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The Procter & Gamble Company
Related Person Transaction Policy

The Procter & Gamble Company's (the "Company") *Worldwide Business Conduct Manual* provides that all employees and directors must disclose all potential conflicts of interest and promptly take actions to eliminate a conflict when the Company so requests. Securities and Exchange Commission ("SEC") rules and regulations further require public disclosure of certain transactions involving the Company and certain related parties (as defined by SEC rules and regulations), as well as disclosure of the Company's policies and procedures for review and approval of such transactions. Accordingly, the Company's Board of Directors (the "Board") has formally adopted the following written policies and procedures (the "Policy") for the identification, review and approval of Related Person Transactions (as defined below).[1]

No Related Person Transaction may be entered into by the Company, or any of its subsidiaries or affiliates, except in accordance with the provisions of this Policy.

Section 1: Definitions.

For the purposes of this Policy, the following terms shall have the following meanings:

(a) "**Related Person**" means:

(i) any person who is, or was at any time since the beginning of the Company's last fiscal year, an Executive Officer (as determined by the Board pursuant to SEC rules and regulations), director, or director nominee of the Company;
(ii) any person who, at the time of the occurrence or existence of the transaction at issue, is the beneficial owner of more than 5% of any class of the Company's voting securities (a "Significant Shareholder"); or
(iii) any person who is, or was at any time since the beginning of the Company's last fiscal year, an Immediate Family Member of any individual covered by Section 1(a)(i) or 1(a)(ii) above.

(b) "**Immediate Family Member**" of any person means any child, stepchild, parent, stepparent, spouse, sibling, or in-law of such person, or any other person sharing the household of such person, other than a tenant or employee of such person.

(c) "**Related Person Transaction**" means any transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which the Company, or any of its subsidiaries or affiliates, was, is, or will be a participant, the amount involved exceeds $120,000, and a Related Person has or will have a direct or indirect interest.

Section II. Standards for Review and Approval of Related Person Transactions.

A Related Person Transaction will be considered approved if, after full disclosure of the Related Person's interest in the transaction, it is authorized in accordance with the standards set forth in this Section II and the process set forth in Section III. For those Related Person Transactions presented to the Committee,[2] the Committee shall review all relevant information available to it about the Related Person Transaction. The

[1] This Policy is adopted to assist the Audit Committee of the Board (the "Committee") in identifying, reviewing and approving those Related Person transactions that must be disclosed pursuant to SEC rules and regulations. It does not, in any way, alter or amend the Company's Conflict-of-Interest policy, including every employee's and director's duty to disclose any potential conflict of interest.

[2] For purposes of this Section II, the term "Committee" shall mean the Audit Committee and, in exceptional circumstances, the Chair of the Audit Committee, as the case may be (see Section III for details).

Committee may approve a Related Person Transaction presented to it only if it determines that, based on all of the information presented, the transaction is not inconsistent with the best interests of the Company as a whole. The Committee may, in its sole discretion, impose such terms and conditions as it deems appropriate on the Company or the Related Person in connection with its approval of a Related Person Transaction.

As appropriate for the circumstances, Committee review of a Related Person Transaction shall take into consideration the following in determining whether to approve such transaction:

(a) whether the transaction was undertaken in the ordinary course of business of the Company and the Related Person;

(b) whether the transaction was initiated by the Company or the Related Person;

(c) whether the transaction with the Related Person is proposed to be entered into on terms no less favorable to the Company than terms that could have been reached with an unrelated third party;

(d) the purpose of, and the potential benefits to the Company of, the transaction;

(e) the approximate dollar value of the amount involved in the Related Person Transaction, particularly as it relates to the Related Person;

(f) the Related Person's interest in the Related Person Transaction (including the approximate dollar value of the amount of the Related Person's interest in the transaction); and

(g) any other information regarding the Related Person Transaction or the Related Person that would be material to investors in light of the circumstances of the particular transaction.

Section III. Process for Review, Approval and Ratification of Related Person Transactions

Upon learning of any transaction involving a Related Person, the Chief Legal Officer shall gather the necessary information regarding the transaction and determine whether it is a Related Person Transaction within the meaning of this Policy, and, if so, whether it requires Committee review. If the Chief Legal Officer is unable to make this determination, whether because the Chief Legal Officer is unavailable or because the Chief Legal Officer is directly or indirectly involved in the transaction, the Secretary or Assistant Secretary responsible for corporate governance (if the Chief Legal Officer is also the Secretary) shall gather the necessary information regarding the transaction and determine whether it is a Related Person Transaction within the meaning of this Policy, and, if so, whether it requires Committee review. For the purposes of this Policy, the person who performs this function is referred to as the "Determining Officer."

(a) Related Person Transactions that do not Require Committee Review.

If the Determining Officer determines that a transaction involving a Related Person is not a Related Person Transaction within the meaning of this Policy, or that either the Related Person Transaction or the Related Person's interest therein falls into one of the following exceptions, the transaction will be handled in accordance with the Company's existing Conflict-of-Interest policies without Committee review. Consistent with the foregoing, and the SEC's rules and regulations, the following categories of Related Person Transactions and/or Related Person interests do not need to be presented to the Committee for review and approval because the Committee has determined that they do not present a "direct or indirect material interest" on behalf of the Related Person:

(i) Interests arising solely from the Related Person's position as a director, trustee or similar overseer of another corporation, foundation, charitable organization or similar entity that is a party to the transaction;

(ii) Interests arising solely from the direct or indirect ownership by the Related Person and all other Related Persons in the aggregate of less than a 10% equity or similar ownership interest (other than a general partnership interest which, even if less than 10%, shall be deemed a material interest) in another entity which is a party to the transaction;

(iii) Interests arising solely from the Related Person's position as an executive officer or employee of another entity that is a party to the transaction, where (a) the Related Person and all other Related Persons own in the aggregate less than a 5% equity or similar ownership interest in such entity, (b) the Related Person and his or her Immediate Family Members are not involved in the negotiations of the terms of the transaction and do not receive any special benefits as a result of the transaction, and (c) the amount involved in the transaction equals less than the greater of $1,000,000 or 2% of the consolidated annual gross revenues of the other entity that is a party to the transaction (and of which the Related Person is an executive officer or employee);

(iv) Interests arising solely from the ownership of a class of the Company's equity securities if all holders of that class of equity securities receive the same benefit on a pro rata basis;

(v) Interests arising solely from indebtedness of a Significant Shareholder or an Immediate Family Member of a Significant Shareholder;

(vi) A transaction that involves compensation to an Executive Officer, if such compensation has been approved by the Compensation and Leadership Development Committee of the Board;

(vii) A transaction that involves compensation to a director of the Company for services as a director if such compensation will be reported pursuant to Item 402(k) of Regulation S-K;

(viii) A transaction where the rates or charges involved in the transaction are determined by competitive bids;

(ix) A transaction that involves the rendering of services as a common carrier or public utility at rates or charges fixed in conformity with law or governmental regulations;

(x) A transaction that involves services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture or similar services; and

(xi) Other interests and transactions expressly deemed in Item 404 of Regulation S-K and the instructions thereto not to constitute a Related Party Transaction that is required to be disclosure in the Company's filings with the SEC.

(b) Related Person Transactions That Require Committee Review

If the Determining Officer determines that a transaction is a Related Person Transaction and that it does not fall into one of the exceptions in Section III.(a). above, then the Determining Officer, where practicable, shall present the transaction to the Committee. The Committee shall: (a) determine whether the Related Person "has or will have a direct or indirect material interest" in the transaction; and (b) review and approve or reject the transaction in accordance with the terms of this Policy. The Related Person may not participate in the Committee's review of the transaction. In order to facilitate this review and approval process, the Determining Officer may present a potential Related Person Transaction to the members of the Committee during the period between regularly scheduled meetings of the Committee.

If the Determining Officer determines that approval of a Related Person Transaction by the entire Committee prior to consummation or effectiveness of the transaction is impracticable under the circumstances, the Determining Officer shall present the Related Person Transaction to the Chair of the Committee, who shall review and may approve the transaction at his or her discretion. In the event of such an occurrence, the Chair of the Committee shall report any such Related Person Transaction to the Committee at its next regularly scheduled meeting, including the rationale for approving the transaction prior to full Committee review.