

COLGATE PALMOLIVE CO  
Form DEF 14A  
March 28, 2008

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

**SCHEDULE 14A**  
**(Rule 14a-101)**

Filed by the Registrant    
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to § 240.14a -12

**Colgate-Palmolive Company**  
(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of filing fee (Check the appropriate box):

- No fee required.
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  - (1) Title of each class of securities to which transactions applies:
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  - (4) Proposed maximum aggregate value of transaction:
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  - (2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

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**March 27, 2008**

Dear Fellow Colgate Stockholder:

You are cordially invited to attend our Annual Meeting of Stockholders on Thursday, May 8, 2008, at 10:00 a.m. in the Broadway Ballroom of the Marriott Marquis Hotel, 1535 Broadway, between 45th and 46th Streets, New York, New York 10036.

At the meeting, we will ask you to elect the Board of Directors, to ratify the selection of the independent registered public accounting firm and to increase the number of authorized shares of common stock. We will also review the progress of the Company during the past year and answer your questions.

This booklet includes the Notice of Annual Meeting and Proxy Statement. The Proxy Statement describes the business we will conduct at the meeting and provides information about the Company that you should consider when you vote your shares.

The Proxy Statement includes a section highlighting the Company's corporate governance standards. The Company and its Board of Directors have a long-standing commitment to good governance, and the Board continuously reviews its governance practices to ensure that they promote shareholder value. In the past year, this ongoing review has resulted in the amendment of our by-laws to give stockholders the ability to call special meetings. Also in 2007, all members of the Board of Directors attended a director education program that was designed specifically for Colgate. We invite you to review the governance section beginning on page 4 of the Proxy Statement to learn more about our continuing commitment to excellence in corporate governance.

Beginning this year, we are pleased to take advantage of the new Securities and Exchange Commission rule allowing companies to furnish proxy materials to their stockholders over the Internet. We believe that this new e-proxy process will expedite stockholders' receipt of proxy materials and lower the costs and reduce the environmental impact of our Annual Meeting. If you received a Notice of Internet Availability of Proxy Materials (the "Notice of Internet Availability") by mail, you will not receive a printed copy of the proxy materials, unless you request one. The Notice of Internet Availability contains instructions on how to access and review all of the information contained in this Proxy Statement and our Annual Report as well as how to submit your proxy via the Internet. Beginning on March 27, 2008, we plan to mail a printed copy of the proxy materials to our registered stockholders who have not consented to electronic delivery of their proxy materials and the Notice of Internet Availability to all of our other stockholders.

**It is important that your stock be represented at the meeting. Whether or not you plan to attend the meeting in person, we hope that you will vote on the matters to be considered. You may vote your proxy by telephone or via the Internet. If you received a printed copy of your proxy materials, you may also vote by mail by signing, dating and returning your proxy card in the envelope provided.**

Very truly yours,

Reuben Mark  
Chairman of the Board

Ian M. Cook  
President and Chief Executive  
Officer



March 27, 2008

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

The 2008 Annual Meeting of Stockholders of Colgate-Palmolive Company will be held in the Broadway Ballroom of the Marriott Marquis Hotel, 1535 Broadway, between 45th and 46th Streets, New York, New York 10036, on Thursday, May 8, 2008, at 10:00 a.m., for the following purposes:

1. To elect the Board of Directors;
2. To ratify the selection of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for 2008;
3. To amend the Restated Certificate of Incorporation to increase the number of authorized shares of common stock; and
4. To consider and act upon such other business as may properly come before the meeting.

Stockholders of record at the close of business on March 10, 2008, are entitled to vote at the Annual Meeting.

**Your vote is important. We encourage you to vote by proxy, even if you plan to attend the meeting. You may vote your proxy by telephone or via the Internet. A website address with instructions on how to vote your proxy by telephone or via the Internet is included on your Notice of Internet Availability. If you received a printed copy of your proxy materials, you may also vote by mail by signing, dating and returning your proxy card in the envelope provided. Voting now will not limit your right to change your vote or to attend the meeting.**

Andrew D. Hendry  
Senior Vice President, General Counsel and Secretary  
Colgate-Palmolive Company  
300 Park Avenue  
New York, New York 10022

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## PROXY STATEMENT

Colgate-Palmolive Company (referred to in this Proxy Statement as we, Colgate or the Company ) is sending you this Proxy Statement in connection with the solicitation by the Board of Directors (the Board ) of proxies to be voted at the 2008 Annual Meeting of Stockholders.

We are mailing a printed copy of this Proxy Statement, a proxy card and the 2007 Annual Report of the Company to our registered stockholders who have not consented to electronic delivery of their proxy materials and a Notice of Internet Availability to all of our other stockholders beginning March 27, 2008. The Annual Report being made available on the Internet and mailed with the Proxy Statement is not part of the proxy-soliciting material.

## VOTING PROCEDURES

### *Who Can Vote*

The Company has two classes of voting stock outstanding: Common Stock and Series B Convertible Preference Stock. If you were a record owner of either of these classes of stock on March 10, 2008, the record date for voting at the Annual Meeting, you are entitled to vote at the meeting. At the close of business on March 10, 2008, there were 508,454,155 shares of Common Stock and 2,941,346 shares of Series B Convertible Preference Stock outstanding and entitled to vote.

### *Determining the Number of Votes You Have*

Each share of Common Stock has one vote, and each share of Series B Convertible Preference Stock, which is convertible into eight shares of Common Stock, has eight votes. When originally issued in 1989, each share of Series B Convertible Preference Stock was convertible into one share of Common Stock. Since then the Common Stock has split three times while the Series B Convertible Preference Stock has not split. To maintain its parity with the Common Stock, the voting rights, dividends and conversion ratio of the Series B Convertible Preference Stock have been adjusted accordingly. Thus, each share of Series B Convertible Preference Stock has eight votes.

### *How to Vote*

You can vote your shares in two ways: either by proxy or in person at the Annual Meeting by written ballot. If you choose to vote by proxy, you may do so using the telephone, the Internet or, if you received a printed copy of your proxy materials, mail. Each of these procedures is more fully explained below. Even if you plan to attend the meeting, the Board recommends that you vote by proxy.

### **Voting by Proxy**

Because many stockholders cannot attend the Annual Meeting in person, it is necessary that a large number of stockholders be represented by proxy. You may vote your proxy by telephone, Internet or mail, each as more fully explained below. In each case, we will vote your shares as you direct. When you vote your proxy, you can specify whether you wish to vote for or against or abstain from voting on each nominee for director, the ratification of the selection of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for 2008 and the amendment to the Restated Certificate of Incorporation to increase the number of authorized shares of Common Stock. If you vote using the telephone or Internet, you will be instructed how to record your vote on each of these proposals.

If any other matters are properly presented for consideration at the Annual Meeting, the Company's directors named on your proxy card and the voting website as the Proxy Committee (the Proxy Committee ) will have discretion to vote for you on those matters. At the time this Proxy Statement was printed, we knew of no other matters to be raised at the



Annual Meeting.

**Vote by Telephone**

If you reside in the United States, Canada or Puerto Rico, you can vote your shares by telephone by calling the toll-free number provided on the voting website ( [www.proxyvote.com](http://www.proxyvote.com)) and on the proxy

card. Telephone voting is available 24 hours a day, seven days a week, until 11:59 p.m. (Eastern Daylight Time) on Wednesday, May 7, 2008. Easy-to-follow voice prompts allow you to vote your shares and confirm that your instructions have been properly recorded. Our telephone voting procedures are designed to authenticate stockholders through individual control numbers. **If you received a proxy card in the mail but choose to vote by telephone, you do not need to return your proxy card.**

### **Vote by Internet**

You also can vote your shares via the Internet on the voting website, which is [www.proxyvote.com](http://www.proxyvote.com). Internet voting is available 24 hours a day, seven days a week, until 11:59 p.m. (Eastern Daylight Time) on Wednesday, May 7, 2008. As with telephone voting, you will have the opportunity to confirm that your instructions have been properly recorded. Our Internet voting procedures are designed to authenticate stockholders through individual control numbers. If you vote via the Internet, you may incur costs such as telephone and Internet access fees for which you will be responsible. **If you received a proxy card in the mail but choose to vote via the Internet, you do not need to return your proxy card.**

### **Vote by Mail**

If you received a printed copy of your proxy materials, you can vote by completing and mailing the enclosed proxy card to us so that we receive it before 11:59 p.m. (Eastern Daylight Time) on Wednesday, May 7, 2008. If you received a Notice of Internet Availability, you can request a printed copy of your proxy materials by following the instructions contained in the notice. If you sign and return your proxy card but do not specify how to vote, we will vote your shares in favor of the Board's nominees for director, the ratification of the selection of the independent registered public accounting firm and the amendment to the Restated Certificate of Incorporation to increase the number of authorized shares of Common Stock.

### **Voting at the Annual Meeting**

If you wish to vote at the Annual Meeting, written ballots will be available from the ushers at the meeting. If your shares are held in the name of a bank, broker or other holder of record, you must obtain a proxy, executed in your favor, from the holder of record to be able to vote at the meeting. Voting by proxy, whether by telephone, Internet or mail, will not limit your right to vote at the Annual Meeting if you decide to attend in person. However, if you vote by proxy and also attend the meeting, there is no need to vote again at the meeting unless you wish to change your vote.

### ***Revocation of Proxies***

You can revoke your proxy at any time before it is exercised at the Annual Meeting by taking any one of the following actions: (1) you can deliver a valid written proxy with a later date or follow the instructions given for changing your vote by telephone or via the Internet; (2) you can notify the Secretary of the Company in writing that you have revoked your proxy (using the address in the Notice of Annual Meeting of Stockholders above); or (3) you can vote in person by written ballot at the Annual Meeting.

### ***Quorum***

To carry on the business of the Annual Meeting, a minimum number of shares, constituting a quorum, must be present. The quorum for the Annual Meeting is a majority of the votes represented by the outstanding stock of the Company. This majority may be present in person or by proxy. Abstentions and broker non-votes (which are explained below) are counted as present to determine whether there is a quorum for the Annual Meeting.

### ***Broker Non-Votes***

A broker non-vote occurs when your broker submits a proxy for your shares but does not indicate a vote for a particular proposal because the broker does not have authority to vote on that proposal and has not received voting instructions from you. Broker non-votes are not counted as votes against the proposal in question or as abstentions, nor are they counted to determine the number of votes present for the particular proposal.

Under the rules of the New York Stock Exchange (the NYSE ), if your broker holds shares in your name and delivers this Proxy Statement to you, the broker is entitled to vote your shares on each of the three proposals even if the broker does not receive voting instructions from you.

***Required Vote***

*Proposal 1: Election of Directors.* Each of the ten nominees for director who receives at least a majority of the votes cast for such nominee will be elected. Votes cast include votes for or against each nominee and exclude abstentions. This means that if you abstain from voting for a particular nominee, your vote will not count for or against the nominee. As more fully described in Majority Voting in Director Elections on page 11, any nominee in this election who does not receive a majority of the votes cast will be required to tender his or her resignation to the Board. The Nominating and Corporate Governance Committee will then consider the resignation and make a recommendation to the Board. When voting your proxy, the Proxy Committee will vote for this proposal unless you instruct otherwise.

*Proposal 2: Ratification of Selection of Independent Registered Public Accounting Firm.* The affirmative vote of a majority of the votes represented at the meeting, either in person or by proxy, and entitled to vote on this proposal, is required to ratify the selection of the independent registered public accounting firm. This means that if you abstain from voting on this proposal, it will have the same effect as if you voted against it. When voting your proxy, the Proxy Committee will vote for this proposal unless you instruct otherwise.

*Proposal 3: Amendment to Restated Certificate of Incorporation to Increase Number of Authorized Shares of Common Stock from 1,000,000,000 Shares to 2,000,000,000 Shares.* The affirmative vote of a majority of all outstanding stock is required to approve the increase in the number of authorized shares of Common Stock. This means that if you abstain from voting on this proposal, it will have the same effect as if you voted against it. When voting your proxy, the Proxy Committee will vote for this proposal unless you instruct otherwise.

***Confidential Voting***

All proxies, ballots and vote tabulations that identify stockholders are confidential. An independent tabulator will receive, inspect and tabulate your proxy whether you vote by telephone, Internet or mail. Your vote will not be disclosed to anyone other than the independent tabulator without your consent, except if proxies are being solicited for a change in control of the Company or if doing so is necessary to meet legal requirements.

***Voting by Employees Participating in the Company's Savings and Investment Plan***

If you are a Colgate employee who participates in the Colgate-Palmolive Company Employees Savings and Investment Plan (the Savings and Investment Plan ), you will receive a Notice of Internet Availability prior to the Annual Meeting. This notice will contain instructions on how to vote your shares via the Internet or telephone. The notice will also indicate the aggregate number of shares of Series B Convertible Preference Stock and Common Stock credited to your account under the Savings and Investment Plan as of March 10, 2008, the record date for voting at the meeting.

You can  
direct the  
trustee how  
to vote the  
shares by  
telephone or  
via the  
Internet. You

can also  
direct the  
trustee how  
to vote by  
mail by  
requesting a  
proxy card  
and returning  
your  
completed  
proxy card to  
us.

Instructions  
for each  
method are  
indicated on  
the Notice of  
Internet  
Availability.

If you do not  
indicate your  
vote to the  
trustee on  
time, the  
trustee will  
vote your  
shares in the  
same  
proportion as  
the shares  
voted by  
employees  
who indicate  
their votes  
on time.

***Voting by Employees Participating in a Stock Ownership Program outside the U.S.***

If you are an employee who participates in one of Colgate's employee stock ownership plans outside the U.S., you will receive separate voting instructions from your local Human Resources Department.

## GOVERNANCE OF THE COMPANY

### Colgate's Corporate Governance Commitment

Colgate's Board believes strongly that good corporate governance accompanies and greatly aids our long-term business success. This success has been the direct result of Colgate's key business strategies, including its focus on core product categories and global brands, people development programs emphasizing pay for performance and the highest business standards. Colgate's Board has been at the center of these key strategies, helping to design and implement them, and seeing that they guide the Company's operations.

The Board believes that the Company has consistently been at the forefront of good corporate governance. Reflecting its commitment to continuous improvement, the Board reviews its governance practices on an ongoing basis to ensure that they promote shareholder value. This review resulted in the amendment of our by-laws to give shareholders the ability to call special meetings. Also in 2007, all members of the Board attended a director education program that was designed specifically for Colgate.

### *Board Independence and Expertise*

#### **Strict Director Independence**

**Standards.** From 1989 to 2007, the Board was comprised entirely of outside independent directors, with the exception of Reuben Mark, Chairman and Chief Executive Officer (the CEO). Now, with Mr. Mark having retired as CEO and continued as Chairman and Mr. Cook having been elected to the Board as CEO, eight of Colgate's ten directors are independent and only two are current or former members of Colgate management. All members of the Audit Committee, the Nominating and Corporate

Governance  
Committee and the  
Board's  
compensation  
committee, known  
as the Personnel  
and Organization  
Committee (the  
P&O Committee),  
are independent  
directors. The  
Board believes that  
an independent  
director should be  
free of any  
relationship with  
Colgate or its senior  
management that  
may in fact or  
appearance impair  
the director's ability  
to make  
independent  
judgments or  
compromise the  
director's objectivity  
and loyalty to  
stockholders. Based  
on this principle,  
the Board adopted  
director  
independence  
standards which  
outline the types of  
relationships, both  
personal and  
professional,  
between directors  
and the Company,  
its senior  
management and  
other directors that,  
if present, would  
preclude a finding  
of independence.  
These standards,  
which are  
substantially stricter  
than those required  
by the listing  
standards of the

NYSE, guide the Board's annual affirmative determinations of independence. A copy of the standards is available on the Company's website at [www.colgate.com](http://www.colgate.com).

For more information regarding the independence standards and the Board's determinations of independence, see Director Independence on page 10.

**Executive Sessions/Presiding**

**Director.** The independent directors of the Board are scheduled to meet in executive session, without the Chairman or the CEO present, at every regularly scheduled Board meeting. The role of presiding director at these sessions is rotated among the independent directors every year in accordance with an established schedule. The role of the independent presiding director is to, among other things: establish agendas for such executive sessions in consultation with



the other directors; serve as a liaison between the independent directors and the Chairman and the CEO in matters relating to the Board as a whole (although all independent directors are encouraged freely to communicate with the Chairman, the CEO and other members of management at any time); review meeting schedules to help ensure there is sufficient time for the discussion of all agenda items; have the authority to call meetings of the independent directors as appropriate and to be available, as appropriate, for consultation and direct communication from shareholders. David W. Johnson currently is serving as the presiding director.

**Audit Committee Independence and Financial Literacy.**

All members of the Audit Committee are independent directors. The Board has also determined that all members of the Audit Committee

are audit committee financial experts as that term is defined in the rules of the Securities and Exchange Commission (the SEC ) and that they meet the independence and financial literacy requirements of the NYSE.

**Board Experience and Diversity.** As its present directors exemplify, Colgate values experience in business, education and public service fields, international experience, educational achievement, strong moral and ethical character and diversity. A copy of Colgate's criteria for Board membership,

entitled

Independent Board

Candidate

Qualifications, is

available on the

Company's website

at

[www.colgate.com](http://www.colgate.com).

*Directors are Stockholders*

**Director  
Compensation  
in Stock.**

On average, 81 percent of a director's compensation is paid in Colgate stock. Board members also receive stock options each year.

**Significant  
Levels of  
Director Stock  
Ownership.**

Board members own significant amounts of Company stock. Under the Company's stock ownership guidelines, independent directors are required to own stock equal in value to at least five times their annual fee. For more information on director stock ownership, please see the table included

in Stock  
Ownership of  
Directors and  
Executive  
Officers on  
page 53.

**No Director  
Pensions.** In  
1996, the  
Director  
Pension Plan  
was terminated.  
At the same  
time, the annual  
grant of  
Common Stock  
under the Stock  
Plan for  
Non-Employee  
Directors was  
increased to  
further align the  
interests of  
directors with  
those of  
stockholders.

*Established Policies Guide Governance and Business Integrity*

**Charters for  
Board  
Committees.** Each  
of the Audit  
Committee, the  
P&O Committee,  
the Finance  
Committee and the  
Nominating and  
Corporate  
Governance  
Committee has a  
committee charter  
developed under  
the leadership of its  
committee chair.  
The committee  
charters describe  
the purpose,  
responsibilities,  
structure and

operations of each committee. The Audit Committee charter reflects the increased authority and responsibilities of the committee under the corporate governance rules of the SEC and the NYSE. Copies of the committee charters are available on the Company's website at [www.colgate.com](http://www.colgate.com).

**Corporate Governance**

**Guidelines.** First formalized in 1996, the guidelines reflect the Board's views and Company policy regarding significant corporate governance issues. As part of its ongoing review of best practices in corporate governance, the Board periodically updates the guidelines. The Board believes the Corporate Governance Guidelines are state-of-the-art. A copy of the guidelines, entitled Board Guidelines on Significant Corporate Governance Issues, is available on the Company's website

at  
[www.colgate.com](http://www.colgate.com).

**Code of Conduct.**

The Board sponsors the Company's Code of Conduct, which was first issued in 1987, and Business Practices Guidelines, both of which promote the highest ethical standards in all of the Company's business dealings. The Global Ethics and Compliance function, headed by an executive officer who reports to the Audit Committee, oversees compliance with these standards. The Code of Conduct applies to the Company's directors and employees, including the Chief Executive Officer, the Chief Financial Officer and the Chief Accounting Officer, and satisfies the SEC's requirements for a code of ethics for senior financial officers. The Code of Conduct is available on the Company's website at [www.colgate.com](http://www.colgate.com).

**Business Integrity Initiatives.** The Board supports the Company's efforts

to communicate effectively its commitment to ethical business practices. To further this goal, executives and key managers worldwide are required to certify annually that they and the people they supervise understand and comply with the Code of Conduct. In addition, these Colgate leaders participate in management training programs regarding the Code of Conduct, Colgate values, effective leadership and the applicable laws and regulations that govern Colgate's business practices around the world. Colgate directors also annually certify their compliance with the Code of Conduct.

**Political Expenditures.** As set forth in the Company's Code of Conduct and Business Practices Guidelines, the Company has a long-standing policy against making contributions to any political party or

candidate. In addition, each year the Company advises its U.S. trade associations of this policy to prevent use of Company dues or contributions for any such expenditures.



***Board Focused on Key Business Priorities***

**Strategic Role of Board.**

The Board plays a major role in developing Colgate's business strategy. It reviews the Company's strategic plan and receives detailed briefings throughout the year on critical aspects of its implementation. These include division and major subsidiary performance reviews, product category reviews, presentations regarding research and development initiatives and reports from specific disciplines such as manufacturing and information technology.

**Succession Planning and People Development.**

The Board has extensive involvement in this area with special focus on CEO succession.

It discusses potential successors to key executives and examines backgrounds, capabilities and appropriate developmental assignments. Regular reviews of professional training programs, benefit programs and career development processes assist the Board in guiding the Company's people development initiatives and efforts to gain a competitive recruitment and retention advantage.

*Direct Access to Management*

**Management Participation at Board Meetings.** Key senior managers regularly attend Board meetings. Topics are presented to the Board by the members of management who are most knowledgeable about the issue at hand irrespective of

seniority. An open and informal environment allows dialogue to develop between directors and management, which often produces new ideas and areas of focus.

**Direct Access to Management.**

The Board's direct access to management continues outside the boardroom during frequent discussions with corporate officers, division presidents and other employees, usually without the CEO present. Directors are invited to, and often do, contact senior managers directly with questions and suggestions.

***Ensuring Management Accountability***

**Performance-Based Compensation.**

Colgate has linked the pay of its managers and employees at all

levels to the Company's performance. As described in greater detail in the Compensation Discussion and Analysis beginning on page 16, the P&O Committee adheres to this pay-for-performance philosophy, and stock-based incentives comprise a significant component of senior management's overall compensation.

#### **CEO Evaluation**

**Process.** The Board's evaluation of the CEO is a formal annual process. The CEO is evaluated against the goals set each year, including both objective measures (such as earnings per share) and subjective criteria reflective of the Company's strategy and core values. As part of the overall evaluation process, the Board meets informally with the CEO to give and seek feedback on a regular basis.

#### ***Board Practices Promote Effective Oversight***

#### **Board Size.**

Designed to maximize board effectiveness, Colgate's

by-laws fix the number of directors between seven and 12. Ten directors have been nominated for election at the Annual Meeting.

**Directorship**

**Limits.** To devote sufficient time to properly discharge their duties, the Corporate Governance Guidelines recommend that directors should not serve on more than three other corporate boards.

**Meeting**

**Attendance.**

On average, the directors attended 97% of the meetings of the Board and the committees on which they served in 2007. No director attended less than 91% of these meetings.

*Continuous Improvement through Evaluation*

**Board  
Self-Evaluation**

**Process.** Each year, the Board evaluates its performance against certain criteria that it has determined are important to its success. These include financial oversight, succession planning, compensation, strategic planning and Board structure and role.

**Board  
Committee  
Evaluations.**

The Board's committees also conduct self-evaluations annually, examining their performance against their committee charters. The results of these evaluations are reviewed with the Board, and further enhancements are agreed for each committee.

**Individual  
Director  
Evaluations.**  
Complementing

the Board and committee self-evaluations, the Board has also developed an individual director evaluation process to be used every few years. Using director effectiveness criteria selected by the Board following a review of external best practices, directors evaluate their peers and the resulting feedback is shared with individual directors by an external facilitator. The process, which will be undertaken again in 2008, enables the directors to provide valuable feedback to one another and identifies areas of strength and areas of focus for enhanced effectiveness.

**Colgate-Specific  
Director  
Education  
Program.**

During 2007, the directors, under the leadership of the Chair of the

Nominating and  
Corporate  
Governance  
Committee and  
the Presiding  
Director,  
designed a  
Colgate-specific  
director  
education  
program. Held in  
December 2007  
and attended by  
all of Colgate's  
directors, the  
Institutional  
Shareholder  
Services  
(ISS)-accredited  
program was led  
by an expert  
external faculty  
with relevant  
judicial, legal,  
business and  
board  
experience.

*External Recognition for Colgate's Governance Practices*

**High Governance  
Ratings.** In March  
2008, Colgate  
received the highest  
rating of 10 from  
GovernanceMetrics  
International, Inc.  
(GMI), becoming  
one of only two  
U.S. companies to  
achieve this score in  
every GMI ratings  
cycle since they  
began in 2003. GMI  
is an independent  
governance ratings  
agency which  
examines the  
governance  
practices of over  
4,100 companies



worldwide. Colgate is also among the high rated companies by ISS, a provider of proxy voting and corporate governance services. ISS evaluates the corporate governance structures and policies of nearly 7,500 companies worldwide.

***Treasury & Risk Magazine 2007***

**Alexander Hamilton Corporate Governance Award.**

In November 2007, Colgate received the Alexander Hamilton Corporate Governance Award from *Treasury & Risk Magazine*, which highlighted Colgate's determination to make corporate governance a part of the fabric of the company and Colgate's solid business results.

***BusinessWeek Top 10 Boards.***

On three occasions, most recently in October 2002, the Board has been ranked among the top 10 boards in the U.S. by *BusinessWeek*. In

each case, Colgate was chosen from a group of more than 200 public companies based on *BusinessWeek*'s surveys of institutional investors and leading corporate governance experts.

***Corporate Board Member Champion Board*** . In

September 2002, the Board was named one of five Champion Boards by *Corporate Board Member*. Colgate was chosen by a group of securities analysts, competitors and academics who cited the open interaction among directors and between the Board and management.

## The Board of Directors

The Board oversees the business, assets, affairs, performance and financial integrity of the Company. In accordance with the Company's long-standing practice, the Board is independent, consisting of a substantial majority of outside directors. Currently, eight of the Board's ten directors are independent and only two are current or former members of management, including Ian Cook, who is the President and Chief Executive Officer of the Company, and Reuben Mark, who retired as the Company's CEO on July 1, 2007. At the Board's request, Mr. Mark has agreed to continue as Chairman of the Company's Board for a period of up to 18 months following his retirement.

The Board met eleven times during 2007. On average, the directors attended 97% of the meetings of the Board and the committees on which they served in 2007. No director attended less than 91% of these meetings. During 2007, the independent directors met regularly in executive session without Mr. Mark or Mr. Cook present.

The independence standards adopted by the Board are stricter than those mandated by the NYSE. The Board has made an affirmative determination, based on these standards, that each director (other than Mr. Mark and Mr. Cook) is independent. A copy of the director independence standards is available on the Company's website at [www.colgate.com](http://www.colgate.com). For more information regarding the Board's independence determinations, see "Director Independence" on page 10.

The name, age, principal occupation and length of service of each director nominee, together with certain other biographical information, are set forth below. All nominees have been directors since last year's annual meeting, except Mr. Cook and Stephen I. Sadove.

Chairman and former Chief Executive Officer of the Company. Mr. Mark joined the Company in 1963 and held a series of significant positions in the United States and abroad before serving as the Company's Chief Executive Officer from May 1984 to July 2007. Mr. Mark was elected Chairman in May 1986. Mr. Mark is also a director of Time Warner Inc. and Cabela's Incorporated.

**Reuben Mark, 69** Director since 1983

President and Chief Executive Officer of the Company. Mr. Cook joined the Company in 1976 and progressed through a series of senior marketing and management roles around the world. He was appointed Chief Operating Officer in 2004, with responsibility for operations in North America, Europe, Central Europe, Asia and Africa. In 2005, Mr. Cook was promoted to President and Chief Operating Officer, responsible for all Colgate operations worldwide. In July 2007, Mr. Cook was elected President and Chief Executive Officer. Mr. Cook is also a director of PepsiCo Inc.

**Ian M. Cook, 55** Director since 2007

Former Chairman of The Pepsi Bottling Group, Inc. Mr. Cahill began his PepsiCo career in 1989 and has held multiple senior financial and operating leadership positions. He served as Chief Financial Officer for both Kentucky Fried Chicken and Pepsi-Cola North America before becoming

Senior Vice President and Treasurer of PepsiCo. With the formation of The Pepsi Bottling Group, Inc. ( PBG ) in 1998, Mr. Cahill became PBG s Chief Financial Officer and later its President and Chief Operating Officer. In 2001, he was named Chief Executive Officer and from 2003 to 2006, he served as Chairman and Chief Executive Officer. He was appointed Executive Chairman of PBG in 2006, a position he held until 2007. Mr. Cahill formerly served as Chief Financial Officer for RKO Pictures. Mr. Cahill provides consulting services from time to time to private equity firms with respect to various industries.

**John T.  
Cahill, 50  
Independent  
Director**

Director since 2005

Visiting Scholar, Program in Science, Technology and Society, Massachusetts Institute of Technology since 1985. Mrs. Conway was President of Smith College from 1975 to 1985. She was Vice President, Internal Affairs, University of Toronto, from 1973 to 1975 and a member of its graduate faculty from 1971 to 1975. She has served as a member of the Harvard University Board of Overseers and The Conference Board and as a trustee of Hampshire College, Northfield Mt. Hermon School and The Clarke School for the Deaf. Mrs. Conway is a director of Nike, Inc. and the former Chairman of Lend Lease Corporation. She is also a trustee of the Boston Museum Project and the John F. Kennedy Library Foundation.

**Jill K.  
Conway, 73  
Independent  
Director**

Director since 1984

Former President of Jazz Technologies, Inc. Mrs. Hancock served as the President of Jazz Technologies, Inc. and President and Chief Operating Officer of its predecessor Acquicor Technology Inc. from August 2005 to June 2007. Mrs. Hancock was the Chairman and Chief Executive Officer of Exodus Communications, Inc., a computer network and Internet systems company she joined in March 1998, from June 2000 to September 2001. From July 1996 to July 1997, Mrs. Hancock was Executive Vice President, Research and Development, Chief Technology Officer of Apple Computer Inc. She previously was Executive Vice President and Chief Operating Officer, National Semiconductor. Prior to joining National Semiconductor in 1995, she was Senior Vice President and Group Executive at IBM. Mrs. Hancock is a director of Aetna and Electronic Data Systems Corporation. She is a trustee of Marist College and Santa Clara University and a director of the Pacific Council on International Policy.

**Ellen M.  
Hancock, 64  
Independent  
Director**

Director since 1988

Chairman Emeritus of Campbell Soup Company. Mr. Johnson began his business career as a management trainee at Colgate Australia in 1959 and after a series of promotions became General Manager of Colgate's South African subsidiary in 1967. From 1972 to 1982, Mr. Johnson held several senior positions with Warner-Lambert. In 1982, Mr. Johnson became President and Chief Executive Officer of Entenmann's, Inc. From 1987 to 1989, he variously served as Chairman, Chief Executive Officer and President of Gerber Products Company. Mr. Johnson was Chairman of Campbell Soup Company from 1993 to 1999 and its President and Chief Executive Officer from January 1990 to July 1997 and also from March 2000 to January 2001. Mr. Johnson serves on the Council for the University of Chicago's Graduate School of Business.

**David W.  
Johnson, 75  
Independent  
Director**

Director since 1991

Retired as President and Chief Executive Officer of Schering-Plough Corporation in April 2003. Mr. Kogan was also Chairman of Schering Plough Corporation from 1998 until 2002. He joined Schering-Plough as Executive Vice President, Pharmaceutical Operations in 1982 and became President and Chief Operating Officer in 1986 and President and Chief Executive Officer in 1996.

Mr. Kogan currently is a principal of the KOGAN Group LLC, which provides consulting services to senior management at companies in the pharmaceutical and other industries. Mr. Kogan is also a director of The Bank of New York Mellon. He serves on the boards of St. Barnabas Corporation and Medical Center and New York University, and is a member of the Council on Foreign Relations.

**Richard J.  
Kogan, 66  
Independent  
Director**

Director since 1996

Senior Fellow, New Mexico State University since 2006. Former U.S. Ambassador to South Africa, December 1999 to July 2001. Mr. Lewis served as the Chief Executive Officer and President of National Public Radio from 1994 to 1998. From 1988 through 1993, Mr. Lewis was the President and Chief Executive Officer of Chesapeake & Potomac Telephone Company, which he joined in 1973. Mr. Lewis has also served on the Peace Corps staff in Africa and on the staff of the United States Equal Employment Opportunity Commission and the United States Department of Justice. Mr. Lewis is also a director of Eastman Kodak Company.

**Delano E.  
Lewis, 69  
Independent  
Director**

Director from 1991 to 1999 and since 2001

Former Executive Vice President and Chief Financial Officer of The Dow Chemical Company. Mr. Reinhard served as Executive Vice President and Chief Financial Officer of The Dow Chemical Company from 1995 to 2005. Previously, Mr. Reinhard held a variety of senior international, financial and operating leadership positions at Dow after beginning his career there in 1970 in Brazil. He served as Finance Director of Dow Europe, Vice President of Dow Europe and Managing Director of Dow in Italy. In 1988 Mr. Reinhard was appointed Treasurer of The Dow Chemical Company. Mr. Reinhard served as a director of The Dow Chemical Company from 1995 to 2007. Since 2006, Mr. Reinhard has served as President of Reinhard & Associates, a financial advisory practice. He is a director of the Royal Bank of Canada and Sigma-Aldrich Corporation.

**J. Pedro  
Reinhard, 62  
Independent  
Director**

Director since 2006

Chairman and Chief Executive Officer of Saks Incorporated ( Saks ). Mr. Sadove joined Saks as Vice Chairman in January 2002, serving as Chief Operating Officer from 2004 to 2006. He has served as Chief Executive Officer of Saks since January 2006 and was named Chairman in May 2007. Prior to joining Saks, Mr. Sadove held various positions of increasing responsibility at Bristol-Myers Squibb Company ( Bristol-Myers Squibb ). He joined Bristol-Myers Squibb in 1991 as President of Clairol in the United States and later gained additional responsibility for the consumer businesses in Canada, Europe, the Middle East, Africa and Latin America. In 1996, he was named President of Bristol-Myers Squibb's worldwide beauty care business and was later named a senior vice president with additional responsibility for Mead Johnson Nutritionals. Mr. Sadove is also a director of Ruby Tuesday, Inc.

**Stephen I.  
Sadove, 56  
Independent  
Director**

Director since 2007

### **Director Independence**

As described above, the Board has adopted director independence standards which are substantially stricter than those required by the listing standards of the NYSE. Specifically, a director is not considered independent if the director has

any relationship with Colgate or its senior management or with another director that in the Board's judgment may impair the director's ability to make independent judgments. Such relationships could include voting arrangements and personal, economic or professional ties between a director and an officer of Colgate or another Colgate director. Relationships and transactions that may impair independence include: (i) current or former employment with the Company; (ii) affiliation with Colgate's advisors; (iii) compensation from the Company (other than board and committee fees); (iv) direct or indirect material business relationships with the Company; (v) loans between directors and the Company or its senior management; (vi) direct or indirect material investments with the Company, its officers or other directors; (vii) leadership roles in charitable organizations supported by Colgate; (viii) affiliation or employment with a present or former Colgate auditor; and (ix) service on interlocking



boards of directors or compensation committees. A copy of the complete standards is available on the Company's website at [www.colgate.com](http://www.colgate.com).

In making its determination regarding the independence of each non-employee director, the Board will consider any transactions, relationships or arrangements as required by the Company's director independence standards. Based on these standards, the Board has determined that each director, other than Mr. Mark, who retired as the Company's CEO in July 2007, and Mr. Cook, who is the Company's President and CEO, is independent as there were no transactions, relationships or arrangements of the types described in the Company's director independence standards.

### **Other Information Regarding Directors**

On September 9, 2003, the SEC and Schering-Plough Corporation announced a settlement of the SEC enforcement proceeding against Mr. Kogan and Schering-Plough Corporation, of which Mr. Kogan is the former Chairman and CEO, regarding meetings held with investors and other communications. Without admitting or denying any allegations of the SEC, Mr. Kogan agreed in connection with the settlement not to commit any future violations of Regulation FD and related securities laws.

### **Majority Voting in Director Elections**

Under Colgate's by-laws, in an uncontested election for directors (*i.e.*, an election where there are the same number of nominees as seats on the Board), directors must be elected by a majority of the votes cast at the meeting. A majority of votes cast is defined to mean that the number of shares voted for a director's election exceeds 50% of the votes cast with respect to that director's election. Votes cast include votes for or against each nominee and exclude abstentions.

If a nominee for director who is an incumbent director is not re-elected by a majority of the votes cast as set forth above, and no successor has been elected at the meeting, the by-laws require the director to promptly tender his or her resignation to the Board in accordance with an agreement that each nominee is required to sign in order to be eligible for election or re-election as a director.

The Nominating and Corporate Governance Committee shall then make a recommendation to the Board as to whether to accept or reject the tendered resignation or to take other action. The Board shall act on the tendered resignation, taking into account the committee's recommendation, and shall publicly disclose its decision and rationale within 90 days from the date of certification of the election results. The committee in making its recommendation, and the Board in making its decision, may each consider any factors or other information that it considers appropriate or relevant. The director who tenders his or her resignation shall not participate in the recommendation of the committee or the decision of the Board with respect to his or her resignation.

To the extent that one or more directors' resignations are accepted by the Board, or if a nominee who is not an incumbent director is not elected, then the Board in its discretion may determine either to fill such vacancy or vacancies or to reduce the size of the Board.

In contested elections, where there are more nominees than seats on the Board, directors are elected by a plurality vote. This means that the nominees who receive the most votes of all the votes cast for directors will be elected.

### **Communications to the Board of Directors**

Stockholders and other interested parties are encouraged to communicate directly with the Company's independent directors by sending an e-mail to [directors@colpal.com](mailto:directors@colpal.com) or by writing to Directors, c/o Office of the General Counsel, Colgate-Palmolive Company, 300 Park Avenue, 11th Floor, New York, NY 10022-7499. Stockholders and other interested parties may also communicate with individual independent directors and committee chairs by writing to them at the above mailing address, in care of the Office of the General Counsel.

Under procedures established by the Company's independent directors, each letter and e-mail sent in accordance with the above instructions is reviewed by the Legal Department and, unless such communications fall within one of the categories listed below, distributed to all of the independent directors or to individual directors, as appropriate, with copies to the Office of the Chairman.

The types of communications that are not forwarded to the independent directors are as follows:

Job inquiries

Surveys and  
other  
requests for  
information  
about  
Colgate

Offers of  
goods and  
services

Requests for  
donations  
and  
sponsorships

Product ideas

Consumer  
affairs  
complaints

Concerns and questions relating to accounting, internal accounting controls, financial policy, risk management or auditing matters are immediately brought to the attention of the Audit Committee chair and handled in accordance with the procedures established by the Audit Committee. Under these procedures, the Company's Global Ethics and Compliance function, in conjunction with the Company's Internal Audit and Corporate Legal departments, address these concerns in accordance with the directions of the Audit Committee chair. The Audit Committee chair approves recommendations regarding the handling of each matter, oversees any investigations and approves the disposition of each matter. In the Audit Committee chair's discretion, he or she may engage outside counsel and other independent advisors.

Concerns relating to accounting, internal accounting controls, financial policy, risk management or auditing matters may also be reported to the Global Ethics and Compliance function by telephone, facsimile and e-mail as follows: 24-hour hotline: (800) 778-6080 (toll free from United States, Canada and Puerto Rico) or (212) 310-2330 (collect from all other locations); facsimile number: (212) 310-3745; and e-mail: [business\\_practices@colpal.com](mailto:business_practices@colpal.com).

Colgate policy prohibits the Company from retaliating against any individual who provides information to the directors. Concerns may be submitted to the directors on an anonymous basis through their postal address or through the 24-hour hotline numbers maintained by the Global Ethics and Compliance function. If requested, Colgate will endeavor to keep information submitted confidential, subject to the need to conduct an effective investigation and take appropriate action.

#### **Director Attendance at Annual Meetings**

It is the Company's policy that all members of