Appendix A to The Procter & Gamble Company Board of Directors Corporate Governance Guidelines:

Guidelines for Determining Independence of Board Members

It is expected that Board members (in that role) will exercise diligently and in good faith their independent judgment in the best interests of the Company and its shareholders as a whole, notwithstanding their other activities or affiliations.

The Board has determined that if the Chairman of the Board is independent, the Board will be comprised of at least a majority of "independent" members, and if the Chairman of the Board is not independent, the Board will be comprised of at least 2/3 independent members. No Board member qualifies as "independent" unless the Board affirmatively determines that the Board member has no material relationship with the Company or Company management. In furtherance of this goal, the Board has adopted the following guidelines for determining whether a member is "independent."[1]

I. Disqualifying Factors

A. A Board member will NOT be independent if, within the past three (3) years:

1. the Board member is employed by the Company or a member of his/her immediate family is an executive officer of the Company;

2. the Board member receives or a member of his/her immediate family receives more than $120,000 during any twelve (12)-month period in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service which are not contingent in any way on continued service;

3. the Board member is affiliated with or employed by, or a member of his/her immediate family is affiliated with or employed in a professional capacity by, a present or former internal or external auditor of the Company; or

4. the Board member is employed, or a member of his/her immediate family is employed as an executive officer of another company where any of the Company's present executives serve on that company's compensation committee.

B. A Board member will NOT be independent if:

1. the Board member is an employee, or any member of his/her immediate family is an executive officer, of a company that makes payments to, or receives payments from, the Company for property or services in an amount which, in any of the last three (3) fiscal years, exceeds the greater of $1,000,000 or two percent (2%) of such company's consolidated annual gross revenues;

2. the Board member is an employee, or any member of his/her immediate family is an executive officer, of a company which is indebted to the Company or to which the Company is indebted, and the total amount of the indebtedness exceeds the greater of $1,000,000 or two percent (2%) of the consolidated annual gross revenues of either company;

3. the Board member or any member of his/her immediate family is an officer of a charitable or educational organization, and donations by the Company (excluding Company matches of charitable contributions made by employees or directors under the Company's Matching Gifts Program) during any single fiscal year within the preceding three (3) years exceed the greater of $1,000,000 or two percent (2%) of the organization's consolidated annual gross revenues.

II. Immaterial Relationships

A. The following relationships will be considered immaterial for purposes of these guidelines unless they otherwise conflict with the listing standards of the NYSE, the rules and regulations of the Securities and Exchange Commission or any other legal or regulatory restrictions applicable to the Company at the time:

1. A relationship arising solely from the Board member's position as a director, trustee or similar position of another company that is a party to a transaction with the Company and the Board member is not involved in the negotiations of the terms of the transaction and does not receive any special benefits as the result of the transaction;

2. A relationship arising solely from the Board member's (or any member of his/her immediate family) position as an executive officer or employee of another company or similar entity that is a party to a transaction with the Company where (a) the Board member, and the members of his/her immediate family, own in the aggregate less than five percent (5%) of the equity or similar ownership interest in such company or entity, (b) the Board member (and the members of his/her immediate family) is not involved in the negotiations of the terms of the transaction and does not receive any special benefits as the result of the transaction, and (c) the amount involved in the transaction does not exceed the greater of $1,000,000 or one percent (1%) of the consolidated annual gross revenues of the other entity that is party to the transaction;

3. A relationship arising solely from the Board member's (or any member of his/her immediate family) position as an officer, director, trustee or similar position of a charitable or educational organization or similar entity that receives donations from the Company (excluding Company matches of charitable contributions made by employees or directors under the Company's Matching Gifts Program) where (a) the Board member (and the members of his/her immediate family) is not involved in the negotiations of the terms of the donations and does not receive any special benefits as the result of the donations, and (b) the amount of the donations does not exceed the greater of $1,000,000 or one percent (1%) of the organization's consolidated annual gross revenues;

4. A relationship arising solely from the direct or indirect ownership by the Board member, and the members of his/her immediate family members, in the aggregate, of less than five percent (5%) of the equity or similar ownership interest in a company or similar entity that is a party to a transaction with the Company where the Board member (and the members of his/her immediate family) is not involved in the negotiations of the terms

of the transaction and does not receive any special benefits as the result of the transaction;

5. a relationship arising solely from a transaction where the rates or charges involved in the transaction are determined by competitive bids;

6. a relationship arising solely from the rendering of services as a common carrier or public utility at rates or charges fixed in conformity with law or governmental regulations; and

7. a relationship that involves services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture or similar services.

All relationships that are deemed immaterial pursuant to this Section II will be reported to the Chair of the Governance & Public Responsibility Committee annually for information purposes only.

III. Determination of Independence

The Board will make assessments regarding Board member independence in accordance with the listing standards of the NYSE and the standards discussed above. In making such assessments, the Board will examine the independence of each of its members once per year, and more frequently when there are changed circumstances that may affect a Board member's independence. If a Board member has one or more relationships covered by Section I above, or the Board member otherwise does not meet the objective listing standards of the NYSE, then that Board member will not be independent. If a Board member only has relationships covered by Section II, on the other hand, then the Board will presume that director to be independent under these guidelines and the NYSE listing standards, unless the Board determines based on other facts and circumstances that the director is not independent. If a Board member has one or more relationships that do not fall in Section I and II, then the independent Board members will consider those relationships in determining whether they otherwise affect his/her independence under NYSE listing standards. Regardless of other circumstances, a Board member will not be independent if s/he does not meet the NYSE independence standards or any applicable legal requirement.

IV. Disclosure

The Board's independence determinations will be disclosed in the Company's proxy statement.

V. Definitions

For purposes of these guidelines, "members of his/her immediate family" and similar phrases will mean a person's spouse, parents, children, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law, and anyone (other than an employee) who shares the person's home; and "the Company" means The Procter & Gamble Company and all of its subsidiaries.

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[1] NOTE THAT THESE GUIDELINES ARE INTENDED TO BE AT LEAST SUFFICIENT TO MEET THE LISTING STANDARDS OF THE NEW YORK STOCK EXCHANGE ("NYSE") AND APPLICABLE REGULATIONS. NOTE ALSO THAT CERTAIN SPECIAL INDEPENDENCE REQUIREMENTS APPLY TO MEMBERS OF THE COMPANY'S AUDIT COMMITTEE. THESE REQUIREMENTS ARE SET FORTH IN THE COMMITTEE MEMBER QUALIFICATIONS SECTION OF THE AUDIT COMMITTEE CHARTER.