
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 OR 15(d) of The
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): January 24, 2012 (January 18, 2012)

The Scotts Miracle-Gro Company

(Exact name of registrant as specified in its charter)

Ohio
(State or other jurisdiction
of incorporation)

001-11593
(Commission
File Number)

31-1414921
(IRS Employer
Identification No.)

14111 Scottslawn Road, Marysville, Ohio
(Address of principal executive offices)

43041
(Zip Code)

Registrant's telephone number, including area code: (937) 644-0011

Not applicable

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Appointment of Barry W. Sanders as President and Chief Operating Officer

On January 18, 2012, the Board of Directors of The Scotts Miracle-Gro Company (the “Company”), acting through its Compensation and Organization Committee (the “Compensation Committee”), appointed Barry W. Sanders as President and Chief Operating Officer of the Company, effective as of January 1, 2012. In this position, Mr. Sanders will continue to oversee all business unit and operating functions at the Company and will continue to report directly to the Company’s Chairman of the Board and Chief Executive Officer, James Hagedorn.

Prior to his appointment as President and Chief Operating Officer, Mr. Sanders, 48, had served as the Company’s President since October 2010. Previously, he served as the Company’s Executive Vice President, Global Consumer from June 2010 to October 2010, and as Executive Vice President, North America from September 2007 until May 2010. He served as Executive Vice President of Global Technology and Operations of the Company from January to September 2007, where he was responsible for the Company’s supply chain and information systems, as well as research and development efforts. Before January 2007, he led the North American and global supply chain organizations as well as the North American sales force. He has been an employee of the Company (or the Company’s predecessor) since 2001 and an executive officer since January 2007.

In connection with his appointment as President and Chief Operating Officer, Mr. Sanders’s incentive opportunity under The Scotts Company LLC Amended and Restated Executive Incentive Plan (the “EIP”) was increased from 70% of his base salary to 80%, effective January 1, 2012. His base salary remains \$600,000.

Grant of Equity-Based Awards

On January 20, 2012, the Company granted the following equity-based awards to each of the named executive officers set forth below:

	<u>Number of Performance Units</u>	<u>Number of Restricted Stock Units</u>	<u>Number of Nonqualified Stock Options</u>
James Hagedorn, Chief Executive Officer and Chairman of the Board	27,109	26,312	114,312
Barry W. Sanders, President and Chief Operating Officer	10,701	10,387	45,124
David C. Evans, Chief Financial Officer and Executive Vice President, Strategy and Business Development	6,778	6,578	28,578
Vincent C. Brockman, Executive Vice President, General Counsel, Corporate Secretary and Chief Ethics & Compliance Officer	3,924	3,809	16,546
Denise S. Stump, Executive Vice President, Global Human Resources	2,711	2,632	11,432

Each whole performance unit represents the right to receive one full common share of the Company (a “Common Share”) if both the performance criteria and vesting requirement underlying the performance unit are satisfied. The Compensation Committee established the performance criteria as return on invested capital (“ROIC”), calculated on a trailing 36-month basis. The performance period for the grant runs from October 1, 2011 through September 30, 2014. For purposes of determining whether the performance criteria has been achieved, the Compensation Committee defined ROIC as adjusted net operating profit after tax, divided by average invested capital, in each case as defined by the Company. In order to maintain an appropriate balance between short-term and long-term behavior, the Compensation Committee reserved the right to include or exclude capital and earnings from the calculation of ROIC (for performance measurement purposes) for significant and/or unusual future acquisitions or internal investments, based on the facts and circumstances unique to each. In addition, the Compensation Committee reserved the right to reduce the maximum number of performance units that may be earned based on such subjective criteria as it may deem appropriate.

The number of performance units awarded reflects the number of performance units that will be earned for achieving a three-year average ROIC of 11.8%. Each named executive officer may earn more or less than the number of performance units awarded based on the performance results achieved. A three-year average ROIC of 11.0% will result in a minimum payout of 50% of the performance units awarded, while a three-year average ROIC of 12.6% will result in a maximum payout of 150% of the performance units awarded. The number of performance units earned will be calculated on a straight-line basis for achievement of a three-year average ROIC between 11.0% and 12.6%. No performance units will be earned if the three-year average ROIC is below 11.0%.

Each performance unit was granted subject to the terms of a Performance Unit Award Agreement, which generally provides that, in the event the performance goal is satisfied, each executive officer's interest in the performance unit will vest on January 20, 2015, the third-anniversary of the date of grant.

Each restricted stock unit ("RSU") represents the right to receive one full Common Share if the vesting requirement underlying the RSU is satisfied. Each RSU was granted subject to the terms of a Restricted Stock Unit Award Agreement, which generally provides that each executive officer's interest in the RSU will vest on January 20, 2015, the third-anniversary of the date of grant.

Each nonqualified stock option ("NSO") represents the right to purchase one full Common Share at the exercise price established for such NSO if the vesting requirement underlying the NSO is satisfied. Each NSO was granted subject to the terms of a Nonqualified Stock Option Award Agreement, which generally provides that each executive officer's interest in the NSO will vest on January 20, 2015, the third anniversary of the date of grant. Based on the closing price of the Common Shares on the New York Stock Exchange on the date of grant, each NSO has an exercise price of \$47.66.

The foregoing descriptions of the terms and conditions of the Performance Unit Award Agreement, the Restricted Stock Unit Award Agreement and the Nonqualified Stock Option Award Agreement are qualified in their entirety by reference to the full text of the form of Performance Unit Award Agreement, the form of Restricted Stock Unit Award Agreement and the form of Nonqualified Stock Option Award Agreement, copies of which are included as Exhibits 10.1, 10.2 and 10.3, respectively, to this Current Report on Form 8-K and are incorporated herein by reference.

Item 5.05. Amendments to the Registrant's Code of Ethics, or Waiver of a Provision of the Code of Ethics.

On January 18, 2012, the Company's Board of Directors approved and adopted a refreshed Code of Business Conduct & Ethics (the "Code of Conduct"). The refreshed Code of Conduct replaces the Company's previous Code of Business Conduct and Ethics in its entirety.

The main purpose for refreshing the Code of Conduct was to improve its clarity and readability while ensuring that the Code of Conduct reinforces the Company's cultural initiatives and strategies. Among other things, the refreshed Code of Conduct highlights the Company's guiding principles and cultural attributes, sets clear expectations for Company leaders, includes additional detail regarding the Company's policies with respect to anti-bribery, data privacy and international trade and provides additional information regarding the numerous channels through which Company associates can report concerns arising under the Code of Conduct. The refreshed Code of Conduct also includes a question and answer section designed to provide the Company's associates with additional guidance.

The foregoing description of the refreshed Code of Conduct is qualified in its entirety by reference to the full text of The Scotts Miracle-Gro Company Code of Business Conduct & Ethics, a copy of which is included as Exhibit 14.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 5.07. Submission of Matters to a Vote of Security Holders.

On January 19, 2012, the Company held its Annual Meeting of Shareholders (the "Annual Meeting") at The Berger Learning Center, located at 14111 Scottslawn Road, Marysville, Ohio 43041. At the close of business on November 28, 2011, the record date for the Annual Meeting, there were a total of 60,957,452 Common Shares of the Company issued and outstanding, each share being entitled to one vote. At the Annual Meeting, 56,560,521, or 92%, of the outstanding Common Shares were represented in person or by proxy and, therefore, a quorum was present.

At the Annual Meeting, the Company's shareholders voted on the following matters:

Proposal 1 – Election of Directors.

Each of Alan H. Barry, Thomas N. Kelly Jr., Carl F. Kohrt, Ph.D. and John S. Shiely was elected as a director of the Company to serve for a term expiring at the Annual Meeting of Shareholders to be held in 2015. The results of the vote were as follows:

	<u>Votes For</u>	<u>Votes Withheld</u>	<u>Broker Non-Votes</u>
Alan H. Barry	53,424,728	177,468	2,958,325
Thomas N. Kelly Jr.	53,482,085	120,111	2,958,325
Carl F. Kohrt, Ph.D.	53,500,315	101,881	2,958,325
John S. Shiely	53,500,903	101,293	2,958,325

Proposal 2 – Advisory Vote on the Compensation of the Company's Named Executive Officers ("Say-on-Pay").

The compensation of the Company's named executive officers was approved on an advisory basis. The results of the vote were as follows:

<u>Votes For</u>	<u>Votes Against</u>	<u>Abstentions</u>	<u>Broker Non-Votes</u>
50,838,009	2,617,599	146,588	2,958,325

Proposal 3 – Advisory Vote on the Frequency With Which Future Advisory Votes on Executive Compensation Will Occur.

Shareholders expressed a preference for holding an advisory vote on executive compensation every year. The results of the vote were as follows:

<u>One Year</u>	<u>Two Years</u>	<u>Three Years</u>	<u>Abstention</u>	<u>Broker Non-Votes</u>
52,239,467	131,422	1,101,070	130,237	2,958,325

The Company has considered the shareholders' preference and has determined that it will hold an advisory vote on executive compensation every year until the next shareholder vote on frequency, which will occur no later than the Company's Annual Meeting of Shareholders in 2018.

Proposal 4 – Ratification of the Selection of Deloitte & Touche LLP as the Company's Independent Registered Public Accounting Firm for the Fiscal Year Ending September 30, 2012.

The Audit Committee's selection of Deloitte & Touche LLP as the Company's independent registered public accounting firm was ratified. The results of the vote were as follows:

<u>Votes For</u>	<u>Votes Against</u>	<u>Abstentions</u>
56,362,752	183,695	14,074

Item 9.01 Financial Statements and Exhibits.

Exhibits:

<u>Exhibit No.</u>	<u>Description</u>
10.1	Specimen form of Performance Unit Award Agreement for Employees (with Related Dividend Equivalents) used to evidence grants of Performance Units which may be made under The Scotts Miracle-Gro Company Amended and Restated 2006 Long-Term Incentive Plan (post-January 19, 2012 version)
10.2	Specimen form of Restricted Stock Unit Award Agreement for Employees (with Related Dividend Equivalents) used to evidence grants of Restricted Stock Units which may be made under The Scotts Miracle-Gro Company Amended and Restated 2006 Long-Term Incentive Plan (post-January 19, 2012 version)
10.3	Specimen form of Nonqualified Stock Option Award Agreement for Employees used to evidence grants of Nonqualified Stock Options which may be made under The Scotts Miracle-Gro Company Amended and Restated 2006 Long-Term Incentive Plan (post-January 19, 2012 version)
14.1	The Scotts Miracle-Gro Company Code of Business Conduct & Ethics (as revised effective January 18, 2012)

SIGNATURE

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 hereunto duly authorized.

THE SCOTTS MIRACLE-GRO COMPANY

January 24, 2012

By: /s/ VINCENT C. BROCKMAN

Name: **Vincent C. Brockman**

Title: **Executive Vice President, General Counsel
and Corporate Secretary**

INDEX TO EXHIBITS

Current Report on Form 8-K
Dated January 24, 2012
The Scotts Miracle-Gro Company

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THE SCOTTS MIRACLE-GRO COMPANY
AMENDED AND RESTATED
2006 LONG-TERM INCENTIVE PLAN

PERFORMANCE UNIT AWARD AGREEMENT FOR EMPLOYEES
(with related dividend equivalents)

PERFORMANCE UNITS GRANTED TO
[Grantee's Name] ON [Grant Date]

This Award Agreement describes the type of Award that you have been granted and the terms and conditions of your Award.

1. DESCRIPTION OF YOUR PERFORMANCE UNITS. You have been granted [Number] Performance Units ("Performance Units") and an equal number of related dividend equivalents, subject to the terms and conditions of the Plan and this Award Agreement. The "Grant Date" of your Award is [Grant Date]. Each whole Performance Unit represents the right to receive one full Share at the time and in the manner described in this Award Agreement. Subject to Section 5 of this Award Agreement, each dividend equivalent represents the right to receive an amount equal to the dividends that are declared and paid during the period beginning on the Grant Date and ending on the Settlement Date (as described in Section 4(a) of this Award Agreement) with respect to the Share represented by the related Performance Unit. To accept this Award Agreement, you must return a signed copy of this Award Agreement no later than [Date 30 Days After Grant Date], to [Third Party Administrator] (the "Third Party Administrator") as follows:

[Third Party Administrator]
Attention: [TPA Contact's Name]
[TPA Contact's Address]
[TPA Telephone Number]

2. INCORPORATION OF PLAN AND DEFINITIONS.

- (a) This Award Agreement and your Performance Units are granted pursuant to and in accordance with the Company's 2006 Long-Term Incentive Plan (the "Plan"). All provisions of the Plan are incorporated herein by reference, and your Performance Units and related dividend equivalents are subject to the terms of the Plan. To the extent there is a conflict between this Award Agreement and the Plan, the Plan will govern.
- (b) Capitalized terms that are not defined in this Award Agreement have the same meanings as in the Plan.

3. VESTING. Except as provided in Section 6 of this Award Agreement, the Performance Units described in this Award Agreement will vest as follows:

- (a) **General Vesting.** If your employment continues from the Grant Date until the [Vesting Date] (the "Vesting Date") the number of your Performance Units shall vest on the Vesting Date, subject to satisfaction of the performance criteria set forth on Exhibit A over the period beginning on the [Beginning Date] and ending on [Ending Date] (the "Performance Period");

- (b) **Accelerated Vesting.** Under the following circumstances, your Performance Units described in this Award Agreement will become 100% vested earlier than the Vesting Date:
- (i) If you die or you Terminate because you become Disabled (as defined below), your Performance Units described in this Award Agreement will become 100% vested as of the date of such event and will be settled in accordance with Section 4 of this Award Agreement. For purposes of this Award Agreement, “Disabled” means (A) you are unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, (B) you are, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering Employees of your employer, or (C) you are determined to be totally disabled by the Social Security Administration or Railroad Retirement Board
 - (ii) If you Terminate for a reason other than Cause after reaching either (i) age 55 and completing at least 10 years of employment with the Company, its Affiliates and/or its Subsidiaries, your Performance Units described in this Award Agreement will become 100% vested as of the date of such event and will be settled in accordance with Section 4 of this Award Agreement; or
 - (iii) If there is a Change in Control, your Performance Units may become 100% vested earlier. See the Plan for further details.

4. SETTLEMENT.

- (a) Subject to the terms of the Plan and this Award Agreement, your vested Performance Units, minus any shares that are withheld for taxes as provided under Section 4(c), shall be settled in a lump sum as soon as administratively practicable, but no later than 90 days following the earliest date upon which you become 100% vested as described in Section 3 (the “Settlement Date”). Your whole Performance Units shall be settled in full Shares, and any fractional Performance Unit shall be settled in cash, determined based upon the Fair Market Value of a Share on the Settlement Date.
- (b) Except as provided in Section 5 of this Award Agreement, you will have none of the rights of a shareholder with respect to Shares underlying the Performance Units unless and until you become the record holder of such Shares.

- (c) You may use one of the following methods to pay the required withholding taxes related to the vesting of your Performance Units. You will decide on the method at the time prescribed by the Company. If you do not elect one of these methods, the Company will apply the Net Settlement method described below :
- (i) **CASH PAYMENT:** If you elect this alternative, you will be responsible for paying the Company through the Third Party Administrator cash equal to the minimum statutory withholding requirements applicable on your Performance Units.
 - (ii) **NET SETTLEMENT:** If you elect this alternative, the Company will retain the number of shares with a Fair Market Value equal to the minimum statutory withholding requirements applicable on your Performance Units.

5. DIVIDEND EQUIVALENTS. You will be entitled to receive a dividend equivalent equal to any dividends declared and paid on each Share represented by a related Performance Unit, subject to the same terms and conditions as the related Performance Unit. Any dividend equivalents described in this Section 5 will be distributed to you in accordance with Section 4 of this Award Agreement or forfeited, depending on whether or not you have met the conditions described in this Award Agreement and the Plan. Any such distributions will be made in (i) cash, for any dividend equivalents relating to cash dividends and/or (ii) Shares, for any dividend equivalents relating to Share dividends.

6. FORFEITURE.

- (a) Except as otherwise provided in this Section 3 of this Award Agreement, you will forfeit your Performance Units if you Terminate prior to the Vesting Date.
- (b) If you engage in “Conduct That Is Harmful To The Company” (as described below), **you** will forfeit your Performance Units and related dividend equivalents and must return to the Company all Shares and other amounts you have received through the Plan or this Award Agreement if, without the Company’s written consent, you do any of the following within 180 days before and 730 days after you Terminate:
 - (i) You breach any confidentiality, nondisclosure, and/or noncompetition obligations under any agreement or plan with the Company or any Affiliate or Subsidiary;
 - (ii) You fail or refuse to consult with, supply information to or otherwise cooperate with the Company or any Affiliate or Subsidiary after having been requested to do so;
 - (iii) You deliberately engage in any action that the Company concludes has caused substantial harm to the interests of the Company or any Affiliate or Subsidiary;

- (iv) You fail to return all property (other than personal property), including vehicles, computer or other equipment or electronic devices, keys, notes, memoranda, writings, lists, files, reports, customer lists, correspondence, tapes, disks, cards, surveys, maps, logs, machines, technical data, formulae or any other tangible property or document and any and all copies, duplicates or reproductions that you have produced or received or have otherwise been provided to you in the course of your employment with the Company or any Affiliate or Subsidiary; or
- (v) You engaged in conduct that the Committee reasonably concludes would have given rise to a Termination for Cause had it been discovered before you Terminated.

7. AMENDMENT AND TERMINATION. Subject to the terms of the Plan, the Company may amend or terminate this Award Agreement or the Plan at any time.

8. BENEFICIARY DESIGNATION. You may name a beneficiary or beneficiaries to receive any Performance Units and related dividend equivalents that vest before you die but are settled after you die. This may be done only on the attached Beneficiary Designation Form and by following the rules described in that Form. The Beneficiary Designation Form does not need to be completed now and is not required as a condition of receiving your Award. However, if you die without completing a Beneficiary Designation Form or if you do not complete that Form correctly, your beneficiary will be your surviving spouse or, if you do not have a surviving spouse, your estate.

9. TRANSFERRING YOUR PERFORMANCE UNITS AND RELATED DIVIDEND EQUIVALENTS. Except as described in Section 8, your Performance Units and related dividend equivalents may not be transferred to another person. Also, the Committee may allow you to place your Performance Units and related dividend equivalents into a trust established for your benefit or the benefit of your family. Contact the Third Party Administrator for further details.

10. GOVERNING LAW. This Award Agreement shall be governed by the laws of the State of Ohio, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of the Plan to the substantive law of another jurisdiction.

11. OTHER AGREEMENTS. Your Performance Units and related dividend equivalents will be subject to the terms of any other written agreements between you and the Company or any Affiliate or Subsidiary to the extent that those other agreements do not directly conflict with the terms of the Plan or this Award Agreement.

12. ADJUSTMENTS TO YOUR PERFORMANCE UNITS. Subject to the terms of the Plan, your Performance Units and related dividend equivalents will be adjusted, if appropriate, to reflect any change to the Company's capital structure (e.g., the number of Shares underlying your Performance Units will be adjusted to reflect a stock split).

13. YOUR ACKNOWLEDGMENT OF AND AGREEMENT TO AWARD CONDITIONS.

By signing below, you acknowledge and agree that:

- (a) A copy of the Plan has been made available to you;
- (b) You understand and accept the terms and conditions of your Award;
- (c) You will consent (on your own behalf and on behalf of your beneficiaries and transferees and without any further consideration) to any necessary change to your Award or this Award Agreement to comply with any law and to avoid paying penalties under Section 409A of the Code, even if those changes affect the terms of your Award and reduce its value or potential value; and
- (d) You must return a signed copy of this Award Agreement to the address given above before **[Date 30 Days After Grant Date]**.

[Grantee's Name]

THE SCOTTS MIRACLE-GRO COMPANY

By: _____

By: _____

[Name of Company Representative]

Date signed: _____

[Title of Company Representative]

Date signed: _____

**THE SCOTTS MIRACLE-GRO COMPANY
AMENDED AND RESTATED
2006 LONG-TERM INCENTIVE PLAN**

**RESTRICTED STOCK UNIT AWARD AGREEMENT FOR EMPLOYEES
(with related dividend equivalents)**

**RESTRICTED STOCK UNITS GRANTED TO
[Grantee's Name] ON [Grant Date]**

This Award Agreement describes the type of Award that you have been granted and the terms and conditions of your Award.

1. DESCRIPTION OF YOUR RESTRICTED STOCK UNITS. You have been granted [Number] Restricted Stock Units ("RSUs") and an equal number of related dividend equivalents, subject to the terms and conditions of the Plan and this Award Agreement. The "Grant Date" of your Award is [Grant Date]. Each whole RSU represents the right to receive one full Share at the time and in the manner described in this Award Agreement. Subject to Section 5 of this Award Agreement, each dividend equivalent represents the right to receive an amount equal to the dividends that are declared and paid during the period beginning on the Grant Date and ending on the Settlement Date (as described in Section 4(a) of this Award Agreement) with respect to the Share represented by the related RSU. To accept this Award Agreement, you must return a signed copy of this Award Agreement no later than [Date 30 Days After Grant Date], to [Third Party Administrator] (the "Third Party Administrator") as follows:

[Third Party Administrator]
Attention: [TPA Contact's Name]
[TPA Contact's Address]
[TPA Telephone Number]

2. INCORPORATION OF PLAN AND DEFINITIONS.

- (a) This Award Agreement and your RSUs are granted pursuant to and in accordance with the Company's 2006 Long-Term Incentive Plan (the "Plan"). All provisions of the Plan are incorporated herein by reference, and your RSUs and related dividend equivalents are subject to the terms of the Plan. To the extent there is a conflict between this Award Agreement and the Plan, the Plan will govern.
- (b) Capitalized terms that are not defined in this Award Agreement have the same meanings as in the Plan.

3. VESTING. Except as provided in Section 6 of this Award Agreement, the RSUs described in this Award Agreement will vest as follows:

- (a) **General Vesting.** If your employment continues from the Grant Date until the third anniversary of the Grant Date, in this case [Vesting Date] (the "Vesting Date"), your RSUs described in this Award Agreement will become 100% vested on the Vesting Date;

- (b) **Accelerated Vesting.** Under the following circumstances, your RSUs described in this Award Agreement will become 100% vested earlier than the Vesting Date:
- (i) If you die or you Terminate because you become Disabled (as defined below), your RSUs described in this Award Agreement will become 100% vested as of the date of such event and will be settled in accordance with Section 4 of this Award Agreement. For purposes of this Award Agreement, “Disabled” means (A) you are unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, (B) you are, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering Employees of your employer, or (C) you are determined to be totally disabled by the Social Security Administration or Railroad Retirement Board
 - (ii) If you Terminate for a reason other than Cause after reaching age 55 and completing at least 10 years of employment with the Company, its Affiliates and/or its Subsidiaries, your RSUs described in this Award Agreement will become 100% vested as of the date of such event and will be settled in accordance with Section 4 of this Award Agreement; or
 - (iii) If there is a Change in Control, your RSUs may become 100% vested earlier. See the Plan for further details.

4. SETTLEMENT.

- (a) Subject to the terms of the Plan and this Award Agreement, your vested RSUs, minus any shares that are withheld for taxes as provided under Section 4(c), shall be settled in a lump sum as soon as administratively practicable, but no later than 90 days following the earliest date upon which you become 100% vested as described in Section 3 (the “Settlement Date”). Your whole RSUs shall be settled in full Shares, and any fractional RSU shall be settled in cash, determined based upon the Fair Market Value of a Share on the Settlement Date.
- (b) Except as provided in Section 5 of this Award Agreement, you will have none of the rights of a shareholder with respect to Shares underlying the RSUs unless and until you become the record holder of such Shares.

- (c) You may use one of the following methods to pay the required withholding taxes related to the vesting of your RSUs. You will decide on the method at the time prescribed by the Company. If you do not elect one of these methods, the Company will apply the Net Settlement method described below :
- (i) **CASH PAYMENT:** If you elect this alternative, you will be responsible for paying the Company through the Third Party Administrator cash equal to the minimum statutory withholding requirements applicable on your RSUs.
 - (ii) **NET SETTLEMENT:** If you elect this alternative, the Company will retain the number of shares with a Fair Market Value equal to the minimum statutory withholding requirements applicable on your RSUs.

5. DIVIDEND EQUIVALENTS. You will be entitled to receive a dividend equivalent equal to any dividends declared and paid on each Share represented by a related RSU, subject to the same terms and conditions as the related RSU. Any dividend equivalents described in this Section 5 will be distributed to you in accordance with Section 4 of this Award Agreement or forfeited, depending on whether or not you have met the conditions described in this Award Agreement and the Plan. Any such distributions will be made in (i) cash, for any dividend equivalents relating to cash dividends and/or (ii) Shares, for any dividend equivalents relating to Share dividends.

6. FORFEITURE.

- (a) Except as otherwise provided in this Section 3 of this Award Agreement, you will forfeit your RSUs if you Terminate prior to the Vesting Date.
- (b) If you engage in “Conduct That Is Harmful To The Company” (as described below), **you** will forfeit your RSUs and related dividend equivalents and must return to the Company all Shares and other amounts you have received through the Plan or this Award Agreement if, without the Company’s written consent, you do any of the following within 180 days before and 730 days after you Terminate:
 - (i) You breach or threaten breach of any confidentiality, nondisclosure, and/or noncompetition obligations under any agreement or plan with the Company or any Affiliate or Subsidiary;
 - (ii) You fail or refuse to consult with, supply information to or otherwise cooperate with the Company or any Affiliate or Subsidiary after having been requested to do so;
 - (iii) You deliberately engage in any action that the Company concludes has caused substantial harm to the interests of the Company or any Affiliate or Subsidiary;
 - (iv) You fail to return all property (other than personal property), including vehicles, computer or other equipment or electronic devices, keys, notes, memoranda, writings, lists, files, reports, customer lists, correspondence, tapes, disks, cards, surveys, maps, logs, machines, technical data, formulae or any other tangible property or document and any and all copies, duplicates or reproductions that you have produced or received or have otherwise been provided to you in the course of your employment with the Company or any Affiliate or Subsidiary; or

- (v) You engaged in conduct that the Committee reasonably concludes would have given rise to a Termination for Cause had it been discovered before you Terminated.

7. AMENDMENT AND TERMINATION. Subject to the terms of the Plan, the Company may amend or terminate this Award Agreement or the Plan at any time.

8. BENEFICIARY DESIGNATION. You may name a beneficiary or beneficiaries to receive any RSUs and related dividend equivalents that vest before you die but are settled after you die. This may be done only on the attached Beneficiary Designation Form and by following the rules described in that Form. The Beneficiary Designation Form does not need to be completed now and is not required as a condition of receiving your Award. However, if you die without completing a Beneficiary Designation Form or if you do not complete that Form correctly, your beneficiary will be your surviving spouse or, if you do not have a surviving spouse, your estate.

9. TRANSFERRING YOUR RSUs AND RELATED DIVIDEND EQUIVALENTS. Except as described in Section 8, your RSUs and related dividend equivalents may not be transferred to another person. Also, the Committee may allow you to place your RSUs and related dividend equivalents into a trust established for your benefit or the benefit of your family. Contact the Third Party Administrator for further details.

10. GOVERNING LAW. This Award Agreement shall be governed by the laws of the State of Ohio, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of the Plan to the substantive law of another jurisdiction.

11. OTHER AGREEMENTS. Your RSUs and related dividend equivalents will be subject to the terms of any other written agreements between you and the Company or any Affiliate or Subsidiary to the extent that those other agreements do not directly conflict with the terms of the Plan or this Award Agreement.

12. ADJUSTMENTS TO YOUR RSUs. Subject to the terms of the Plan, your RSUs and related dividend equivalents will be adjusted, if appropriate, to reflect any change to the Company's capital structure (e.g., the number of Shares underlying your RSUs will be adjusted to reflect a stock split).

13. YOUR ACKNOWLEDGMENT OF AND AGREEMENT TO AWARD CONDITIONS.

By signing below, you acknowledge and agree that:

- (a) A copy of the Plan has been made available to you;
- (b) You understand and accept the terms and conditions of your Award;

- (c) You will consent (on your own behalf and on behalf of your beneficiaries and transferees and without any further consideration) to any necessary change to your Award or this Award Agreement to comply with any law and to avoid paying penalties under Section 409A of the Code, even if those changes affect the terms of your Award and reduce its value or potential value; and
- (d) You must return a signed copy of this Award Agreement to the address given above before **[Date 30 Days After Grant Date]**.

[Grantee's Name]

THE SCOTTS MIRACLE-GRO COMPANY

By: _____

By: _____

[Name of Company Representative]

Date signed: _____

[Title of Company Representative]

Date signed: _____

THE SCOTTS MIRACLE-GRO COMPANY
AMENDED AND RESTATED
2006 LONG-TERM INCENTIVE PLAN

NONQUALIFIED STOCK OPTION AWARD AGREEMENT FOR EMPLOYEES

NONQUALIFIED STOCK OPTION GRANTED
TO [Grantee's Name] ON [Grant Date]

This Award Agreement describes the type of Award that you have been granted and the terms and conditions of your Award.

1. DESCRIPTION OF YOUR NONQUALIFIED STOCK OPTION. You have been granted a Nonqualified Stock Option ("NSO") to purchase [Number of Common Shares] Shares at an exercise price of \$[Exercise Price] for each Share ("Exercise Price") on or before [Day Prior to Tenth Anniversary of Grant Date] ("Expiration Date"). The Grant Date of the NSO is [Grant Date]. To accept this Award Agreement, you must return a signed copy of this Award Agreement no later than [Date 30 Days After Grant Date], to [Third Party Administrator] (the "Third Party Administrator") as follows:

[Third Party Administrator]
Attention: [TPA Contact's Name]
[TPA Contact's Address]
[TPA Telephone Number]

2. INCORPORATION OF PLAN AND DEFINITIONS.

- (a) This Award Agreement and your NSO are granted pursuant to and in accordance with the Company's 2006 Long-Term Incentive Plan (the "Plan"). All provisions of the Plan are incorporated herein by reference, and your NSO is subject to the terms of the Plan. To the extent there is a conflict between this Award Agreement and the Plan, the Plan will govern.
- (b) Capitalized terms that are not defined in this Award Agreement have the same meanings as in the Plan.

3. VESTING. Except as provided in Section 6 of this Award Agreement, the NSO described in this Award Agreement will vest as follows:

- (a) **General Vesting.** If your employment continues from the Grant Date until the third anniversary of the Grant Date, in this case [Vesting Date] (the "Vesting Date"), your NSO described in this Award Agreement will vest (and become exercisable) on the Vesting Date;

- (b) **Accelerated Vesting.** Under the following circumstances, the NSO described in this Award Agreement will vest earlier than the Vesting Date:
- (i) If you die or you Terminate due to your Disability (as defined below), your NSO described in this Award Agreement will become fully vested and expire on the Expiration Date. For purposes of this Award Agreement, “Disabled” means (A) you are unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, (B) you are, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering Employees of your employer, or (C) you are determined to be totally disabled by the Social Security Administration or Railroad Retirement Board;
 - (ii) If you Terminate for a reason other than Cause after reaching age 55 and completing at least 10 years of employment with the Company, its Affiliates and/or its Subsidiaries, your NSO described in this Award Agreement will become fully vested and expire on the Expiration Date;
or
 - (iii) If there is a Change in Control, your NSO may vest earlier. See the Plan for further details.

4. RIGHTS BEFORE YOUR NSO IS EXERCISED. You may not vote, or receive any dividends associated with, the Shares underlying your NSO before your NSO is exercised with respect to such Shares.

5. EXERCISING YOUR NSO.

- (a) After your NSO vests, you may exercise the NSO at any time prior to the Expiration Date. To exercise the NSO you must complete an Exercise Notice on the form provided by the Company, which is available from Third Party Administrator. At any one time, you must exercise your NSO to buy no fewer than 100 Shares, or, you must exercise the balance of your NSO if the value is less than 100 Shares.
- (b) You may use one of the following three methods to exercise your NSO and to pay any taxes related to that exercise. You will decide on the method at the time of exercise. If you do not elect one of these methods, the Company will apply the Broker-Assisted Cashless Exercise and Sell method described below.
 - (i) **BROKER-ASSISTED CASHLESS EXERCISE AND SELL:** If you elect this alternative, you will be deemed to have simultaneously exercised the NSO and to have sold the Shares underlying the portion of the NSO you exercised. When the transaction is complete, you will receive cash (but no Shares) equal to the difference between the aggregate Fair Market Value of the Shares deemed to have been acquired through the exercise minus the aggregate Exercise Price and related taxes.

- (ii) **COMBINATION EXERCISE:** If you elect this alternative, you will be deemed to have simultaneously exercised the NSO and to have sold a number of those Shares with a Fair Market Value equal to the aggregate Exercise Price and for taxes that are required to be withheld on account of the exercise. When the transaction is complete, the balance of the Shares subject to the portion of the NSO you exercised will be transferred to you.
- (iii) **EXERCISE AND HOLD:** If you elect this alternative, you must pay the full Exercise Price plus related taxes (in cash, a cash equivalent or in Shares having a Fair Market Value equal to the Exercise Price and which you have owned for at least six months before the exercise date). When the transaction is complete, you will receive the number of Shares purchased.
- (c) You may never exercise your NSO to purchase a fractional Share. Any fractional Share shall be redeemed for cash equal to the Fair Market Value of such fractional Share.

6. EXPIRATION AND FORFEITURE. It is your responsibility to keep track of when your NSO expires. Your NSO will expire and/or you will forfeit your NSO (i.e. you will no longer have the right to exercise any portion of your NSO) under each of the following circumstances:

- (a) **General Expiration Rules.** In general, your NSO will expire on the Expiration Date.
- (b) **Forfeiture Rules.** In the following instances, your NSO will expire and you will forfeit your NSO prior to the Expiration Date:
 - (i) If you Terminate before the Vesting Date, except as provided in Section 3 above, you will forfeit your NSO in its entirety;
 - (ii) If you engage in “Conduct That Is Harmful To The Company” (as described below), **you** will forfeit your NSO and must return to the Company all Shares and other amounts you have received through the Plan or this Award Agreement if, without the Company’s written consent, you do any of the following within 180 days before and 730 days after you Terminate:
 - 1) You breach of any confidentiality, nondisclosure, and/or noncompetition obligations under any agreement or plan with the Company or any Affiliate or Subsidiary;
 - 2) You fail or refuse to consult with, supply information to or otherwise cooperate with the Company or any Affiliate or Subsidiary after having been requested to do so;

- 3) You deliberately engage in any action that the Company concludes has caused substantial harm to the interests of the Company or any Affiliate or Subsidiary;
 - 4) You fail to return all property (other than personal property), including vehicles, computer or other equipment or electronic devices, keys, notes, memoranda, writings, lists, files, reports, customer lists, correspondence, tapes, disks, cards, surveys, maps, logs, machines, technical data, formulae or any other tangible property or document and any and all copies, duplicates or reproductions that you have produced or received or have otherwise been provided to you in the course of your employment with the Company or any Affiliate or Subsidiary; or
 - 5) You engaged in conduct that the Committee reasonably concludes would have given rise to a Termination for Cause had it been discovered before you Terminated.
- (iii) If you Terminate for Cause after the Vesting Date, the portion of your NSO that has not been exercised will be forfeited (whether or not then vested) on the date you Terminate;
- (iv) If you Terminate for any other reason after the Vesting Date, the portion of your NSO that is vested but has not been exercised will expire on the earlier of the Expiration Date or 90 days after you Terminate; or

7. AMENDMENT AND TERMINATION. Subject to the terms of the Plan, the Company may amend or terminate this Award Agreement or the Plan at any time.

8. BENEFICIARY DESIGNATION. You may name a beneficiary or beneficiaries to receive or to exercise the vested portion of your NSO that is unexercised when you die. This may be done only on the attached Beneficiary Designation Form and by following the rules described in that Form. The Beneficiary Designation Form need not be completed now and is not required as a condition of receiving your Award. If you die without completing a Beneficiary Designation Form or if you do not complete that Form correctly, your beneficiary will be your surviving spouse or, if you do not have a surviving spouse, your estate.

9. TRANSFERRING YOUR NSO. Except as described in Section 8, your NSO may not be transferred to another person. The Committee may allow you to place your NSO into a trust established for your benefit or for the benefit of your family. Contact the **Third Party Administrator** for further details.

10. GOVERNING LAW. This Award Agreement shall be governed by the laws of the State of Ohio, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of the Plan to the substantive law of another jurisdiction.

11. OTHER AGREEMENTS. Your NSO will be subject to the terms of any other written agreements between you and the Company or any Affiliate or Subsidiary to the extent that those other agreements do not directly conflict with the terms of the Plan or this Award Agreement.

12. ADJUSTMENTS TO YOUR NSO. Subject to the terms of the Plan, your NSO and the terms of this Award Agreement will be adjusted, if appropriate, to reflect any change to the Company's capital structure (e.g., the number of Shares underlying your NSO and the Exercise Price will be adjusted to reflect a stock split).

13. YOUR ACKNOWLEDGMENT OF AND AGREEMENT TO AWARD CONDITIONS

By signing below, you acknowledge and agree that:

- (a) A copy of the Plan has been made available to you;
- (b) You understand and accept the terms and conditions of your NSO;
- (c) You will consent (on your own behalf and on behalf of your beneficiaries and transferees and without any further consideration) to any necessary change to your NSO or this Award Agreement to comply with any law and to avoid paying penalties under Section 409A of the Code, even if those changes affect the terms of your NSO and reduce its value or potential value; and
- (d) You must return a signed copy of this Award Agreement to the address given above before **[Date 30 Days After Grant Date]**.

[Grantee's Name]

THE SCOTTS MIRACLE-GRO COMPANY

BY: _____

BY: _____

[Name of Company representative]

Date signed: _____

[Title of Company representative]

Date signed: _____



Know Where We Stand »»



The Scotts Miracle-Gro Company
Code of Business Conduct & Ethics





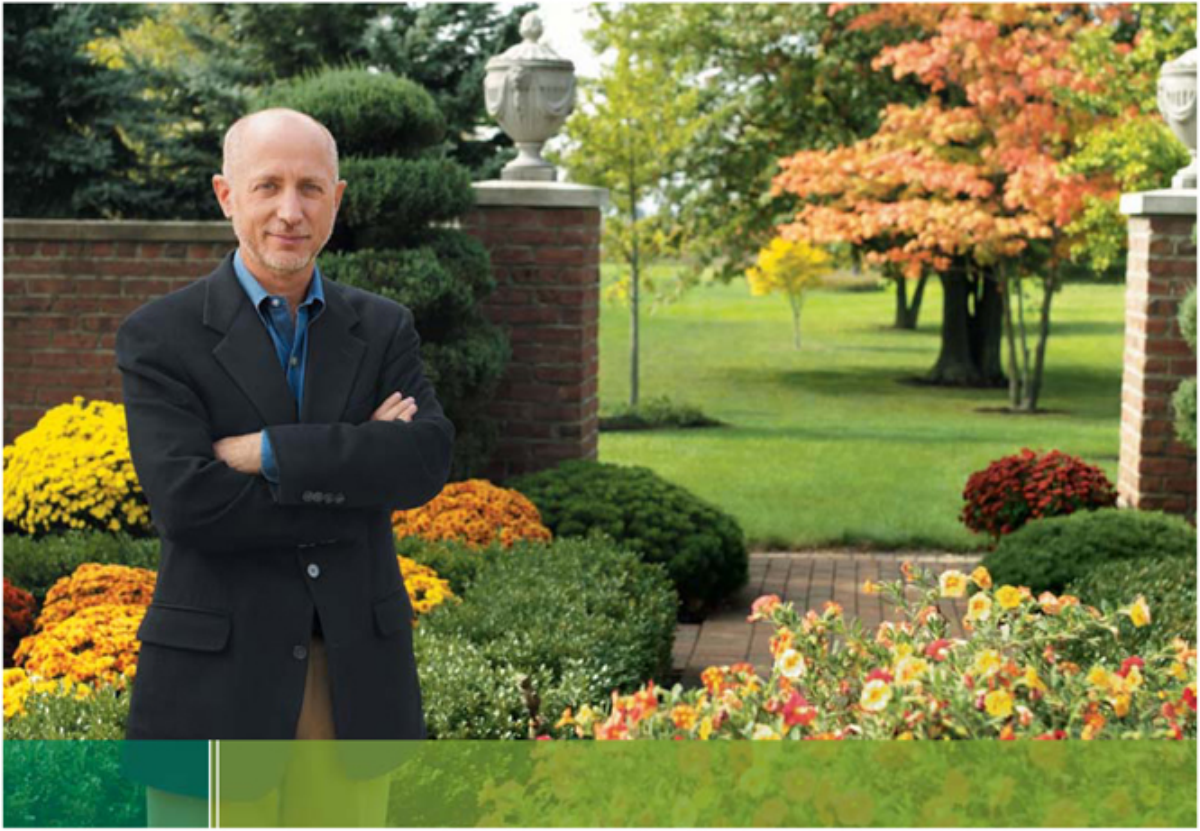
**Come Stand
With Us**



Every day the decisions we make, small and large, contribute to the trust that consumers place in our brands and our Company. As a ScottsMiracle-Gro associate, whether you're on your first day or celebrating another year of service, you should always know where we stand — and what we stand for:

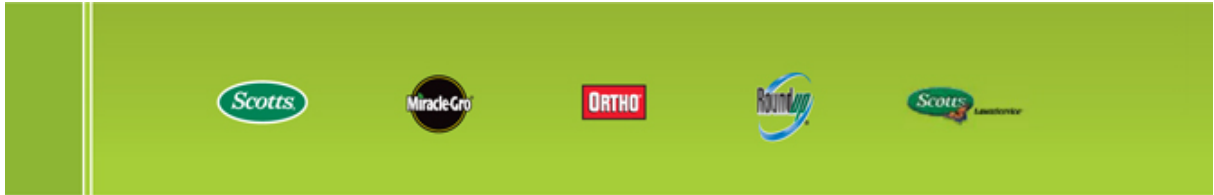
- WE STAND with our consumers, helping them enjoy the benefits of their lawns and gardens.
- WE STAND together as Associates to grow our business, protect the legacy of our Company and create a respectful and collaborative workplace.
- WE STAND with our suppliers and retail partners, dealing fairly with them, listening carefully to their needs and supporting their business.
- WE STAND for our shareholders by striving to enhance the value of their investment.
- WE STAND for an ethical, competitive marketplace.
- WE STAND for doing the right things in the countries and communities where we live and work.

These are guiding principles that have made our Company successful — and guiding principles that will continue to guide us into the future. This Code will help you better understand how these guiding principles should be applied in our day-to-day business operations and our personal behavior as representatives of ScottsMiracle-Gro.



FROM CEO JIM HAGEDORN

Since 1868, ScottsMiracle-Gro has grown from its humble beginnings by building a firm foundation of trust with consumers. Their trust in our brands has made us the world's leading consumer lawn and garden company and an enterprise our founders never could have envisioned.



We have achieved respect and loyalty in the marketplace because consumers — as well as our partners, suppliers and shareholders — trust us to conduct our business with integrity and respect for all. We earn this trust every day by making the right decisions and taking the right actions — one person at a time. Every associate is obligated to protect the integrity of our business and help to ensure that we leave our Company to the next generation of associates in even better condition than we found it.

To do so, each of us must recognize that ethical behavior is our most important cultural attribute. At ScottsMiracle-Gro, we know that there is no personal or business goal worth compromising our integrity and commitment to ethics. We strive to win, but to win the right way.

Demonstrating and valuing ethical behavior starts with our leaders. Leaders have an especially important role to set a clear example for all associates and to make every effort to assist associates with concerns or problems.

Every associate, regardless of title or seniority, is expected to follow this Code. Do not allow anything — not your competitive instincts, desire to achieve a financial goal, or even a direct order from a superior — to compromise your commitment to acting

ethically. This Code does not serve as a substitute for good judgment. It's not okay to do the wrong thing if your manager or another superior orders you to. You are accountable for your actions even if you're "just doing what I was told."

At some point, you might find that you are facing a situation not covered in this Code and are not sure how to act. **When in doubt, reach out.** Ask your manager or anyone else listed in these pages for guidance, especially if you are concerned about something that does not appear to support our commitment to integrity. You can even raise a concern anonymously. We will not tolerate retaliation against any associate who raises a concern in good faith. We will enforce the Code consistently, regardless of our position within the Company.

Generations of ScottsMiracle-Gro associates before us built a positive reputation and exceptional culture through their words and deeds. Now it's our turn to carry the banner. Thank you for your commitment to the Company and to upholding the values set forth in this Code.

Jim Hagedorn



OUR CODE
OF BUSINESS CONDUCT AND ETHICS

For nearly 150 years, The Scotts Miracle-Gro Company has forged a reputation with our customers and our stakeholders as a company with integrity. This is a valuable company asset and, in today's internet world, we recognize that we are operating under more scrutiny than ever.

This Code provides guidelines for ethical issues that may arise when dealing with fellow associates, customers, suppliers, competitors or the general public.

Each of us has committed to operate ethically and to lead with integrity. Specifically, this means that ScottsMiracle-Gro can expect that each of us will:

- Demonstrate the values in this Code and always act within its letter and spirit.
- Take personal accountability for maintaining an environment in which associates feel comfortable asking questions, raising concerns and reporting issues without fear of reprisal.
- Model at all times the expectations outlined in this Code, and hold the Associates who report to us accountable for doing so as well.
- Sustain a culture in which ethical conduct is recognized, valued and demonstrated at all levels.



OUR CULTURAL ATTRIBUTES

Our cultural attributes define the behaviors all of us should display and expect from each other as we work together. Like our guiding principles, they let our customers and our partners know where we stand and what we stand for. Each attribute incorporates a measure of ethics — whether it involves doing the right thing, acting with integrity or demonstrating high ethical standards.

PASSIONATE

Enjoy what you do. Spread your enthusiasm. Motivate and inspire others.

RESPECTFUL

Participate. Debate openly and honestly. Stand up for each other as well as yourself.

ETHICAL

Do the right thing. Act with integrity. Understand that answers are not always black and white, so ask if you need help.

HOW WE ACT

ACCOUNTABLE

Own results. Learn from your mistakes. Improve continuously.

EMPOWERED

Give authority. Make a decision. Move forward with courage of conviction.

COLLABORATIVE

Involve others. Seek out additional knowledge and expertise. Work towards mutual solutions.

FLEXIBLE

React quickly and thoughtfully to changes. Adapt. Accept new challenges and assignments.

WHO WE ARE

INNOVATIVE

Challenge conventional thinking. Bring solutions. View change as an opportunity.

ENTREPRENEURIAL

Be committed. Take calculated risk.

DIVERSITY OF THOUGHT

Value the unique thoughts and opinions of others. Work together with mutual respect.

HOW WE GRO

WHY WE HAVE A CODE

At ScottsMiracle-Gro, we adhere to the highest standards of personal, professional and business ethics. This Code of Business Conduct and Ethics delivers behavioral guidance to help us conduct our business with honesty, integrity and professionalism.

The Code is intended as an overview of the Company's values, which underlie our policies. For more information about the values described here, read our policies on The Garden, the associate intranet site. Understand, however, that this Code and our policies cannot and are not intended to provide answers to all questions. For

that, we must rely, ultimately, on each person's sense of doing what's right, including knowing when to seek guidance from others on the appropriate course of action.

This Code establishes guidelines for ethical as well as legal behavior and anticipates that each of us will take responsibility for our own conduct.

WHO MUST FOLLOW THE CODE

This Code applies to every ScottsMiracle-Gro associate, officer and member of our Board of Directors. Each of us is obligated to read and understand this Code and to integrate its standards into every aspect of our business. Each of us must follow these standards as we do our jobs.

If you have questions, ask them. If you have ethical concerns, raise them. If you are unsure about how the Code applies to a particular situation, ask before you act.

WHAT IS EXPECTED OF LEADERS

Leaders at our Company have a special responsibility to demonstrate our values through their actions. They should hold themselves to the highest standards of ethical conduct and foster an environment of integrity, honesty and respect. They should encourage others to act with integrity to avoid even the appearance of a violation of our guiding principles. Leaders must never retaliate against anyone for raising an ethics issue, assisting in an investigation, or participating in any proceeding relating to an alleged violation of this Code or any law or regulation.

Leaders, if you are approached by an associate with a question or concern, listen carefully and give the associate your complete attention. Ask for clarification and additional information to make sure you understand the issue being raised. Demonstrate our guiding principles by showing the associate that we take such concerns seriously. Answer the associate's questions if you can, but do not feel that you must give an immediate response. Seek help if you need it. If an associate raises a concern that may require investigation under this Code, contact the Human Resources and/or Ethics & Compliance Department.



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Do you know...

» **Why we need a Code of Business Conduct and Ethics?**

The Code sets out our commitment to living our values in the way we conduct business. The Code provides guidance on what is expected of each of us and references other Company policies and guidelines. Failure to comply with the Code or any policy is taken seriously and may result in discipline, up to and including termination.

» **Our Board of Directors must approve any waiver of the Code for our executive officers?**

For members of the Board of Directors and our executive officers, waivers of this Code may only be made by the Board or a Board committee, and will be disclosed publicly as required by law or New York Stock Exchange Rules. Any waiver for other officers, associates or representatives may be made only by the Chief Executive Officer or, if the CEO is not available, the General Counsel together with the head of Global Human Resources.

» **Most associates report concerns to their direct manager or supervisor?**

You have told us through our Cultural Assessment survey that you feel most comfortable reaching out to your direct manager or supervisor when you have a question or concern. You may also use the other channels contained in this Code, including the anonymous Ethics & Compliance HelpLine, to escalate concerns. *When in doubt, reach out.*

» **The Code does not contain everything you need to know to do your job?**

The Code cannot detail everything you need to know to do your job or every situation you may face. You are responsible for learning about and conducting your work in a way that reflects our values and complies with all applicable laws. If you have questions, concerns or are unsure how to act in a particular situation, ask for help using any of the channels contained in this Code.

GETTING HELP

WHEN IN DOUBT, REACH OUT

Raising an ethics concern protects our Company, our stakeholders and all of us. If you have a concern about compliance with a policy, behavioral expectation or the law, you have a responsibility to raise that concern.

If you are in doubt about a business conduct situation, ask yourself these questions:

- » Is it legal? If legal, is it ethical?
- » Does it violate a Company policy?
- » Is it consistent with our values?
- » Is it fair?
- » How does it make me feel about myself?

You have many resources available to resolve ethics and behavioral-related questions or issues. But since questions of law and ethics do not always lend themselves to simple answers, you may be uncertain about how the Code applies to a particular situation.

Generally, your supervisor or manager will be in the best position to resolve an issue or offer guidance quickly. However, your direct manager is not your only option.

You may also consult:

- » Our policies and procedures located on “The Garden,” our associate intranet
- » Your Human Resources representative
- » The Ethics & Compliance Department
- » Any lawyer in our Legal department
- » A member of senior management
- » The Chief Ethics & Compliance Officer

IF YOU ARE MORE COMFORTABLE REPORTING AN ISSUE ANONYMOUSLY:

You may call the 24/7 Ethics & Compliance HelpLine at (800) 736-0379. You may also send a letter in a sealed

envelope marked “Confidential” to the Audit Committee of our Board of Directors. Send a report to either:

- » The Scotts Miracle-Gro Company REPORT TO AUDIT COMMITTEE
c/o General Counsel
1411 Scottslawn Road
Marysville, Ohio 43041
- » The Scotts Miracle-Gro Company REPORT TO AUDIT COMMITTEE
c/o Chief Ethics & Compliance Officer
14111 Scottslawn Road
Marysville, Ohio 43041



INTERNATIONAL ASSOCIATES

If you are an International associate and have a question or concern about a potential violation of law or any ScottsMiracle-Gro policy or procedure, you should reach out to your immediate manager or supervisor, your Human Resources representative, a member of executive management based in the European Union or a ScottsMiracle-Gro lawyer based in the European Union.

For issues relating to accounting, financial or auditing matters, you may report any potential issues

- » Austria: 800-736-0379, access code 0800-200-288
- » Belgium: 0800-7-1807
- » France: 0800-90-1378
- » Germany: 0800-182-4026

through any of the channels above, or you may make a report to the Ethics & Compliance HelpLine. Reports to the HelpLine may be made confidentially and anonymously. However, we prefer that, whenever possible, you identify yourself when you contact the HelpLine. We will keep your identity confidential unless your vital interests are at stake. The HelpLine is available 24/7. If you wish to use it, dial your local call-in number:

- » Italy: 800-788-598
- » Netherlands: 0800-022-7347
- » Poland: 0-0-800-111-1662
- » Spain: ###-##-####
- » United Kingdom: 0808-234-8532

SHARE YOUR CONCERNS WITHOUT FEAR

We will investigate each report. Investigations are coordinated through the Human Resources Department or the Ethics & Compliance Department. Your identity and the information you provide will be shared only on a “need-to-know” basis.

Management, consulting with the Human Resources Department, may take disciplinary action it considers appropriate, including termination of employment,

after investigating the report. Scotts may also bring violations to the attention of appropriate enforcement authorities.

YOU WILL NOT BE RETALIATED AGAINST

We do not tolerate retaliation. You cannot lose your job or your benefits, or be demoted, suspended, threatened, harassed or discriminated against for raising a concern honestly and in good faith or for truthfully participating in an investigation. Reporting

honestly and in good faith means that you believe you are being truthful and accurate. If you believe someone is retaliating against you, please report it as you would any other violation of the Code. All reports of retaliation will be investigated.





Do you know...

» ***You may report concerns anonymously?***

You may make an anonymous report by contacting the Helpline, which is operated by an independent company and available 24 hours a day, 7 days a week. You may also send a letter to the Audit Committee of our Board of Directors. Understand, however, that maintaining your anonymity may limit our ability to investigate your concerns.

» ***You need not be sure that a violation of this Code or our policies has occurred before raising a concern?***

You should always raise a concern, even where you're not 100% sure that a violation has occurred. The important thing is that you raise a concern in good faith, whether or not the concern turns out to be valid. You should report any concerns using the channels explained in these pages, and you will not be retaliated against for doing so.



Our Guiding Principles



WE STAND WITH OUR CONSUMERS

We are passionate about consumers. We never stop learning about our consumers and use our knowledge about their wants and needs to help them make their lawns and gardens beautiful and drive our growth as a company. We cherish the value and trust that they have placed in our brands. We act ethically every day to build, respect and enhance the trust our consumers place in us.

HERE'S HOW WE DO IT:

Advertising: We do not make false statements about our products or unfairly disparage our competitors' products to gain the consumer's trust.

Antitrust: We price, promote, produce, market and distribute our products fairly and honestly, so our consumers may reap the benefits of an open, competitive marketplace.

Quality of Products and Services: We demonstrate our commitment to our consumers by always striving to deliver products and service that are of the highest quality. Our goal is to provide the highest level of consumer service and satisfaction with every product we sell and service we perform.

Data Privacy: We respect the confidential nature of the personal information we possess about our consumers. We recognize that it should only be used for business reasons in a manner that is fair and lawful.



WE STAND

TOGETHER AS SCOTTS ASSOCIATES

We stand together in mutual respect. We treat one another fairly. We strive to create mutually fulfilling relationships and partnerships. We value the talents, experiences and strengths of our diverse workforce.

HERE'S HOW WE DO IT:

Harassment: We treat others with the respect, trust and dignity that we ourselves expect, and we do not tolerate intimidation or harassment.

Discrimination: We treat people fairly and prohibit discrimination. We are committed to maintaining a diverse workforce and an inclusive work environment. We fully support the employment of minorities, veterans and persons with disabilities.

Legal Workforce: We inspect, verify, re-verify and document the identity and employment authorization of every associate in accordance with federal law. In complying with these requirements, we nevertheless follow our policy against discrimination on the basis of national origin or possible citizen status.

Safety: We expect our associates to work in a safe manner, and our managers and supervisors to endorse and demonstrate a culture of safety. This, for example, includes following state and local laws regarding cell phone use while driving on behalf of the Company.

Drug and Alcohol-Free Workplace: We prohibit the use, sale or possession of illegal drugs within the conduct of our business. We also prohibit the use of alcohol during the conduct

of our business, except in certain circumstances outlined in the Drug & Alcohol Policy, which is located on The Garden.

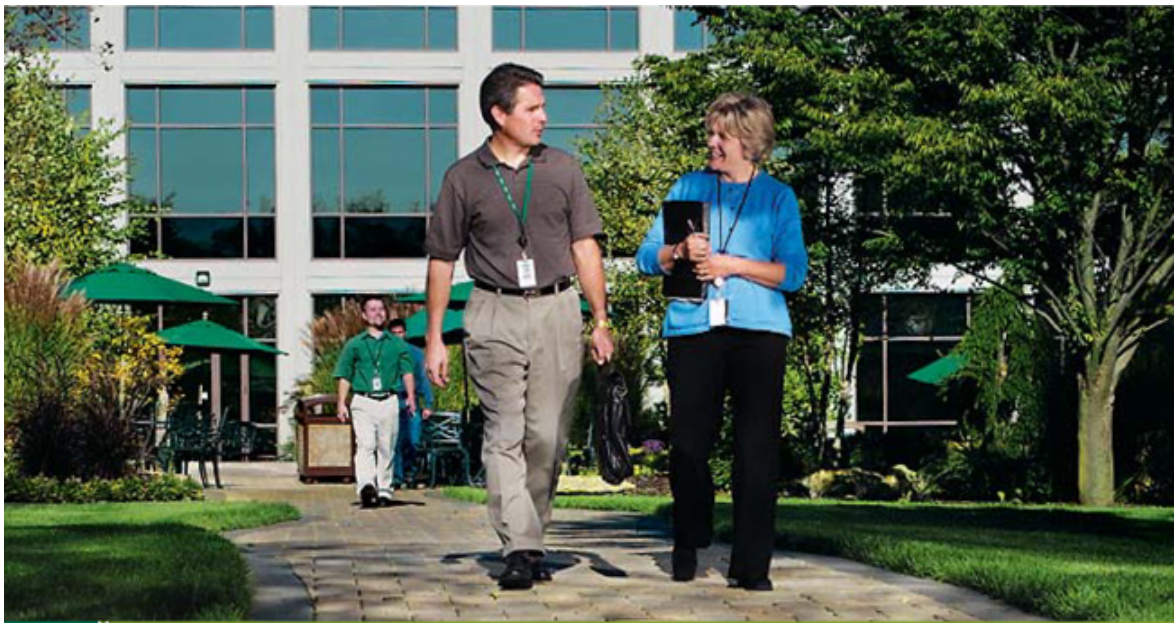
Fair Dealing: We deal fairly and honestly with one another. We do not manipulate, conceal or misrepresent facts when we work together.

Leave: We respect our fellow associates' legally-recognized need for leave when they or their family members are suffering from a serious health condition. See, e.g., the FMLA Policy located on The Garden.

Tobacco-Free: Where permitted by law, we help our Associates live long and healthy lives by being a tobacco-free employer and prohibiting tobacco use on Company property and in company vehicles.

Data Privacy: We respect the confidential nature of the personal information we possess about our associates. We recognize that it should only be used for business reasons in a manner that is fair and lawful.

Accurate Timekeeping: We are committed to paying our associates for the time they spend working for the Company. As associates, we must comply fully with our policies related to timekeeping.



Do you know...

» ***You should never perform any work for ScottsMiracle-Gro without compensation?***

It is a violation of our policy for you to work without compensation or for a supervisor or manager request that you work without compensation.

» ***You may have a right to take leave if you have a serious health condition?***

If you need time away from work to take care of your own serious health condition or that of a family member, you may be eligible for some type of covered or protected leave. Consult your manager, the Office of Disability Management or our leave policies on The Garden for further information.

» ***Our policies apply to your behavior any time you are representing the Company?***

You are expected to abide by our policies and behavioral expectations any time you are interacting with other associates or business partners, even at functions that take place after business hours.

» ***You are required to wear a seatbelt at all times when operating a Company vehicle and follow all Lockout-Tagout procedures when servicing or performing maintenance on the machinery at our plants?***

You should never operate a Company vehicle without wearing your seatbelt. You should never bypass any safety interlocks or disregard any practices or procedures that keep you safe from the unexpected energization or startup of machinery and equipment. Failing to wear your seatbelt or follow Lockout-Tagout procedures is not only unsafe, it can result in immediate termination.



Do you know...

» ***When it comes to gifts and entertainment, transparency is always best?***

Even where this Code does not require you to obtain approval before giving or accepting a gift or invitation to a business entertainment event, it is a best practice to still discuss it with your manager beforehand. Be transparent. If you're not sure what to do, you may also reach out to the Ethics & Compliance Department for guidance.

» ***We could be held responsible for the actions of our consultants and other agents doing business on our behalf?***

We could be held responsible for the illegal actions of those doing business for us, no matter where they are in the world. We need to know what our consultants, agents and partners are doing for us and how they are using our money. In fact, we have to take affirmative steps to make sure that our money is not used as a bribe, and account for that money appropriately in our books and records. You can get further advice and support regarding issues of bribery and improper payments from the Anti-Bribery Policy W-LG-3, the Legal Department or the Ethics & Compliance Department.

WE STAND
WITH OUR SUPPLIERS, CUSTOMERS AND BUSINESS PARTNERS

We maintain and practice the highest standards of ethics, fair dealing, professional courtesy and competence in dealing with our business partners.

HERE'S HOW WE DO IT:

Business Partner Relations: We compete aggressively but without compromising our values. We deal fairly and honestly with customers, vendors and suppliers. We do not take unfair advantage of them by manipulating, concealing or misrepresenting material facts. We do not abuse privileged information they have entrusted to us. We expect our partners to conduct business fairly, ethically and responsibly. They should safeguard private or confidential information appropriately. Information regarding business activities, structure, finances and performance should be disclosed only in accordance with applicable laws, regulations and prevailing industry practices. We expect that everyone who works for us and our business partners works under safe, fair and legal working conditions.

Data Privacy: We respect the confidential nature of the personal information we possess about our business partners and consumers. We recognize that it should only be used for business reasons in a manner that is fair and lawful.

Gifts and Entertainment: We never give or accept gifts or entertainment if the purpose is to improperly influence a business decision. We don't give or accept gifts of more than a nominal value (\$100 USD) to or from an employee of a business partner, supplier or vendor without the approval of our manager or Chief

Ethics & Compliance Officer. We don't provide or accept business entertainment beyond what is reasonable; i.e., an occasional business meal, social or sporting event, or attendance at a company-sponsored promotional event.

Anti-Bribery: We help ensure that our partners, suppliers, consultants and others who do business with us don't engage in corrupt practices on our behalf. If you have any questions regarding such practices, contact the Legal Department or the Chief Ethics & Compliance Officer.



We respect the markets in which we do business. We strive to meet the marketplace's expectation that we conduct our affairs in a fair and just manner. We recognize that activities that are monopolistic, corrupt or fraudulent can be damaging to the marketplace. As a result, we do not engage in such activities or any other activity that harm the markets that support our business.

HERE'S HOW WE DO IT:

Anti-Bribery: We make business decisions based upon the best interests of the Company. We do not offer or accept bribes, kickbacks or other illegal payments to or from our suppliers, business partners or government officials to obtain or retain business. We do not give or receive gifts, gratuities or other benefits that might improperly affect a business decision or allow us to gain a competitive advantage.

Antitrust: We compete aggressively, but fairly and honestly in our pricing, promotion, distribution and sale of our products.

Advertising: We do not make misleading or false statements about our products or those of our competitors.

International Trade Compliance: We strive to follow all laws and regulations whenever we import products or materials into any country, and when exporting our products to customers in other countries. Our practice is to not do business with sanctioned persons, entities or countries, unless such dealings have been approved by the Legal Department.





Do you know...

- » ***We prohibit providing gratuities to government officials to ensure execution of official duties?***

We do not pay "facilitating" or "grease" payments to government officials to get them to perform an official duty. Even in countries where such payments are not against the law, we strictly prohibit them. Seek the advice of the Legal Department or the Chief Ethics & Compliance Officer to find an acceptable alternative that accomplishes your goal.

- » ***We do not share a customer's confidential commercial information with other customers?***

We do not discuss the confidential terms or pricing plans of a customer with any of its competitors. If a customer persists in seeking such information about its competitors, contact your manager and the Legal Department to help you resolve the issue. For further information, see the Antitrust and Competition Compliance Manual located on The Garden.



Do you know...

» **What inaccurate financial reporting looks like?**

Inaccurate financial reporting could be:

- › Manipulating the timing of revenue recognition.
- › Recording large, unjustified charges in a loss period and building reserves used to "smooth" future earnings for other periods.
- › Lowering of return reserves solely to increase net sales, margins and income and to achieve a particular target, rather than to reflect objective, historical data suggesting that the reserve was too high.

» **When you should consider information about the Company to be confidential?**

As part of your work, you will probably come to know confidential information about the Company. For example, confidential information can be sales figures, financial data, wage and salary information of your fellow associates, projected earnings or areas in which we intend to expand our Company. Before discussing any

such information with anyone outside of ScottsMiracle-Gro, ask yourself whether the information is already available to the public through our website, the media or our marketing campaigns. If not, do not discuss it.

Likewise, you should recognize that you might be asked to work on projects for ScottsMiracle-Gro that are so sensitive that they should not be discussed with any associate who does not have a need to know. You should always strive to avoid discussing such projects in open areas, hallways or anywhere else you might be overheard.

» **You could commit insider trading by "tipping" a friend or family member to confidential information about our Company?**

Sharing confidential Company information with someone who then buys or sells our stock before the information becomes public is unfair, dishonest and a violation of our Insider Trading policy. It could also be a violation of law.

WE STAND
FOR OUR SHAREHOLDERS

We act honestly and transparently with our shareholders. We spend and invest their money wisely, as if it were our own. We follow the letter and the spirit of the law in reporting our financial performance. In so doing, we maintain the trust investors have placed in us.

HERE'S HOW WE DO IT:

Corporate Governance: We have an effective governance and compliance infrastructure that helps achieve our business objectives and create value for our shareholders. This includes the ethical behavior of our management team and our open and responsive approach to concerns raised by others. Our Board of Directors periodically reviews our key governance documents and policies. In addition, we update our Board regarding fiduciary duties and other governance matters as appropriate and invite our Board to attend numerous training opportunities each year. Our Board's Compensation Committee follows a philosophy that awards incentives to corporate officers to achieve our operational and strategic goals, which aligns our interests with those of our shareholders.

Insider Trading: We treat "inside information" appropriately and lawfully. Anyone who has material inside information about ScottsMiracle-Gro or a ScottsMiracle-Gro customer, supplier or competitor must not use it for personal gain or provide it to others.

Confidentiality of Company Information: We consider every piece of information we own as an asset, and we are careful to safeguard our confidential information. We do not reveal confidential or non-public information about the Company, our customers, suppliers, vendors or anyone else. We respond to legitimate inquiries from our stakeholders without releasing confidential information or violating securities laws.

External Communications/Social Media: Generally, our Corporate Communications and Investor Relations Departments manage external

communications about ScottsMiracle-Gro. When using social media services to communicate about our products and services, we are truthful, respectful of others, and transparent in disclosing our relationship with ScottsMiracle-Gro.

Conflicts of Interest: We do not take advantage of an opportunity that belongs to the Company for our own personal gain. We appreciate that opportunities that we discover through our work here or as a result of Company property or information belong to ScottsMiracle-Gro. We do not engage in activities that create, or even appear to create, conflict between our personal interests and the interests of ScottsMiracle-Gro.

Accuracy in Business Records and Financial Reporting: We are committed to integrity and honesty in financial reporting to protect our financial strength and reputation. This includes not only financial accounts, but other records such as quality reports, time records, expense reports, benefits claim forms and employment applications. We do not enable another person's efforts to evade taxes or local currency laws.

Protection of Assets/Use of Business Systems: We use company computers, office equipment and communications devices responsibly and professionally.

Use of Credit or Fuel Cards: Corporate credit cards, including fuel cards, are to be used for Company business only. Misuse of a Company credit card or fuel card is prohibited. See the Corporate Travel and Business Expense Reimbursement Policy located on The Garden for more information.

WE STAND

FOR DOING THE RIGHT THINGS IN THE COUNTRIES & COMMUNITIES WHERE WE LIVE

As the leader in the lawn and garden industry, we believe in the life-enhancing qualities that gardens and green spaces bring to people and our environment. We believe we can make a positive and lasting impact on our environment and the countries and communities where we live and work by doing what's right.

For us, social responsibility means developing products in balance with the environment, giving back to our communities and creating a dynamic workforce for our associates. Creating a culture based on attributes

that treasure honesty, integrity, transparency and ethical behavior, ScottsMiracle-Gro and our more than 6,000 associates believe we truly are "Dedicated to a Beautiful World."

HERE'S HOW WE DO IT:

Commitment to Following All Laws and Regulations: We abide by the letter and spirit of all laws, rules and regulations that apply in all countries and communities where we do business.

Commitment to the Environment: By the very nature of our business, we are committed to the environment, and while individual definitions of the right backyard garden or lawn might differ, our commitment to doing the right thing is firm. We are the "gardeners' best friend." That means consistently advocating the right use of our products, in the right manner and in a way that protects the environment. We are committed to sound stewardship and sustainability best practices, collaboration with environmental advocacy and governmental organizations, and outreach to consumers and stakeholders.

We are proud of the progress we have made to meet the expectations of our retail partners, consumers and communities. We have embraced innovations that help consumers feel good about using our products around their homes and enable them to adhere to their own environmental values. For our associates, our Code affirms this commitment to environmental stewardship and we expect all

associates to consider the environment in their decisions, whether working with colleagues at the office or our facilities, advising consumers in a retail partner's store or applying products at the consumers' yard. Every decision makes a difference.

Adverse Effects Reporting: We are transparent about any unreasonable adverse effects to humans, pets, plants, water or wildlife potentially resulting from the use of our pesticide products, and report such incidents to environmental protection agencies where appropriate.

Charitable Contributions: We are engaged in our communities by supporting local charitable organizations through contributions of our time, products services and money. You may be offered the opportunity to participate in a charitable activity or program that ScottsMiracle-Gro supports. Any such participation is strictly voluntary. No one will place undue influence on you to contribute to charitable activities or organizations. You will not be retaliated against for choosing not to participate in a Company-sponsored charitable activity.



Do you know...

» **How to report an adverse effect?**

If you become aware of any allegation of an exposure and any allegation of an effect of a pesticide, you must immediately notify the Scotts Consumer Services Help Line or the appropriate country contact. Be prepared to describe the 4 P's: *Person* – the name of the person to contact and their contact information; *Place* – the place where the incident happened; *Product* – the name of the product involved or the active pesticide ingredient in the product; and *Problem* – what happened?

Call even if you are not sure if there is a pesticide at issue or if the incident is a reportable one. Scotts Consumer Services will record the reported information and may conduct follow-up investigations.



Questions & Answers



Question: *You are thinking about hiring a consultant to take care of getting all the permits we need from a foreign government. The consultant asked for a \$50,000 retainer, saying that he would use the money to “help move the process along.” Since you don’t really know where the money is going, do you have to worry about it?*

» Answer: Yes. We will be held responsible for where that money goes and for what purpose it is being used. In fact, we have to take affirmative steps to make sure that the money is not used as a bribe, and account for that money appropriately in our books and records. Seek the advice of the Legal Department immediately.

Question: *You attend a conference on technical issues relating to the manufacture of one of our products. During the conference, an employee of a competitor asks the attendees about operating costs and the effect of those costs on the product price. What should you do?*

» Answer: You should avoid exchanging information having to do with future prices with a competitor. Giving such information to a competitor, even orally in an informal setting, could be construed as price fixing. If a competitor asks you for such information, you should decline to answer and ask him/her to drop the subject. If s/he persists, terminate the conversation by leaving the meeting or ending the phone call. Then report the incident to the Legal Department or Ethics & Compliance Department.

Question: *In chatting with your sister, you casually mention that you are working on a deal for Scotts to acquire a competitor. Could this create a problem?*

» Answer: Yes, if the possible acquisition of the competitor has not been publicly announced. If you or your sister trade in Scotts stock or the stock of the competitor, both of you could be in violation of the Insider Trading Policy and the law.

continues

Question: *You work outside of the U.S. Do U.S. laws apply to you?*

- » Answer: ScottsMiracle-Gro does business around the world, which means you may be subject to laws of countries other than the one in which you live. You must follow those laws that apply to your business duties, wherever you work. Since Scotts is incorporated in the U.S., U.S. laws may apply to certain business activities even if they are conducted outside the U.S. If you have questions about the laws that apply to your business activity, ask your manager, the Legal Department or contact the HelpLine that best applies to you.

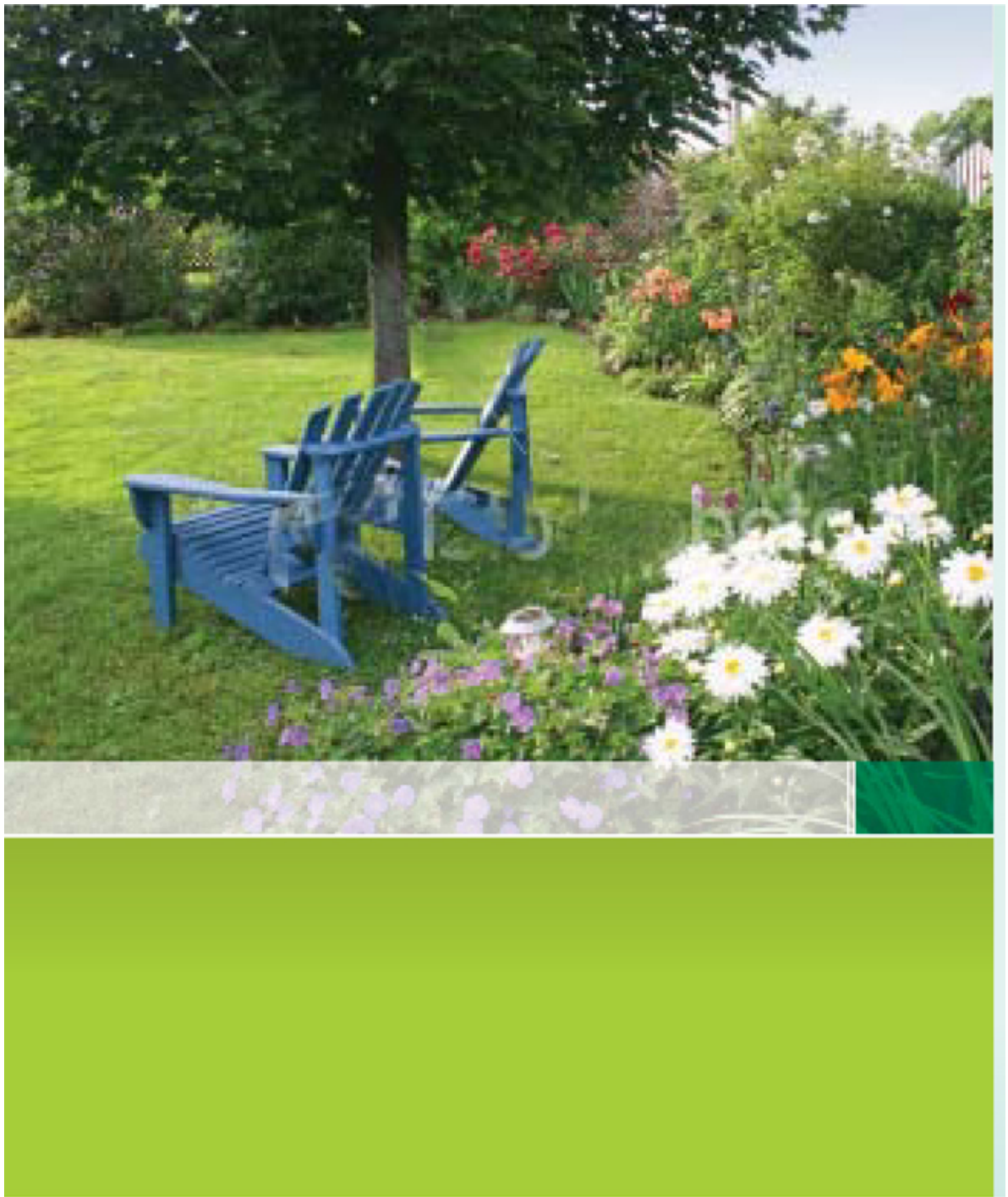
Question: *A supplier offers you tickets to The Masters golf tournament. Though the face value of the tickets is \$49 each, you have seen the same tickets for sale for \$300-\$400 each on the Internet. Can you accept the tickets without the approval of your manager or the Chief Ethics & Compliance Officer?*

- » Answer: No. When the market value of a gift is over \$100 USD, even if the face value of the item is less, you must still get prior approval from your manager or the Chief Ethics & Compliance Officer to accept the gift. In any case, transparency is always the best course of action, so discuss any gifts you would like to give or receive with your manager first.

continues







Question: You were reviewing your manager's calendar in Outlook to find a time to meet with her. You notice she has a meeting whose subject appears to relate to promotion decisions within your department. There is a document attached to the meeting notice. What should you do?

- » You should not open the meeting notice or the document attached to it. You should let your manager know that you saw the meeting on her calendar but did not probe further, and suggest that she (or the meeting organizer) mark it "private." You also have a duty not to disclose the information you inadvertently learned.

Question: Your uncle's company is seeking to become one of our suppliers. Does this create a conflict of interest for you?

- » Answer: Maybe. If you have decision-making authority in the process to select suppliers or with your uncle's company, you have a conflict of interest. Even if you do not have such authority, this relationship could look create the appearance of a conflict of interest. You should report the situation to your manager and remove yourself from the selection process if you are in any way involved.

