

THE SCOTTS MIRACLE-GRO COMPANY COMPENSATION AND ORGANIZATION COMMITTEE CHARTER

Purpose:

The Compensation and Organization Committee (the “Committee”) of the Board of Directors (the “Board”) of The Scotts Miracle-Gro Company (the “Company”) is responsible for discharging the Board’s responsibilities relating to the Company’s compensation and employee benefit plans and practices, including its executive compensation plans and its incentive compensation and equity-based plans, evaluation of executive officers and succession planning, and fulfilling the responsibilities set forth in this Charter.

Membership:

The Committee shall consist of at least three members of the Board, all of whom shall be “independent” for service on the Committee in accordance with the rules and regulations of the Securities and Exchange Commission (“SEC”) and the New York Stock Exchange (“NYSE”) listing standards and any other applicable standards of independence as may be prescribed by applicable law, rule or regulation. The members and Chair of the Committee shall be appointed and removed by the Board acting on the recommendation of the Nominating and Governance Committee. Each member of the Committee shall also qualify as a “non-employee director” within the meaning of SEC Rule 16b-3. The Committee may designate its own Secretary, who may be a non-Committee member.

Meetings:

The Committee will meet as often as necessary to discharge its responsibilities. The Committee Chair, the Board Chair or any member of the Committee may call a meeting of the Committee. The Committee in its sole discretion may invite members of management and others to attend meetings and provide pertinent information.

The Committee Chair shall preside at meetings of the Committee and shall set the agenda for the meeting. A majority of the Committee members shall constitute a quorum for the transaction of business. To the extent permitted by the Company’s Articles of Incorporation and Code of Regulations, the Committee may also take action by unanimous written consent.

The Committee shall prepare minutes of its meetings, which minutes shall be filed with the minutes of the meetings of the Committee. At each regularly scheduled meeting of the Board, the Committee Chair or the Chair’s designee shall provide the Board with a report of the Committee’s activities and proceedings since the previous Board meeting.

Responsibilities:

The following are the responsibilities of the Committee:

1. Review and discuss with the CEO periodically (and at least annually) the Company’s organizational structure and succession planning as it relates to executive officers and other key management employees of the Company and its subsidiaries.

2. Review and approve periodically the general compensation philosophy and policies applicable to the Company's CEO, the other executive officers and other key management employees of the Company and its subsidiaries.
3. Evaluate at least once a year the CEO's performance with respect to the Company's goals and objectives, and based upon this evaluation, set the CEO's annual compensation, including salary, incentive and equity compensation, executive retirement benefits and perquisites.
4. Review annually, together with the CEO, the performance of the executive officers other than the CEO and other key management employees of the Company and its subsidiaries.
5. Review and approve promotions, benefits and compensation for the non-CEO executive officers and other key management employees of the Company and its subsidiaries.
6. Administer each of the Company's equity-based plans and any other plans that require the Committee to administer, or that applicable laws, rules or regulations require the Committee to administer, such plans with respect to the executive officers of the Company and other participants in such plans. In its administration of the plans, the Committee may, unless otherwise directed by the Board or required by the terms of the plans: (a) grant stock options, performance-vesting or time-vesting restricted stock or other awards authorized by such plans to individuals eligible for such grants; and (b) otherwise administer such plans and the awards granted thereunder to the extent permitted by such plans and applicable laws, rules and regulations.
7. Review and discuss with management, and, if appropriate, recommend to the Board, the Compensation Discussion and Analysis section of the Company's annual proxy statement and produce the Compensation Committee Report for inclusion in the Company's annual proxy statement.
8. Evaluate the need for, and provisions of, employment contracts, including severance arrangements and change in control arrangements, for the CEO, other executive officers and other key management employees of the Company and its subsidiaries. The Committee shall negotiate and approve any new employment contract or severance agreement, or negotiate the amendment of any existing such agreement, between the Company and the CEO, any of the other executive officers or any other key management employees of the Company and its subsidiaries.
9. Consider, approve, and, where necessary, recommend to the Board for approval, the adoption, amendment, or termination of compensation practices, policies, programs, and employee benefit plans maintained by the Company or its subsidiaries for eligible employees, in the Committee's capacity as a fiduciary of the Company and not, except as expressly provided in any such plan, as a fiduciary under ERISA, including but not limited to qualified plans, cash and stock-based incentive plans, nonqualified deferred compensation and retirement plans, welfare plans, and perquisites, in each case in accordance with applicable tax laws and regulations and the applicable rules and regulations of the SEC and the NYSE.
10. Act on Board equity-based compensation recommendations from the Nominating and Governance Committee (responsible for Board compensation).

11. In consultation with the Nominating and Governance Committee, review and assess the adequacy of this charter and perform a Committee performance evaluation on an annual basis.
12. Oversee management's annual risk assessment of the Company's compensation plans and arrangements and review and discuss with management any risks arising from such plans and arrangements that may have a material effect on the Company.
13. Review the results of the Company's most recent advisory vote on executive compensation ("say-on-pay") and determine whether, and if so, how the Company's executive compensation programs will change as a result of that vote. In addition, review how frequently the Company should provide stockholders a say-on-pay advisory vote.
14. Maintain a clawback policy in accordance with SEC regulations. In addition to the SEC-mandated clawback policy, the Committee shall have the discretion to establish and maintain a broader clawback policy.
15. Receive and review reports from the Company, on at least a quarterly basis regarding those ethics and compliance incidents reported during the applicable period, other than those that involve accounting, auditing or financial reporting, whether pursuant to the Code of Conduct, Company policies, or otherwise, as well as the status of any such ethics and compliance incidents that were reported but not resolved during a prior period. While the Committee is not responsible for reviewing ethics and compliance incidents involving accounting, auditing, or financial reporting matters, it shall be entitled access to such reports.
16. Receive reports from the Company regarding, and promptly review, any ethics and compliance incident reported, whether pursuant to the Code of Conduct, Company policies, or otherwise, that constitutes an illegal act or violation of ethics policy by a member of the Board or an executive officer of the Company other than those pertaining to accounting, auditing or financial reporting.
17. At least annually, the Chairperson of the Committee shall meet with the Chairperson of the Nominating and Governance Committee, Chairperson of the Audit Committee and the Lead Independent Director to discuss those ethics and compliance incidents reviewed by each such committee during the applicable period, as well as the status of any such ethics and compliance incidents reviewed, but not resolved by, each such committee during a prior period.

The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time that are related to the purpose of the Committee.

Delegation of Authority:

The Committee may form and delegate authority to subcommittees as it deems appropriate. To the extent permitted by applicable law, the Committee may also delegate to one or more executive officers of the Company the authority, within guidelines established by the Committee, to approve equity compensation awards under established equity compensation plans of the Company to employees other than those subject to Section 16 of the Securities Exchange Act. The Committee may also delegate any non-discretionary administrative authority under Company compensation and benefit plans consistent with any limitations specified in the applicable plans.

Resources and Authority:

The Committee may conduct or authorize studies on matters within the Committee's scope of responsibilities. The Committee shall have the resources and authority to discharge its duties and responsibilities, including the authority to retain or obtain the advice of a compensation consultant, independent legal counsel or other adviser. The Committee shall be directly responsible for the appointment, termination, compensation and other retention terms and oversight of the work of any compensation consultant, independent legal counsel or other adviser retained by the Committee. The Company will provide appropriate funding, as determined by the Committee, for payment of reasonable compensation to a compensation consultant, independent legal counsel or any other adviser retained by the Committee. Prior to selecting or receiving advice from a compensation consultant, legal counsel or other adviser to the Committee (other than in-house counsel or a consultant, legal counsel or other adviser whose role is limited to certain activities specified in NYSE listing standards), the Committee shall take into consideration such factors relevant to the independence from management of such consultant, legal counsel or other adviser as are identified from time to time in the rules and regulations of the SEC and NYSE listing standards. The Committee shall have unrestricted access to management.

Miscellaneous:

Nothing in this Charter is intended to expand applicable standards of liability under statutory or regulatory requirements for the Board or members of the Committee. The purpose and responsibilities outlined in this Charter are meant to serve as guidelines rather than as inflexible rules, and the Committee is encouraged to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities. This Charter is intended to be consistent with, and should be read in conjunction with, the Company's Corporate Governance Guidelines.