of the statutory federal income tax rate to the Company s effective tax rate on continuing operations follows as of June 30:

	2013	2012	2011
Statutory federal tax rate	35.0%	35.0%	35.0%
State taxes (net of federal tax benefits)	1.7	1.1	2.3
Tax differential on foreign earnings	(1.3)	(2.5)	(1.0)
Domestic manufacturing deduction	(2.3)	(2.2)	(3.5)
Noncash goodwill impairment			16.0
Other differences	(0.4)		0.2
Effective tax rate	32.7%	31.4%	49.0%

The lower effective tax rate for fiscal year 2012 compared to fiscal year 2013 was primarily due to lower taxes on foreign earnings and higher uncertain tax position releases. The effective tax rates for fiscal years 2013 and 2012 also reflected benefits from tax settlements. The substantially different effective tax rate in fiscal year 2011 primarily resulted from the 16.0% impact of the non-deductible noncash goodwill impairment charge of $258 related to the Burt s Bees reporting unit as there was no substantial tax benefit associated with this noncash charge.

Applicable U.S. income taxes and foreign withholding taxes have not been provided on approximately $158 of undistributed earnings of certain foreign subsidiaries as of June 30, 2013, because these earnings are considered indefinitely reinvested. The net federal income tax liability that would arise if these earnings were not indefinitely reinvested is approximately $42. Applicable U.S. income and foreign withholding taxes are provided on these earnings in the periods in which they are no longer considered indefinitely reinvested.

Tax benefits resulting from share-based payment arrangements that are in excess of the tax benefits recorded in net earnings over the vesting period of those arrangements (excess tax benefits) are recorded as increases to additional paid-in capital. Excess tax benefits of approximately $11, $10, and $9, were realized and recorded to additional paid-in capital for the fiscal years 2013, 2012 and 2011, respectively.

Appendix A

NOTE 18. INCOME TAXES (Continued)

The components of deferred tax assets (liabilities) as of June 30 are shown below:

	2013	2012
Deferred tax assets		
Compensation and benefit programs	$ 176	$ 203
Basis difference related to Venture Agreement	30	30
Accruals and reserves	55	49
Inventory costs	20	22
Net operating loss and tax credit carryforwards	33	21
Other	51	23
Subtotal	365	348
Valuation allowance	(36)	(20)
Total deferred tax assets	329	328
Deferred tax liabilities		
Fixed and intangible assets	(273)	(268)
Low-income housing partnerships	(23)	(29)
Unremitted foreign earnings	(18)	(4)
Other	(24)	(28)
Total deferred tax liabilities	(338)	(329)
Net deferred tax liabilities	$ (9)	$ (1)

The Company periodically reviews its deferred tax assets for recoverability. A valuation allowance is established when the Company believes that it is more likely than not that some portion of its deferred tax assets will not be realized. Valuation allowances have been provided to reduce deferred tax assets to amounts considered recoverable. Details of the valuation allowance were as follows as of June 30:

	2013	2012
Valuation allowance at beginning of year	$ (20)	$ (14)
Net decrease in realizability of foreign deferred tax assets	(9)	(3)
Net increase in foreign net operating loss carryforward and other	(7)	(3)
Valuation allowance at end of year	$ (36)	$ (20)

As of June 30, 2013, the Company had no foreign tax credit carryforwards for U.S. income tax purposes. Tax credit carryforwards in foreign jurisdictions of $13 have expiration dates between fiscal years 2016 and 2022. Tax benefits from foreign net operating loss carryforwards of $15 have expiration dates between fiscal years 2014 and 2023. Tax benefits from foreign net operating loss carryforwards of $5 may be carried forward indefinitely.

The Company files income tax returns in the U.S. federal and various state, local and foreign jurisdictions. In the first quarter of fiscal year 2011, certain issues relating to 2003, 2004 and 2006 were effectively settled by the Company and the IRS Appeals Division. Tax and interest payments of $18 were made with respect to these issues in the second quarter of fiscal year 2011. Interest payments of $4 were made with respect to these issues in the third quarter of fiscal year 2011. No tax benefits had previously been recognized for the issues related to the 2003, 2004 and 2006 tax settlements. The federal statute of limitations has expired for all tax years through June 30, 2009. Various income tax returns in state and foreign jurisdictions are currently in the process of examination.

Certain issues relating to fiscal years 1996 through 2000 were effectively settled by the Company and the Canadian Revenue Agency in the first quarter of fiscal year 2012, resulting in a net benefit of tax and interest of $7. No tax benefits had previously been recognized for these issues in the Company s consolidated financial statements.

Continues on next page4

NOTE 18. INCOME TAXES (Continued)

The Company recognizes interest and penalties related to uncertain tax positions as a component of income tax expense. As of June 30, 2013 and 2012, the total balance of accrued interest and penalties related to uncertain tax positions was $8 and $7, respectively. Interest and penalties included in income tax expense resulted in a net expense of $1, a net benefit of $3, and a net benefit of $3 in fiscal years 2013, 2012 and 2011, respectively. The following is a reconciliation of the beginning and ending amounts of the Company s gross unrecognized tax benefits:

	2013	2012	2011
Unrecognized tax benefits - July 1	$ 80	$ 97	$ 84
Gross increases - tax positions in prior periods	3	4	3
Gross decreases - tax positions in prior periods	(19)	(17)	(9)
Gross increases - current period tax positions	7	5	45
Gross decreases - current period tax positions		(1)	
Lapse of applicable statute of limitations	(2)	(2)	
Settlements		(6)	(26)
Unrecognized tax benefits - June 30	$ 69	$ 80	$ 97

Included in the balance of unrecognized tax benefits as of June 30, 2013, 2012 and 2011, are potential benefits of $56, $56 and $68, respectively, which if recognized, would affect the effective tax rate on earnings.

In the twelve months succeeding June 30, 2013, audit resolutions could potentially reduce total unrecognized tax benefits by up to $2, primarily as a result of cash settlement payments. Audit outcomes and the timing of audit settlements are subject to significant uncertainty.

NOTE 19. EMPLOYEE BENEFIT PLANS

Retirement Income Plans

Effective July 1, 2011, and as part of a set of long-term, cost-neutral enhancements to the Company s overall employee benefit plans, the domestic qualified plan was frozen for service accrual and eligibility purposes for most participants, however, interest credits have continued to accrue on participant balances. As of June 30, 2013 and 2012, the benefits of the domestic qualified plan are based on either employee years of service and compensation or a stated dollar amount per years of service. The Company is the sole contributor to the plan in amounts deemed necessary to provide benefits and to the extent deductible for federal income tax purposes. Assets of the plan consist primarily of investments in cash equivalents, mutual funds and common collective trusts.

The Company did not make any contributions to its domestic qualified retirement income plan during fiscal years 2013 and 2012, and contributed $15 in fiscal year 2011. Contributions made to the domestic non-qualified retirement income plans were $11, $11 and $8 in fiscal years 2013, 2012 and 2011, respectively. The Company has also contributed $1 to its foreign retirement income plans in each of the fiscal years ended June 30, 2013, 2012 and 2011. The Company s funding policy is to contribute amounts sufficient to meet minimum funding requirements as set forth in employee benefit tax laws plus additional amounts as the Company may determine to be appropriate.

Retirement Health Care

The Company provides certain health care benefits for employees who meet age, participation and length of service requirements at retirement. The plans pay stated percentages of covered expenses after annual deductibles have been met. Benefits paid take into consideration payments by Medicare for the domestic plan. The plans are funded as claims are paid, and the Company has the right to modify or terminate certain plans.

The assumed domestic health care cost trend rate used in measuring the accumulated postretirement benefit obligation (APBO) was 7.6% for medical and 8.2% for prescription drugs for fiscal year 2013. These rates have been assumed to gradually decrease each year until an assumed ultimate trend of 4.5% is reached in 2028. The health care cost trend rate assumption has an effect on the amounts reported. The effect of a hypothetical 100 basis point increase or

NOTE 19. EMPLOYEE BENEFIT PLANS (Continued)

decrease in the assumed domestic health care cost trend rate on the total service and interest cost components, and the postretirement benefit obligation would have been $0, $1, $0 for the fiscal years ended June 30, 2013, 2012 and 2011, respectively.

Financial Information Related to Retirement Income and Retirement Health Care

Summarized information for the Company s retirement income and retirement health care plans at and for the fiscal years ended June 30 is as follows:

	Retirement Income		Retirement Health Care	
	2013	**2012**	**2013**	**2012**
Change in benefit obligations:				
Projected benefit obligation at beginning of year	$ 646	$ 566	$ 63	$ 58
Service cost	4		1	1
Interest cost	24	29	2	3
Employee contributions to deferred compensation plans		5		
Actuarial (gain) loss	(27)	82	(9)	3
Plan amendments			(5)	
Translation adjustment				(1)
Benefits paid	(35)	(36)	(1)	(1)
Projected benefit obligation at end of year	612	646	51	63
Change in plan assets:				
Fair value of assets at beginning of year	394	410		
Actual return on plan assets	37	9		
Employer contributions to nonqualified plans	12	12	1	1
Translation adjustment		(1)		
Benefits paid	(35)	(36)	(1)	(1)
Fair value of plan assets at end of year	408	394		
Accrued benefit cost, net funded status	$ (204)	$ (252)	$ (51)	$ (63)
Amount recognized in the balance sheets consists of:				
Current accrued benefit liability	$ (17)	$ (14)	$ (4)	$ (6)
Non-current accrued benefit liability	(187)	(238)	(47)	(57)
Accrued benefit cost, net	$ (204)	$ (252)	$ (51)	$ (63)

Retirement income plans with an accumulated benefit obligation (ABO) in excess of plan assets as of June 30 were as follows:

	Pension Plans		Other Retirement Plans	
	2013	**2012**	**2013**	**2012**
Projected benefit obligation	$ 529	$ 561	$ 80	$ 84
Accumulated benefit obligation	528	561	80	84
Fair value of plan assets	405	393		

The ABO for all pension plans was $530, $561 and $490 as of June 30, 2013, 2012 and 2011, respectively. The ABO for all retirement income plans decreased by $35 in fiscal year 2013, primarily due to an increase in the discount rate.

Continues on next page4

Explanation of Responses:

Explanation of Responses:

NOTE 19. EMPLOYEE BENEFIT PLANS (Continued)

The net costs of the retirement income and health care plans for the fiscal years ended June 30 included the following components:

	Retirement Income			Retirement Health Care		
	2013	2012	2011	2013	2012	2011
Service cost	$ 4	$	$ 12	$ 1	$ 1	$ 2
Interest cost	24	29	29	2	3	4
Expected return on plan assets	(29)	(31)	(33)			
Curtailment gain			(1)			
Amortization of unrecognized items	12	8	17	(2)	(3)	(2)
Total	$ 11	$ 6	$ 24	$ 1	$ 1	$ 4

Items not yet recognized as a component of postretirement expense as of June 30, 2013, consisted of:

	Retirement Income	Retirement Health Care
Net actuarial loss (gain)	$239	$(29)
Prior service cost (benefit)	1	(8)
Net deferred income tax (assets) liabilities	(89)	14
Accumulated other comprehensive loss (income)	$151	$(23)

Net actuarial loss (gain) recorded in accumulated other comprehensive net losses for the fiscal year ended June 30, 2013, included the following:

	Retirement Income	Retirement Health Care
Net actuarial loss (gain) at beginning of year	$286	$(22)
Amortization during the year	(12)	2
Gain during the year	(35)	(9)
Net actuarial loss (gain) at end of year	$239	$(29)

The Company uses the straight-line amortization method for unrecognized prior service costs and benefits. In fiscal year 2014, the Company expects to recognize, on a pre-tax basis, approximately $0 of the prior service cost and $9 of the net actuarial loss as a component of net periodic benefit cost for the retirement income plans; and approximately $1 of the prior service credit and $2 of the net actuarial gain as a component of net periodic benefit cost for the retirement health care plans.

Weighted-average assumptions used to estimate the actuarial present value of benefit obligations as of June 30 were as follows:

	Retirement Income		Retirement Health Care	
	2013	2012	2013	2012
Discount rate	4.39%	3.87%	4.33%	3.86%
Rate of compensation increase	3.44%	3.71%	n/a	n/a

NOTE 19. EMPLOYEE BENEFIT PLANS (Continued)

Weighted-average assumptions used to estimate the net periodic pension and other postretirement benefit costs as of June 30 were as follows:

	Retirement Income		
	2013	2012	2011
Discount rate	3.87%	5.31%	5.34%
Rate of compensation increase	3.71%	3.93%	4.20%
Expected return on plan assets	7.50%	8.12%	8.11%

	Retirement Health Care		
	2013	2012	2011
Discount rate	3.86%	5.29%	5.36%

The expected long-term rate of return assumption is based on an analysis of historical experience of the portfolio and the summation of prospective returns for each asset class in proportion to the fund s current asset allocation.

Expected benefit payments for the Company s pension and other postretirement plans as of June 30, 2013 were as follows:

	Retirement Income	Retirement Health Care
2014	$ 37	$ 4
2015	37	4
2016	37	3
2017	38	3
2018	39	3
Fiscal years 2019 2023	194	14

Expected benefit payments are based on the same assumptions used to measure the benefit obligations and include estimated future employee service.

The target allocations and weighted average asset allocations by asset category of the investment portfolio for the Company s domestic retirement income plans as of June 30 were:

	% Target Allocation		% of Plan Assets	
	2013	2012	2013	2012
U.S. equity	20%	29%	20%	29%
International equity	21	30	21	29
Fixed income	54	36	54	37
Other	5	5	5	5
Total	100%	100%	100%	100%

The target asset allocation is determined based on the optimal balance between risk and return and, at times, may be adjusted to achieve the plan s overall investment objective to generate sufficient resources to pay current and projected plan obligations over the life of the domestic qualified retirement income plan.

Continues on next page4

NOTE 19. EMPLOYEE BENEFIT PLANS (Continued)

The following table sets forth by level within the fair value hierarchy, the retirement income plans assets carried at fair value as of June 30:

	2013 Level 1	Level 2	Total
Cash equivalents	$ 3	$	$ 3
Common collective trusts			
Bond funds		217	217
International equity funds		93	93
Domestic equity funds		77	77
Real Estate fund		18	18
Total common collective trusts		405	405
Total assets at fair value	$ 3	$405	$408

	2012 Level 1	Level 2	Total
Cash equivalents	$ 2	$	$ 2
Common collective trusts			
Bond funds		149	149
International equity funds		116	116
Domestic equity funds		106	106
Real Estate fund		21	21
Total common collective trusts		392	392
Total assets at fair value	$ 2	$392	$394

The carrying value of cash equivalents approximates its fair value as of June 30, 2013 and 2012.

Common collective trust funds are not publicly traded and, therefore, are classified as Level 2. They are valued at a net asset value unit price determined by the portfolio s sponsor based on the fair value of underlying assets held by the common collective trust fund on June 30, 2013 and 2012.

The common collective trusts are invested in various trusts that attempt to achieve their investment objectives by investing primarily in other collective investment funds which have characteristics consistent with each trust s overall investment objective and strategy.

Defined Contribution Plans

The Company has defined contribution plans for most of its domestic employees. The plans include The Clorox Company 401(k) Plan. Effective July 1, 2011, The Clorox Company 401(k) Plan was amended to enhance the matching of employee contributions and to provide for a fixed and non-discretionary annual contribution in place of the profit sharing component. Prior to July 1, 2011, Company contributions to the profit sharing component above 3% of employee eligible earnings were discretionary and were based on certain Company performance targets for eligible employees. The aggregate cost of the defined contribution plans was $40, $46, and $21 in fiscal years 2013, 2012 and 2011, respectively. Included in the fiscal year 2011 costs was $17 of profit sharing contributions. The Company also has defined contribution plans for certain international employees. The aggregate cost of these foreign plans was $1 for each of the fiscal years ended June 30, 2013, 2012 and 2011.

NOTE 20. SEGMENT REPORTING

The Company operates through strategic business units that are aggregated into four reportable segments: Cleaning, Household, Lifestyle and International.

- *Cleaning* consists of laundry, home care and professional products marketed and sold in the United States. Products within this segment include laundry additives, including bleach products under the Clorox® brand and Clorox 2® stain fighter and color booster; home care products, primarily under the Clorox®, Formula 409®, Liquid-Plumr®, Pine-Sol®, S.O.S® and Tilex® brands; naturally derived products under the Green Works® brand; and professional cleaning and disinfecting products under the Clorox®, Dispatch®, Aplicare®, HealthLink® and Clorox Healthcare brands.

- *Household* consists of charcoal, cat litter and plastic bags, wraps and container products marketed and sold in the United States. Products within this segment include plastic bags, wraps and containers under the Glad® brand; cat litter products under the Fresh Step®, Scoop Away® and Ever Clean® brands; and charcoal products under the Kingsford® and Match Light® brands.

- *Lifestyle* consists of food products, water-filtration systems and filters, and natural personal care products marketed and sold in the United States. Products within this segment include dressings and sauces, primarily under the Hidden Valley®, KC Masterpiece® and Soy Vay® brands; water-filtration systems and filters under the Brita® brand; and natural personal care products under the Burt s Bees® and güd® brands.

- *International* consists of products sold outside the United States. Products within this segment include laundry, home care, water-filtration, charcoal and cat litter products, dressings and sauces, plastic bags, wraps and containers and natural personal care products, primarily under the Clorox®, Javex®, Glad®, PinoLuz®, Ayudin®, Limpido®, Clorinda®, Poett®, Mistolin®, Lestoil®, Bon Bril®, Nevex®, Brita®, Green Works®, Pine-Sol®, Agua Jane®, Chux®, Kingsford®, Fresh Step®, Scoop Away®, Ever Clean®, KC Masterpiece®, Hidden Valley® and Burt s Bees® brands.

Certain non-allocated administrative costs, interest income, interest expense and various other non-operating income and expenses are reflected in Corporate. Corporate assets include cash and cash equivalents, property and equipment, other investments and deferred taxes.

Continues on next page 4

NOTE 20. SEGMENT REPORTING (Continued)

	Fiscal Year	Cleaning	Household	Lifestyle	International	Corporate	Total Company
Net sales	2013	$1,783	$1,693	$929	$1,218	$	$5,623
	2012	1,692	1,676	901	1,199		5,468
	2011	1,619	1,611	849	1,152		5,231
Earnings (losses) from continuing operations before income taxes	2013	420	336	259	96	(258)	853
	2012	381	298	265	119	(272)	791
	2011	356	278	91	55	(217)	563
Income from equity investees	2013				12		12
	2012				11		11
	2011				8		8
Total assets	2013	905	799	878	1,202	527	4,311
	2012	942	818	887	1,219	489	4,355
Capital expenditures	2013	57	72	19	28	18	194
	2012	63	79	18	32		192
	2011	72	95	24	37		228
Depreciation and amortization	2013	52	69	19	28	14	182
	2012	45	73	18	25	17	178
	2011	44	73	18	22	16	173
Significant noncash charges included in earnings before income taxes:							
Share-based compensation	2013	10	9	5	1	10	35
	2012	13	12	6	1	(5)	27
	2011	14	13	6	2	(3)	32
Noncash goodwill impairment	2013						
	2012						
	2011			164	94		258

Fiscal year 2011 earnings from continuing operations before income taxes for the Lifestyle and International reportable segments included a noncash goodwill impairment charge of $164 and $94, respectively, related to the Burt s Bees business. Fiscal year 2011 diluted net earnings per share from continuing operations included the impact of $1.86 from this noncash goodwill impairment charge.

All intersegment sales are eliminated and are not included in the Company s reportable segments net sales.

Net sales to the Company s largest customer, Walmart Stores, Inc. and its affiliates, were 26%, 26% and 27% for the fiscal years ended 2013, 2012 and 2011, respectively, of consolidated net sales and occurred in each of the Company s reportable segments. No other customers accounted for more than 10% of consolidated net sales in any of these fiscal years. During fiscal years 2013, 2012 and 2011, the Company s five largest customers accounted for 45%, 44% and 44% of its net sales, respectively.

NOTE 20. SEGMENT REPORTING (Continued)

The Company has three product lines that have accounted for 10% or more of consolidated net sales during each of the past three fiscal years. Sales of liquid bleach represented approximately 14% of the Company s consolidated net sales in each of the fiscal years 2013, 2012 and 2011, approximately 26%, 26% and 27% of net sales in the Cleaning segment and approximately 28%, 27% and 27% of net sales in the International segment, respectively. Sales of trash bags represented approximately 13% of the Company s consolidated net sales in each of the fiscal years 2013, 2012 and 2011, approximately 37%, 35% and 34% of net sales in the Household segment and approximately 10%, 10% and 11% of net sales in the International segment, respectively. Sales of charcoal represented approximately 10%, 11% and 11% of the Company s consolidated net sales and approximately 32%, 35% and 34% of net sales in the Household segment in fiscal years 2013, 2012 and 2011, respectively.

Net sales and property, plant and equipment, net, by geographic area as of and for the fiscal years ended June 30 were as follows:

	Fiscal Year	United States	Foreign	Total Company
Net sales	2013	$ 4,448	$ 1,175	$ 5,623
	2012	4,316	1,152	5,468
	2011	4,125	1,106	5,231
Property, plant and equipment, net	2013	$ 860	$ 161	$ 1,021
	2012	906	175	1,081

NOTE 21. RELATED PARTY TRANSACTIONS

The Company holds various equity investments with ownership percentages of up to 50% in a number of consumer products businesses. Transactions with the Company s equity investees typically represent payments for contract manufacturing and purchases of raw materials. Payments to equity investees for such transactions during the fiscal years ended June 30, 2013, 2012 and 2011 were $50, $49 and $47, respectively. Receipts from and ending accounts receivable and payable balances related to the Company s equity investees were not significant during and as of each of the fiscal years presented.

*Continues on next page*4

NOTE 22. UNAUDITED QUARTERLY DATA

	September 30	December 31	March 31	June 30	Total Year
Fiscal year ended June 30, 2013					
Net sales	$ 1,338	$ 1,325	$ 1,413	$ 1,547	$ 5,623
Cost of products sold	$ 764	$ 762	$ 818	$ 867	$ 3,211
Earnings from continuing operations	$ 133	$ 123	$ 134	$ 184	$ 574
Losses from discontinued operations, net of tax	$	$	$ (1)	$ (1)	$ (2)
Net earnings	$ 133	$ 123	$ 133	$ 183	$ 572
Per common share:					
Basic					
Continuing operations	$ 1.02	$ 0.94	$ 1.01	$ 1.40	$ 4.38
Discontinued operations				(0.01)	(0.01)
Basic net earnings per share	$ 1.02	$ 0.94	$ 1.01	$ 1.39	$ 4.37
Diluted					
Continuing operations	$ 1.01	$ 0.93	$ 1.00	$ 1.38	$ 4.31
Discontinued operations				(0.01)	(0.01)
Diluted net earnings per share	$ 1.01	$ 0.93	$ 1.00	$ 1.37	$ 4.30
Dividends declared per common share	$ 0.64	$ 0.64	$ 0.64	$ 0.71	$ 2.63
Market price (NYSE)					
High	$ 73.65	$ 76.74	$ 88.63	$ 90.10	$ 90.10
Low	69.67	71.00	73.50	81.12	69.67
Year-end					83.14
Fiscal year ended June 30, 2012					
Net sales	$ 1,305	$ 1,221	$ 1,401	$ 1,541	$ 5,468
Cost of products sold	$ 759	$ 714	$ 808	$ 883	$ 3,164
Earnings from continuing operations	$ 130	$ 105	$ 134	$ 174	$ 543
Losses from discontinued operations, net of tax	$	$	$ (2)	$	$ (2)
Net earnings	$ 130	$ 105	$ 132	$ 174	$ 541
Per common share:					
Basic					
Continuing operations	$ 0.99	$ 0.79	$ 1.03	$ 1.34	$ 4.15
Discontinued operations			(0.01)		(0.01)
Basic net earnings per share	$ 0.99	$ 0.79	$ 1.02	$ 1.34	$ 4.14
Diluted					
Continuing operations	$ 0.98	$ 0.79	$ 1.02	$ 1.32	$ 4.10
Discontinued operations			(0.01)		(0.01)
Diluted net earnings per share	$ 0.98	$ 0.79	$ 1.01	$ 1.32	$ 4.09
Dividends declared per common share	$ 0.60	$ 0.60	$ 0.60	$ 0.64	$ 2.44
Market price (NYSE)					
High	$ 75.44	$ 69.61	$ 70.89	$ 73.54	$ 75.44
Low	63.56	63.06	66.37	66.72	63.06
Year-end					72.46

Appendix A

FIVE-YEAR FINANCIAL SUMMARY
The Clorox Company

Dollars in millions, except share data	2013	2012	2011(1)(2)	2010(1)	2009(1)
OPERATIONS					
Net sales	$5,623	$5,468	$5,231	$5,234	$5,158
Gross profit	2,412	2,304	2,273	2,319	2,204
Earnings from continuing operations	$ 574	$ 543	$ 287	$ 526	$ 472
(Losses) earnings from discontinued operations, net of tax	(2)	(2)	270	77	65
Net earnings	$ 572	$ 541	$ 557	$ 603	$ 537
COMMON STOCK					
Earnings per share					
Continuing operations					
Basic	$ 4.38	$ 4.15	$ 2.09	$ 3.73	$ 3.36
Diluted	4.31	4.10	2.07	3.69	3.33
Dividends declared per share	$ 2.63	$ 2.44	$ 2.25	$ 2.05	$ 1.88
OTHER DATA					
Total assets	$4,311	$4,355	$4,163	$4,548	$4,569
Long-term debt	2,170	1,571	2,125	2,124	2,151

(1) In November 2010, the Company completed the sale of the Auto Businesses pursuant to the terms of a Purchase and Sale Agreement and received cash consideration of $755. Included in earnings from discontinued operations for fiscal year ended June 30, 2011, is an after-tax gain on the transaction of $247.

(2) Earnings from continuing operations and net earnings included the $258 noncash goodwill impairment charge recognized in fiscal year 2011 related to the Burt s Bees business. Diluted net earnings per share from continuing operations included the impact of $1.86 from this noncash goodwill impairment charge.

*Continues on next page*4

VALUATION AND QUALIFYING ACCOUNTS AND RESERVES (Dollars in millions)

Column A	Column B	Column C	Column D		Column E
		Additions	Deductions		
Description	**Balance at beginning of period**	**Charged to costs and expenses**	**Credited to costs and expenses**	**Credited to other accounts**	**Balance at end of period**
Allowance for doubtful accounts					
Year ended June 30, 2013	$ (7)	$	$ 2	$	$ (5)
Year ended June 30, 2012	(5)	(3)	1		(7)
Year ended June 30, 2011	(6)		1		(5)
LIFO allowance					
Year ended June 30, 2013	$ (37)	$ (3)	$	$	$ (40)
Year ended June 30, 2012	(29)	(8)			(37)
Year ended June 30, 2011	(28)	(1)			(29)
Valuation allowance on deferred tax assets					
Year ended June 30, 2013	$ (20)	$ (16)	$	$	$ (36)
Year ended June 30, 2012	(14)	(6)			(20)
Year ended June 30, 2011	(12)	(2)			(14)
Allowance for inventory obsolescence					
Year ended June 30, 2013	$ (10)	$ (12)	$	$ 11	$ (11)
Year ended June 30, 2012	(11)	(13)		14	(10)
Year ended June 30, 2011	(10)	(15)		14	(11)

Appendix A

THE CLOROX COMPANY
RECONCILIATION OF ECONOMIC PROFIT

Dollars in millions	**FY13**	**FY12**	**FY11**
Earnings from continuing operations before income taxes	**$ 853**	**$ 791**	**$ 563**
Noncash restructuring-related and asset impairment costs		4	6
Noncash goodwill impairment			258
Interest expense	122	125	123
Earnings from continuing operations before income taxes, noncash restructuring-related and asset impairment costs, noncash goodwill impairment and interest expense	$ 975	$ 920	$ 950
Income taxes on earnings from continuing operations before income taxes, noncash restructuring-related and asset impairment costs, noncash goodwill impairment and interest expense(2)	319	289	321
Adjusted after tax profit	**$ 656**	**$ 631**	**$ 629**
Average capital employed(3)	2,552	2,544	2,618
Capital charge(4)	**230**	**229**	**236**
Economic profit(1) (Adjusted after tax profit less capital charge)	**$ 426**	**$ 402**	**$ 393**
% change over prior year	+6.0%	+2.3%	+0.3%

(1) Economic profit (EP), a non-GAAP measure, is defined by the Company as earnings from continuing operations before income taxes, noncash restructuring-related and asset impairment costs, noncash goodwill impairment and interest expense; less an amount of tax based on the effective tax rate before any noncash goodwill impairment charge, and less a charge equal to average capital employed multiplied by the weighted-average cost of capital. Management uses EP to evaluate business performance and allocate resources, and it is a component in determining management s incentive compensation. Management believes EP provides additional perspective to investors about financial returns generated by the business and represents profit generated over and above the cost of capital used by the business to generate that profit.

(2) The tax rate applied is the effective tax rate on continuing operations before any noncash goodwill impairment charge, which was 32.7%, 31.4% and 33.8% in fiscal years 2013, 2012 and 2011, respectively. The difference between the fiscal year 2011 effective tax rate on continuing operations before the noncash goodwill impairment charge and the effective tax rate on continuing operations of 49.0% is (16.0)% related to the non-deductible noncash goodwill impairment charge and 0.8% for other tax effects related to excluding this charge.

(3) Total capital employed represents total assets less non-interest bearing liabilities. Adjusted capital employed represents total capital employed adjusted to add back current year noncash restructuring-related and asset impairment costs and noncash goodwill impairment. Average capital employed represents a two-point average of adjusted capital employed for the current year and total capital employed for the prior year, based on year-end balances. See below for details of the average capital employed calculation:

	FY13	**FY12**	**FY11**
Total assets	$4,311	$4,355	$4,163
Less:			
Accounts payable	413	412	423
Accrued liabilities	490	494	442
Income taxes payable	29	5	41
Other liabilities	742	739	619
Deferred income taxes	119	119	140
Non-interest bearing liabilities	1,793	1,769	1,665
Total capital employed	**2,518**	**2,586**	**2,498**
Noncash restructuring-related and asset impairment costs		4	6
Noncash goodwill impairment			258
Adjusted capital employed	**$2,518**	**$2,590**	**$2,762**
Average capital employed	**$2,552**	**$2,544**	**$2,618**

(4) Capital charge represents average capital employed multiplied by the weighted-average cost of capital. The weighted-average cost of capital used to calculate capital charge was 9% for all fiscal years presented.

Electronic Voting Instructions

Available 24 hours a day, 7 days a week!

Instead of mailing your proxy, you may choose one of the voting methods outlined below to vote your proxy.

VALIDATION DETAILS ARE LOCATED BELOW IN THE TITLE BAR.

Proxies submitted by the Internet or telephone must be received by 11:59 p.m., Eastern Time, on November 19, 2013.

Vote by Internet

- Go to **www.envisionreports.com/CLX**
- Or scan the QR code with your smartphone
- Follow the steps outlined on the secure website

Vote by telephone

- Call toll free 1-800-652-VOTE (8683) within the USA, US territories & Canada on a touch tone telephone
- Follow the instructions provided by the recorded message

Using a **black ink** pen, mark your votes with an **X** as shown in this example. Please do not write outside the designated areas.

Annual Meeting Proxy Card

IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.

A The Board of Directors recommends a vote FOR the election of each of the following director nominees:

1. Election of Directors:

	For	Against	Abstain		For	Against	Abstain		For	Against	Abstain
01 - Daniel Boggan, Jr.	O	O	O	05 - Donald R. Knauss	O	O	O	09 - Rogelio Rebolledo	O	O	O
02 - Richard H. Carmona	O	O	O	06 - Esther Lee	O	O	O	10 - Pamela Thomas-Graham	O	O	O
03 - Tully M. Friedman	O	O	O	07 - Robert W. Matschullat	O	O	O	11 - Carolyn M. Ticknor	O	O	O
04 - George J. Harad	O	O	O	08 - Jeffrey Noddle	O	O	O				

B The Board of Directors recommends a vote FOR Proposal 2.

For Against Abstain

C The Board of Directors recommends a vote FOR Proposal 3.

For Against Abstain

Explanation of Responses:

2. Advisory Vote on Executive Compensation. o o o

3. Ratification of Independent Registered Public Accounting Firm. o o o

D Non-Voting Items

Change of Address Please print new address below.

Comments Please print your comments below.

E Authorized Signatures This section must be completed for your vote to be counted. Date and Sign Below

Please sign exactly as name(s) appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, corporate officer, trustee, guardian, or custodian, please give full title.

Date (mm/dd/yyyy) Please print date below.

Signature 1 Please keep signature within the box.

Signature 2 Please keep signature within the box.

/ /

Dear Stockholders:

Attached is the proxy for The Clorox Company s 2013 Annual Meeting of Stockholders (the Annual Meeting). It is important that you vote your shares. You may vote via telephone, the Internet or mail. If you wish to vote via telephone or the Internet, instructions are printed on this form. If you wish to vote by mail, please mark, sign, date and return the proxy using the enclosed envelope.

Only stockholders on the record date, September 30, 2013, or their legal proxy holders, may attend the Annual Meeting. To be admitted to the Annual Meeting, you must bring a current form of government-issued photo identification and proof that you owned Clorox common stock on the record date. ***Please see the Attending the Annual Meeting section of the proxy statement for further information.***

Sincerely,

Angela C. Hilt
Vice President Corporate Secretary
& Associate General Counsel

Annual Meeting of Stockholders

- Meeting Date: November 20, 2013
- Check In Time: 8:30 a.m. Pacific Time
- Meeting Time: 9:00 a.m. Pacific Time
- Meeting Location: the Company s Pleasanton Campus, located at 4900 Johnson Drive, Building C, Pleasanton, CA 94588

Please note that cameras, recording equipment and other electronic devices will not be allowed in the meeting except for use by the Company. For your protection, briefcases, purses, packages, etc. may be inspected as you enter the meeting.

The Notice of Annual Meeting, Proxy Statement and 2013 Annual Report Executive Summary are available at www.envisionreports.com/CLX.

IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.

Proxy The Clorox Company

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF THE CLOROX COMPANY

ANNUAL MEETING OF STOCKHOLDERS NOVEMBER 20, 2013

The stockholder(s) whose signature(s) appear(s) on the reverse side hereby appoint(s) Donald R. Knauss, Stephen M. Robb and Laura Stein, and each of them individually, as proxies, each with full power of substitution, to vote as designated on the reverse side of this ballot, all of the shares of common stock of The Clorox Company that the stockholder(s) whose signature(s) appear(s) on the reverse side would be entitled to vote, if personally present, at the Annual Meeting of Stockholders to be held at 9:00 a.m., Pacific time on Wednesday, November 20, 2013, at the Company s Pleasanton Campus, located at 4900 Johnson Drive, Building C, Pleasanton, CA 94588 and any adjournment or postponement thereof. A majority of said proxies, including any substitutes, or if only one of them be present, then that one, may exercise all of the powers of said proxies hereunder.

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED AS DIRECTED BY THE STOCKHOLDER(S). IF NO SUCH DIRECTIONS ARE GIVEN, THIS PROXY WILL BE VOTED FOR THE ELECTION OF THE NOMINEES LISTED ON THE REVERSE SIDE FOR THE BOARD OF DIRECTORS, FOR PROPOSAL 2 AND FOR PROPOSAL 3.

If any other matters properly come before the meeting, the persons named in this proxy will vote in their discretion.

PLEASE MARK, SIGN, DATE AND RETURN THIS PROXY CARD PROMPTLY USING THE ENCLOSED REPLY ENVELOPE.

(Items to be voted appear on reverse side)