Beyond Wealth
PARTNERS

2026 EXECUTIVE PLANNING GUIDE

Should You Exercise Your P&G Stock Options?

Including Current Valuations of Every Outstanding P&G Stock Option Grant

A practical guide for current and former Procter & Gamble employees to help you evaluate the value of your stock options and make more informed decisions.

CURRENT VALUATION

Black-Scholes* value for every outstanding grant

TIME VALUE INSIGHTS

Understand how much optionality remains

PLANNING CONSIDERATIONS

Key factors before making exercise decisions

TAX PLANNING IDEAS

How options fit into your broader financial plan

Why This Guide Exists

Stock options can be one of the most valuable components of your total compensation. They can also be one of the most misunderstood.

A common approach is to look only at the difference between today's stock price and your exercise price. While this shows the intrinsic value, it does not capture the full economic value of the option.

Every option also has time value — the value of keeping the option alive rather than exercising it today.
The Black-Scholes model is one of the most widely used methods for estimating this value.

THE GOAL OF THIS GUIDE

→ The current value of every outstanding P&G stock option grant
→ Where meaningful time value remains
→ The key considerations before making exercise decisions
→ How options fit into your overall financial plan

This guide provides general information only and is not financial, tax, or legal advice.

Understanding Your Option Value

The value of a stock option has two components:

Intrinsic Value — what you'd receive today if you exercised

+ Time Value — what your option is worth because you can wait

= Total Value

Intrinsic value is easy to see — it's simply the difference between the current stock price and your strike price (if the option is in the money).

Time value is harder to see, but potentially very valuable. It reflects:

→ Time until expiration

→ Expected volatility of the stock

→ Risk-free interest rates

→ Dividend yield

As expiration approaches, time value declines. Once an option is exercised, all remaining time value is gone forever.

KEY TAKEAWAY:

Exercising too early can result in giving up meaningful value.

P&G Stock Option Dashboard

Analysis as of May 27, 2025 | PG Stock Price: $147.00

Current valuations for every outstanding grant, using the Black-Scholes model — continued on the next page.

P&G STOCK OPTION DASHBOARD

GRANT	GRANT DATE	STRIKE PRICE	EXPIRATION	B-S VALUE/SH.	% TIME VALUE
2016 STAR	Sep-2016	$86.06	Sep-2026	$63.93	7.8%
2017 Feb. LTIP	Feb-2017	$91.07	Feb-2027	$60.95	8.2%
2017 STAR	Sep-2017	$93.27	Sep-2027	$58.91	8.5%
2018 Feb. LTIP	Feb-2018	$78.52	Feb-2028	$72.72	5.8%
2018 STAR	Sep-2018	$83.61	Sep-2028	$67.78	6.3%
2019 Feb. LTIP	Feb-2019	$99.55	Feb-2029	$53.05	9.1%
2019 STAR	Sep-2019	$132.12	Sep-2029	$36.85	19.5%
2020 Feb. LTIP	Feb-2020	$113.23	Feb-2030	$38.73	12.8%
2020 STAR	Sep-2020	$138.65	Sep-2030	$12.99	35.6%
2020 Oct. LTIP	Oct-2020	$139.24	Oct-2030	$12.33	37.1%
2021 STAR	Sep-2021	$145.12	Sep-2031	$6.23	69.9%
2021 LTIP	Oct-2021	$139.58	Oct-2031	$12.08	38.2%
2022 STAR	Sep-2022	$137.44	Sep-2032	$14.25	32.0%
2022 LTIP	Oct-2022	$138.51	Oct-2032	$23.88	19.2%
2023 STAR	Sep-2023	$153.47	Sep-2033	$4.31	100.0%
2023 LTIP	Oct-2023	$145.19	Oct-2033	$8.15	70.6%
2024 STAR	Sep-2024	$174.08	Sep-2034	$3.97	100.0%
2024 LTIP	Oct-2024	$173.04	Oct-2034	$3.95	100.0%
2025 STAR	Sep-2025	$152.68	Sep-2035	$3.81	100.0%
2025 LTIP	Oct-2025	$153.18	Oct-2035	$3.80	100.0%

This analysis uses the Black-Scholes model with assumptions detailed in the disclosures. Values will change as market conditions change.

Grant-by-Grant Commentary

The traffic lights on the dashboard help you quickly see where time value remains. Here's what each category generally means:

● Green — Limited Time Value (2016–2018 Grants)

Most of the value remaining is intrinsic. These grants are either near expiration or have lower volatility and less time remaining.

May be worth reviewing for exercise, especially if you have:

→ Diversification needs
→ Concentrated positions
→ Upcoming liquidity needs
→ Favorable tax planning opportunities

● Yellow — Moderate Time Value (2019–2022 Grants)

These grants still have meaningful optionality. Time value is higher because there is more time until expiration.

Exercise decisions should consider:

→ Your tax picture
→ Cash needs
→ Retirement timing
→ How these grants fit with other income events

● Red — High Time Value (2023–2025 Grants)

Substantial optionality remains. These are longer-dated grants with the highest percentage of time value.

Exercising early may give up significant value unless you have a compelling reason, such as:

→ Large diversification needs
→ Cash needs
→ Company stock concentration
→ Upcoming financial obligations
→ Tax planning opportunities

Four Biggest Mistakes We See

Avoiding these mistakes can protect — and potentially increase — the value of your options.

01 **Exercising simply because the option is "in the money."**
Intrinsic value is only part of the story — you may be giving up meaningful time value.

02 **Waiting until the last minute.**
You reduce flexibility and increase risk when you wait until just before expiration.

03 **Ignoring the tax impact.**
The tax consequences of an exercise can be substantial and should be planned for, not discovered after the fact.

04 **Evaluating each grant separately instead of as one portfolio.**
Your exercise strategy should align with your total financial plan, not just one grant.

Tax Considerations

Taxes are often the most significant consideration in a stock option exercise. Upon exercise of a nonqualified option (NSO), you recognize ordinary income equal to the spread between market price and strike price.

FEDERAL ORDINARY INCOME

Taxed at your marginal rate. P&G typically withholds 22% (the supplemental rate) upon exercise.

STATE INCOME TAX

Varies by state of residence.

PAYROLL TAXES (FICA)

Social Security (6.2%) up to the wage base, plus Medicare (1.45%) and Additional Medicare (0.9%) for higher incomes.

NET INVESTMENT INCOME TAX

A 3.8% additional tax may apply to investment income for higher-income taxpayers.

CAPITAL GAINS

The difference between sale price and exercise (cost) basis is taxed as long- or short-term capital gain.

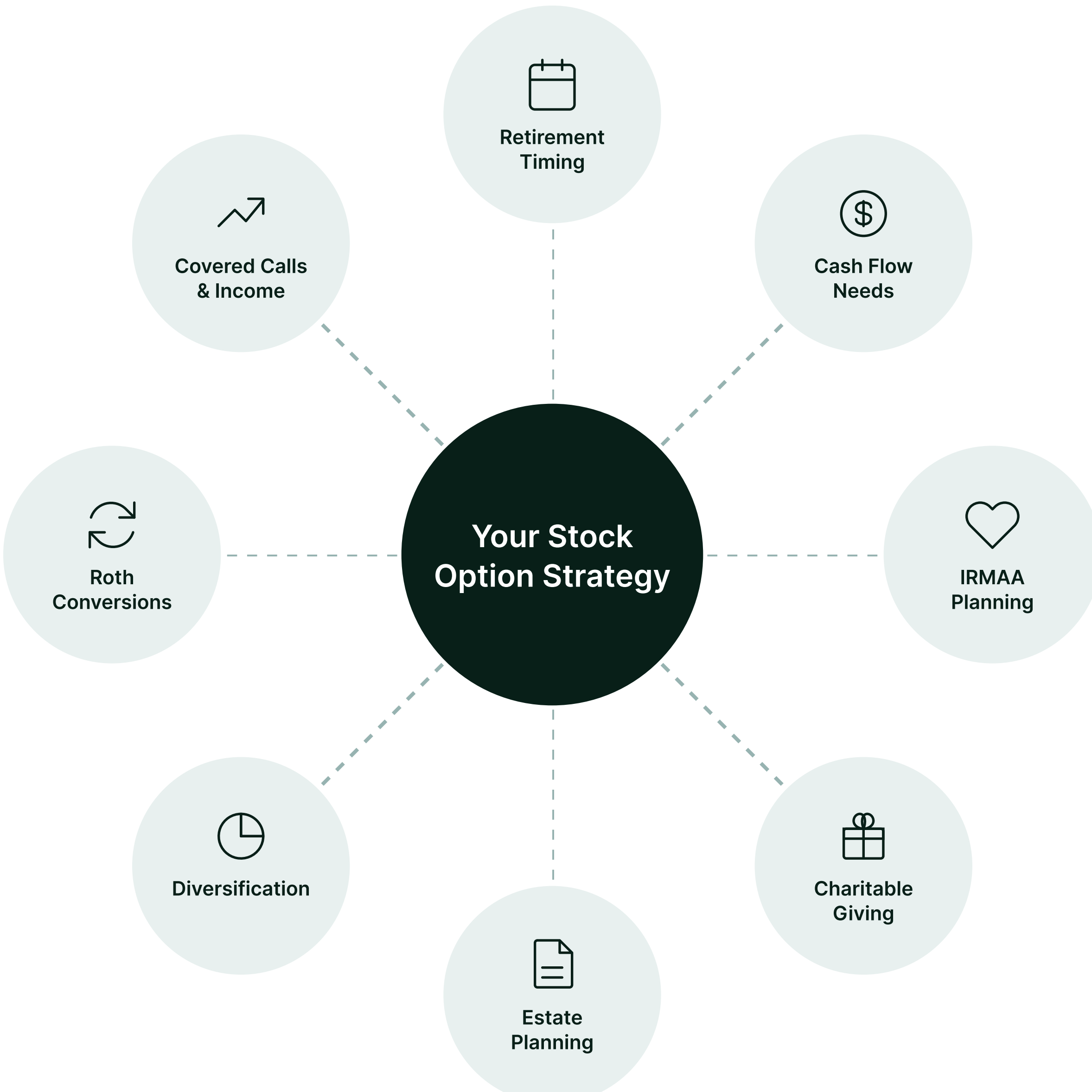
ESTIMATED TAXES

Large exercises may require estimated payments to avoid underpayment penalties.

Tax planning before an exercise can make a meaningful difference in your after-tax outcome.

How Options Fit Into Retirement

Stock options interact with many areas of your financial life. A coordinated approach can help you make smarter decisions.



The right exercise strategy considers your entire plan, not just the options.

Value Lost by Exercising Early

Time value is valuable — once you exercise, it is gone forever. The table below shows the potential time value you could give up by exercising today instead of waiting.

GRANT	INTRINSIC VAL./SH.	B-S VAL./SH.	TIME VALUE LOST/SH.	% OF TOTAL VALUE
2018 Feb. LTIP	$68.48	$72.72	$4.24	5.8%
2019 STAR	$24.88	$29.81	$4.93	16.5%
2020 STAR	$8.37	$12.99	$4.62	35.6%
2020 Oct. LTIP	$7.76	$12.33	$4.57	37.1%
2021 Oct. LTIP	$7.42	$12.00	$4.58	38.2%
2022 Oct. LTIP	$16.49	$23.88	$4.39	19.2%
2023 Oct. LTIP	$1.81	$6.15	$4.34	70.6%
2024 Oct. LTIP	$0.00	$3.95	$3.95	100.0%
2025 LTIP	$0.00	$3.80	$3.80	100.0%

These amounts represent potential value that could be forfeited by exercising today instead of holding the option.

Frequently Asked Questions

Should I exercise my options immediately?

Not necessarily. It depends on time value, taxes, diversification needs and your overall plan.

What if I retire or leave P&G?

You can generally continue to hold options until expiration, but you may lose certain benefits like company tax withholding. Plan ahead.

Can I donate stock to charity instead of exercising?

You generally must exercise first, then donate the shares. Planning can help maximize the tax benefit.

What happens if the P&G stock price drops?

If you haven't exercised, your option may still have time value. Holding provides the flexibility to benefit from a future recovery.

How do I decide which grants to exercise?

Consider time value, taxes, diversification, cash needs and your overall financial plan.

Ready for Your Personalized Analysis?

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Every P&G employee has the same grants. No two employees have the same financial situation — a personalized analysis can help you make the right decisions for yours.

In your complimentary review, we'll cover the current value of your grants, the estimated tax impact of exercising, prioritization and sequencing across grants, diversification considerations, and how it all fits your retirement and cash-flow plan.

Schedule a 1-on-1 planning session to create a personalized roadmap and avoid common pitfalls.

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