

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2007

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission File Number: 1-644

COLGATE-PALMOLIVE COMPANY

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of incorporation or organization)

13-1815595

(I.R.S. Employer Identification No.)

300 Park Avenue, New York, New York

(Address of principal executive offices)

10022

(Zip Code)

(212) 310-2000

(Registrant's telephone number, including area code)

NO CHANGES

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check One):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

| <u>Class</u> | <u>Shares Outstanding</u> | <u>Date</u> |
|--------------------------|---------------------------|--------------------|
| Common, \$1.00 par value | 509,761,824 | September 30, 2007 |

COLGATE-PALMOLIVE COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Dollars in Millions Except Per Share Amounts)
(Unaudited)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|-------------------------------------|-----------|------------------------------------|-----------|
| | 2007 | 2006 | 2007 | 2006 |
| Net sales | \$3,528.2 | \$3,143.7 | \$10,147.5 | \$9,028.6 |
| Cost of sales | 1,544.6 | 1,415.3 | 4,443.3 | 4,103.6 |
| Gross profit | 1,983.6 | 1,728.4 | 5,704.2 | 4,925.0 |
| Selling, general and administrative expenses | 1,277.7 | 1,140.3 | 3,671.6 | 3,210.2 |
| Other (income) expense, net | 37.1 | 38.7 | 55.1 | 187.0 |
| Operating profit | 668.8 | 549.4 | 1,977.5 | 1,527.8 |
| Interest expense, net | 38.5 | 41.2 | 121.6 | 119.8 |
| Income before income taxes | 630.3 | 508.2 | 1,855.9 | 1,408.0 |
| Provision for income taxes | 210.2 | 164.1 | 533.4 | 455.8 |
| Net income | \$ 420.1 | \$ 344.1 | \$ 1,322.5 | \$ 952.2 |
| Earnings per common share, basic | \$ 0.81 | \$ 0.65 | \$ 2.55 | \$ 1.81 |
| Earnings per common share, diluted | \$ 0.77 | \$ 0.63 | \$ 2.43 | \$ 1.73 |
| Dividends declared per common share | \$ 0.36 | \$ 0.32 | \$ 1.04 | \$ 0.93 |

See Notes to Condensed Consolidated Financial Statements

COLGATE-PALMOLIVE COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS

(Dollars in Millions)
(Unaudited)

| | September 30, 2007 | December 31, 2006 |
|--|-----------------------|----------------------|
| Assets | | |
| Current Assets | | |
| Cash and cash equivalents | \$ 628.4 | \$ 489.5 |
| Receivables (net of allowances of \$61.1 and \$46.4, respectively) | 1,758.0 | 1,523.2 |
| Inventories | 1,167.0 | 1,008.4 |
| Other current assets | 382.4 | 279.9 |
| Total current assets | <u>3,935.8</u> | <u>3,301.0</u> |
| Property, plant and equipment: | | |
| Cost | 5,970.4 | 5,695.0 |
| Less: Accumulated depreciation | <u>(3,138.7)</u> | <u>(2,998.9)</u> |
| | 2,831.7 | 2,696.1 |
| Goodwill, net | 2,231.2 | 2,081.8 |
| Other intangible assets, net | 840.8 | 831.1 |
| Other assets | 244.2 | 228.0 |
| Total assets | <u>\$ 10,083.7</u> | <u>\$ 9,138.0</u> |
| Liabilities and Shareholders' Equity | | |
| Current Liabilities | | |
| Notes and loans payable | \$ 221.0 | \$ 174.1 |
| Current portion of long-term debt | 637.1 | 776.7 |
| Accounts payable | 1,036.0 | 1,039.7 |
| Accrued income taxes | 274.9 | 161.5 |
| Other accruals | <u>1,616.1</u> | <u>1,317.1</u> |
| Total current liabilities | <u>3,785.1</u> | <u>3,469.1</u> |
| Long-term debt | 2,750.1 | 2,720.4 |
| Deferred income taxes | 252.8 | 309.9 |
| Other liabilities | 1,273.6 | 1,227.7 |
| Shareholders' Equity | | |
| Preference stock | 201.2 | 222.7 |
| Common stock | 732.9 | 732.9 |
| Additional paid-in capital | 1,324.9 | 1,218.1 |
| Retained earnings | 10,411.8 | 9,643.7 |
| Accumulated other comprehensive income | <u>(1,878.6)</u> | <u>(2,081.2)</u> |
| | 10,792.2 | 9,736.2 |
| Unearned compensation | (222.2) | (251.4) |
| Treasury stock, at cost | <u>(8,547.9)</u> | <u>(8,073.9)</u> |
| Total shareholders' equity | <u>2,022.1</u> | <u>1,410.9</u> |
| Total liabilities and shareholders' equity | <u>\$ 10,083.7</u> | <u>\$ 9,138.0</u> |

See Notes to Condensed Consolidated Financial Statements

COLGATE-PALMOLIVE COMPANY

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in Millions)
(Unaudited)

| | Nine Months Ended September 30, | |
|---|------------------------------------|-----------------|
| | 2007 | 2006 |
| Operating Activities | | |
| Net income | \$ 1,322.5 | \$ 952.2 |
| Adjustments to reconcile net income to net cash provided by operations: | | |
| Restructuring, net of cash | (3.6) | 187.6 |
| Depreciation and amortization | 246.4 | 243.5 |
| Gain before tax on sale of non-core product lines | (48.6) | — |
| Stock-based compensation expense | 93.1 | 91.7 |
| Deferred income taxes | (60.2) | (24.5) |
| Cash effects of changes in: | | |
| Receivables | (167.0) | (122.9) |
| Inventories | (118.4) | (128.9) |
| Accounts payable and other accruals | 364.8 | 122.8 |
| Other non-current assets and liabilities | 9.7 | 48.4 |
| Net cash provided by operations | <u>1,638.7</u> | <u>1,369.9</u> |
| Investing Activities | | |
| Capital expenditures | (327.1) | (251.8) |
| Sale of property and non-core product lines | 106.0 | 2.9 |
| Payment for acquisitions, net of cash acquired | (26.5) | (200.0) |
| Other | (56.0) | (21.4) |
| Net cash used in investing activities | <u>(303.6)</u> | <u>(470.3)</u> |
| Financing Activities | | |
| Principal payments on debt | (1,635.9) | (1,011.3) |
| Proceeds from issuance of debt | 1,530.4 | 1,116.7 |
| Dividends paid | (550.4) | (497.4) |
| Purchases of treasury shares | (866.6) | (601.3) |
| Proceeds from exercise of stock options and excess tax benefits | 313.7 | 258.5 |
| Net cash used in financing activities | <u>(1,208.8)</u> | <u>(734.8)</u> |
| Effect of exchange rate changes on Cash and cash equivalents | 12.6 | (2.6) |
| Net increase in Cash and cash equivalents | 138.9 | 162.2 |
| Cash and cash equivalents at beginning of period | 489.5 | 340.7 |
| Cash and cash equivalents at end of period | <u>\$ 628.4</u> | <u>\$ 502.9</u> |
| Supplemental Cash Flow Information | | |
| Income taxes paid | \$ 469.3 | \$ 497.9 |

See Notes to Condensed Consolidated Financial Statements

COLGATE-PALMOLIVE COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in Millions Except Share and Per Share Amounts)

(Unaudited)

1. Basis of Presentation

The Condensed Consolidated Financial Statements reflect all normal recurring adjustments which, in management's opinion, are necessary for a fair statement of the results for interim periods. Results of operations for the interim periods may not be representative of results to be expected for a full year. Reference is made to the Annual Report on Form 10-K of Colgate-Palmolive Company (together with its subsidiaries, the "Company" or "Colgate") filed with the Securities and Exchange Commission for the year ended December 31, 2006 for a complete set of financial notes including the Company's significant accounting policies.

2. Use of Estimates

Provision for certain expenses, including income taxes, media advertising and consumer promotion, are based on full year assumptions and are included in the accompanying Condensed Consolidated Financial Statements in proportion with estimated annual tax rates, the passage of time or estimated annual sales.

3. Recently Issued Accounting Pronouncements

In September 2006, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 157, "Fair Value Measurements" (SFAS 157). SFAS 157 establishes a single authoritative definition of fair value, sets out a framework for measuring fair value and requires additional disclosures about fair value measurement. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007. The Company does not expect that SFAS 157 will have a material impact on the Company's financial position or results of operations.

4. Inventories

Inventories by major class are as follows:

| | <u>September 30,</u> <u>2007</u> | <u>December 31,</u> <u>2006</u> |
|----------------------------|-------------------------------------|------------------------------------|
| Raw materials and supplies | \$ 269.1 | \$ 248.3 |
| Work-in-process | 47.9 | 45.4 |
| Finished goods | 850.0 | 714.7 |
| Total Inventories | <u>\$ 1,167.0</u> | <u>\$ 1,008.4</u> |

COLGATE-PALMOLIVE COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in Millions Except Share and Per Share Amounts)
(Unaudited)

5. Comprehensive Income

Comprehensive income is comprised of net earnings, gains and losses from currency translation, gains and losses from derivative instruments designated as cash flow hedges and amortization of unrecognized pension and other retiree benefit costs. Total comprehensive income for the three months ended September 30, 2007 and 2006 was \$495.8 and \$355.8, respectively. Total comprehensive income for the nine months ended September 30, 2007 and 2006 was \$1,525.1 and \$976.6, respectively. The difference from net income primarily consists of foreign currency translation adjustments. Accumulated other comprehensive income (loss), as reflected in the Condensed Consolidated Balance Sheets, primarily consists of cumulative foreign currency translation adjustments and unrecognized pension and other retiree benefit costs.

6. Earnings Per Share

| | Three Months Ended | | | | | |
|------------------------------------|--------------------|--------------|---------------|--------------------|--------------|---------------|
| | September 30, 2007 | | | September 30, 2006 | | |
| | Income | Shares | Per Share | Income | Shares | Per Share |
| Net income | \$ 420.1 | | | \$ 344.1 | | |
| Preferred dividends | (6.9) | | | (6.9) | | |
| Basic EPS | 413.2 | 509.9 | <u>\$0.81</u> | 337.2 | 515.3 | <u>\$0.65</u> |
| Stock options and restricted stock | | 7.6 | | | 6.3 | |
| Convertible preference stock | 6.9 | 24.9 | | 6.9 | 28.8 | |
| Diluted EPS | <u>\$ 420.1</u> | <u>542.4</u> | <u>\$0.77</u> | <u>\$ 344.1</u> | <u>550.4</u> | <u>\$0.63</u> |

| | Nine Months Ended | | | | | |
|------------------------------------|--------------------|--------------|---------------|--------------------|--------------|---------------|
| | September 30, 2007 | | | September 30, 2006 | | |
| | Income | Shares | Per Share | Income | Shares | Per Share |
| Net income | \$1,322.5 | | | \$952.2 | | |
| Preferred dividends | (20.8) | | | (21.4) | | |
| Basic EPS | 1,301.7 | 511.2 | <u>\$2.55</u> | 930.8 | 515.4 | <u>\$1.81</u> |
| Stock options and restricted stock | | 7.6 | | | 5.6 | |
| Convertible preference stock | 20.8 | 25.6 | | 21.4 | 29.7 | |
| Diluted EPS | <u>\$1,322.5</u> | <u>544.4</u> | <u>\$2.43</u> | <u>\$952.2</u> | <u>550.7</u> | <u>\$1.73</u> |

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*(Dollars in Millions Except Share and Per Share Amounts)***(Unaudited)**

7. Income Taxes

The Company adopted the provisions of FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes—an interpretation of FASB Statement No. 109" (FIN 48) on January 1, 2007. As a result of the implementation of FIN 48, the Company recognized a \$4.0 increase in the liability for unrecognized tax benefits which, as required, was accounted for as a reduction to the January 1, 2007 balance of Retained earnings. In addition, the following information required by FIN 48 is provided:

- Unrecognized tax benefits were approximately \$184 as of January 1, 2007 and approximately \$202 as of September 30, 2007. If all of these unrecognized tax benefits were recognized, approximately \$102 would impact the effective tax rate. While it is expected that the amount of unrecognized tax benefits will change in the next 12 months, we do not expect the change to have a significant impact on the results of operations or the financial position of the Company.
- The Company recognizes interest expense and penalties related to the above unrecognized tax benefits within income tax expense. The Company had accrued interest and penalties of approximately \$23 as of January 1, 2007 and approximately \$31 as of September 30, 2007.
- The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction, and many states and foreign jurisdictions. The Company is no longer subject to U.S. federal income tax examination for the years prior to 2004. With a few exceptions, the Company is no longer subject to U.S. state and local income tax examination for the years prior to 2003. In addition, the Company has subsidiaries in various foreign jurisdictions that have statutes of limitation generally ranging from 3 to 6 years.

In addition to unrecognized tax benefits, the Company has valuation allowances related to tax benefits in certain jurisdictions arising from net operating losses and related tax loss carryforwards. On an on-going basis, the Company reassesses the need for such valuation allowances based on recent operating results, its assessment of the likelihood of future taxable income and developments in the relevant tax jurisdictions. As a result of such a reassessment, and in light of positive operating results in Brazil, the realization of these deferred tax assets in Brazil is probable and as such, the Company reduced its tax loss carryforward valuation allowances in the first quarter of 2007 by \$94.6.

8. Acquisitions and Divestitures

Acquisitions

On May 1, 2006, the Company completed the purchase of 84% of the outstanding shares of Tom's of Maine, Inc., for approximately \$100 plus transaction costs. Tom's of Maine gave Colgate the opportunity to enter the fast growing health and specialty trade channel where Tom's of Maine toothpaste and deodorants are market leaders.

The cost to acquire Tom's of Maine was allocated to the assets acquired and the liabilities assumed at the date of acquisition based on fair values as determined using an independent valuation. In the second quarter of 2007, the final purchase price allocation of the acquisition was completed.

COLGATE-PALMOLIVE COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in Millions Except Share and Per Share Amounts)

(Unaudited)

The results of Tom's of Maine operations have been included in Colgate's North American operating segment in the Condensed Consolidated Financial Statements from the date of acquisition. The inclusion of pro forma financial data for Tom's of Maine prior to the date of acquisition would not have had a material impact on reported Net sales, Net income or Earnings per share for the nine months ended September 30, 2006.

Divestitures

Consistent with the Company's strategy to prioritize higher margin businesses, the Company announced during 2006 its agreement to sell its Latin American and Canadian bleach brands for approximately \$126 plus inventory at cost. The agreement included the sale of the bleach brands Javex, Agua Jane and NeveX in Canada, Uruguay and Venezuela, respectively, and the license of the Ajax brand for bleach during a transition period in Colombia, the Dominican Republic and Ecuador.

The transaction closed in Canada during the fourth quarter of 2006, with proceeds of \$55.0 and a pretax gain of \$46.5 (\$38.2 aftertax) and was included in Other (income) expense, net in 2006. The transaction closed in the Latin American countries, excluding Colombia, during the first quarter of 2007. The proceeds from the Latin American sale in the first quarter of 2007 were \$66.5, resulting in a pretax gain of \$48.6 (\$29.7 aftertax) included in Other (income) expense, net. These operations were not material to the Company's annual Net sales, Net income or Earnings per share. In Colombia the transaction did not receive regulatory approval and the parties are appealing.

9. Restructuring and Related Implementation Charges

The Company's previously announced four-year restructuring and business-building program (the 2004 Restructuring Program) to enhance the Company's global leadership position in its core businesses is progressing on schedule. On April 24, 2007, the Company expanded the 2004 Restructuring Program to encompass additional savings projects identified by the Company during the course of implementing the program. These additional projects will not extend the length of the program beyond the anticipated completion date of December 31, 2008. Including the expansion, the cost of implementing the 2004 Restructuring Program is estimated to result in cumulative pretax charges, once all the projects are approved and implemented, totaling between \$925 and \$1,075 (\$675 and \$775 aftertax). It is estimated that the total cumulative pretax charges of implementing the 2004 Restructuring Program, once completed, will be comprised of the following: termination benefits (40%), incremental depreciation (20%), asset impairments (5%) and other charges consisting primarily of implementation related charges resulting directly from exit activities (20%) and the implementation of new strategies (15%). Over the course of the four-year 2004 Restructuring Program, it is estimated that approximately 50%-60% of the charges will result in cash expenditures.

COLGATE-PALMOLIVE COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in Millions Except Share and Per Share Amounts)

(Unaudited)

Restructuring and related implementation charges are reflected in the following income statement categories:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|-------------------------------------|---------|------------------------------------|----------|
| | 2007 | 2006 | 2007 | 2006 |
| Cost of sales | \$ 37.4 | \$ 47.0 | \$ 103.8 | \$ 156.8 |
| Selling, general and administrative expenses | 11.8 | 11.5 | 32.9 | 30.6 |
| Other (income) expense, net | 1.9 | 25.5 | 15.7 | 130.3 |
| Total 2004 Restructuring Program charges, pretax | \$ 51.1 | \$ 84.0 | \$ 152.4 | \$ 317.7 |
| Total 2004 Restructuring Program charges, aftertax | \$ 36.3 | \$ 58.5 | \$ 107.9 | \$ 221.2 |

Restructuring and related implementation charges in the preceding table are recorded in the Corporate segment as these decisions are predominantly centrally directed and controlled and are not included in internal measures of segment operating performance.

Charges for the three months ended September 30, 2007 relate to restructuring activities in North America (51%), Europe/South Pacific (12%), Latin America (2%), Greater Asia/Africa (8%), Hills (1%) and Corporate (26%). Charges for the nine months ended September 30, 2007 relate to restructuring activities in North America (43%), Europe/South Pacific (25%), Latin America (3%), Greater Asia/Africa (6%), Hills (1%) and Corporate (22%).

The majority of costs incurred since inception relate to the following significant projects: the voluntary early retirement program in the U.S.; the announced closing of the Jeffersonville, Indiana oral care facility; the consolidation of toothpaste production in Europe; and exiting certain manufacturing activities in other categories in Portugal, Denmark, Puerto Rico and Kansas City, Kansas.

The following table summarizes the activity for the restructuring charges discussed above and the related accrual:

| | Three Months Ended September 30, 2007 | | | | |
|---|---------------------------------------|-----------------------------|----------------------|--------|---------|
| | Termination Benefits | Incremental Depreciation | Asset Impairments | Other | Total |
| Restructuring accrual at June 30, 2007 | \$ 54.3 | \$ — | \$ — | \$ 5.8 | \$ 60.1 |
| Charges/(credits) | 11.8 | 6.2 | (0.4) | 33.5 | 51.1 |
| Cash payments | (9.4) | — | — | (37.6) | (47.0) |
| Charges against assets | (4.1) | (6.2) | 0.4 | 1.5 | (8.4) |
| Other | (0.5) | — | — | 0.1 | (0.4) |
| Foreign exchange | 1.0 | — | — | — | 1.0 |
| Restructuring accrual at September 30, 2007 | \$ 53.1 | \$ — | \$ — | \$ 3.3 | \$ 56.4 |

COLGATE-PALMOLIVE COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in Millions Except Share and Per Share Amounts)
(Unaudited)

| | Nine Months Ended September 30, 2007 | | | | |
|---|--------------------------------------|--------------------------|-------------------|---------------|----------------|
| | Termination Benefits | Incremental Depreciation | Asset Impairments | Other | Total |
| Restructuring accrual at December 31, 2006 | \$ 53.4 | \$ — | \$ — | \$ 11.3 | \$ 64.7 |
| Charges/(credits) | 43.8 | 29.5 | (1.8) | 80.9 | 152.4 |
| Cash payments | (32.4) | — | — | (89.1) | (121.5) |
| Charges against assets | (12.1) | (29.5) | 1.8 | — | (39.8) |
| Other | (1.8) | — | — | 0.1 | (1.7) |
| Foreign exchange | 2.2 | — | — | 0.1 | 2.3 |
| Restructuring accrual at September 30, 2007 | <u>\$ 53.1</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ 3.3</u> | <u>\$ 56.4</u> |

Termination benefits incurred pursuant to the 2004 Restructuring Program are calculated based on long-standing benefit practices, local statutory requirements and, in certain cases, voluntary termination arrangements. Termination benefits also include pension enhancements of \$4.1 and \$12.1 in the three and nine months ended September 30, 2007, respectively, which are reflected as Charges against assets within Termination Benefits in the preceding tables, as the corresponding balance sheet amounts are reflected as a reduction of pension assets. In 2007, the Company made a \$34.5 voluntary contribution to partially fund this obligation. The Company anticipates that it will make incremental cash contributions to its plans in order to fund these pension obligations over the duration of the 2004 Restructuring Program.

Incremental depreciation was recorded to reflect changes in useful lives and estimated residual values for long-lived assets that will be taken out of service prior to the end of their normal service period. Asset impairments have been recorded to write down assets held for sale or disposal to their fair value based on amounts expected to be realized. Charges against assets within Asset Impairments for the three and nine months ended September 30, 2007 are net of cash proceeds pertaining to the sale of certain assets.

Other charges represent implementation related charges resulting directly from exit activities and the implementation of new strategies as a result of the 2004 Restructuring Program. These charges include ramp-down costs related to the closure of existing facilities, start-up costs for new facilities, and third-party incremental costs related to the development and implementation of new business and strategic initiatives.

COLGATE-PALMOLIVE COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in Millions Except Share and Per Share Amounts)
(Unaudited)

Since the inception of the 2004 Restructuring Program in December 2004, the Company has incurred total pretax cumulative charges of \$799.3 (\$587.3 aftertax) in connection with the implementation of various projects in the following categories:

| | Cumulative Charges as of September 30, 2007 |
|--|--|
| Termination Benefits | \$ 356.7 |
| Incremental Depreciation | 189.6 |
| Asset Impairments | 57.0 |
| Other | 196.0 |
| Total cumulative 2004 Restructuring Program charges, pretax | \$ 799.3 |

10. Retirement Plans and Other Retiree Benefits

Components of net periodic benefit cost for the three and nine months ended September 30, 2007 and 2006 were as follows:

| | Three Months Ended September 30, | | | | | |
|--|----------------------------------|---------------|---------------|---------------|------------------------|----------------|
| | Pension Benefit | | | | Other Retiree Benefits | |
| | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 |
| | United States | | International | | | |
| Service cost | \$ 7.2 | \$ 7.3 | \$ 5.8 | \$ 5.1 | \$ 1.8 | \$ 2.6 |
| Interest cost | 20.6 | 23.4 | 9.6 | 8.3 | 7.2 | 7.3 |
| Annual ESOP allocation | — | — | — | — | 0.2 | (3.0) |
| Expected return on plan assets | (27.1) | (26.4) | (8.1) | (6.7) | (0.6) | (0.5) |
| Amortization of transition & prior service costs (credits) | 1.5 | 1.5 | 0.3 | 0.5 | — | (0.1) |
| SFAS 88 pension charges | 15.4 | — | — | — | — | — |
| Amortization of actuarial loss | 2.9 | 4.0 | 1.8 | 2.2 | 3.0 | 3.8 |
| Net periodic benefit cost | <u>\$ 20.5</u> | <u>\$ 9.8</u> | <u>\$ 9.4</u> | <u>\$ 9.4</u> | <u>\$ 11.6</u> | <u>\$ 10.1</u> |

| | Nine Months Ended September 30, | | | | | |
|--|---------------------------------|----------------|----------------|----------------|------------------------|----------------|
| | Pension Benefit | | | | Other Retiree Benefits | |
| | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 |
| | United States | | International | | | |
| Service cost | \$ 30.6 | \$ 34.0 | \$ 17.2 | \$ 16.8 | \$ 8.3 | \$ 8.9 |
| Interest cost | 65.7 | 62.6 | 27.3 | 25.1 | 23.5 | 21.8 |
| Annual ESOP allocation | — | — | — | — | (6.9) | (10.3) |
| Expected return on plan assets | (81.7) | (74.1) | (21.8) | (19.4) | (1.6) | (1.0) |
| Amortization of transition & prior service costs (credits) | 4.5 | 3.1 | 0.8 | 1.1 | (0.1) | (0.3) |
| SFAS 88 pension charges | 15.4 | — | — | — | — | — |
| Amortization of actuarial loss | 12.0 | 18.3 | 5.4 | 5.8 | 9.0 | 9.2 |
| Net periodic benefit cost | <u>\$ 46.5</u> | <u>\$ 43.9</u> | <u>\$ 28.9</u> | <u>\$ 29.4</u> | <u>\$ 32.2</u> | <u>\$ 28.3</u> |

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*(Dollars in Millions Except Share and Per Share Amounts)***(Unaudited)**

For the nine months ended September 30, 2007 and 2006 the Company made voluntary contributions of \$45.0 and \$56.0, respectively (including \$34.5 and \$35.0, respectively, related to the 2004 Restructuring Program, refer to Note 9, "Restructuring and Related Implementation Charges"), to its U.S. postretirement plans.

For the three and nine months ended September 30, 2007, the Company recognized pretax charges of \$15.4 (\$10.0 aftertax) as required by SFAS No. 88, "Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits." These charges were the result of lump sum payments of normal retirement benefits associated with a nonqualified retirement plan in the U.S.

11. Contingencies

The Company is contingently liable with respect to lawsuits, environmental matters, taxes and other matters arising out of the normal course of business.

Management proactively reviews and monitors its exposure to, and the impact of, environmental matters. The Company is a potentially responsible party to various environmental matters and as such may be responsible for all or a portion of the cleanup, restoration and post-closure monitoring of several sites. Substantially all of the Company's potential liability for these matters relates to a single superfund site associated with a prior acquisition. Substantially all of the Company's potential liability that may arise in connection with this site has been acknowledged in writing as being covered by the Company's insurance carriers which are presently making all their required payments and are expected to continue to do so in the future. While it is possible that the nonperformance of other potentially responsible parties or the Company's insurance carriers could affect the cash flows and results of operations in any particular quarter or year, it is the opinion of management that the ultimate disposition of these matters, to the extent not previously provided for, will not have a material impact on the financial position, or on-going results of operations and cash flows of the Company.

As a matter of course, the Company is regularly audited by the Internal Revenue Service (IRS) and other tax authorities around the world in countries where it conducts business. In this regard, the IRS has completed its examination of the Company's federal income tax returns for 1999 through 2003 and has proposed an assessment that challenges the Company's tax deductions for compensation in connection with expatriate executives. During 2007, the Company and the IRS reached an agreement with respect to the compensation tax deduction, and the amount of additional tax involved did not have a material impact on the financial position, on-going results of operations or cash flows of the Company. For the remaining years under audit, 2004 and 2005, the tax in connection with the challenged deductions is approximately \$11. Estimated incremental tax payments related to the potential disallowances for subsequent periods are insignificant. While the Company believes that its tax position complies with applicable tax law and intends to continue to defend its position, potential settlement discussions with the IRS for the later years are underway.

In May 2006, one of the Company's subsidiaries received an assessment from the Mexican tax authorities totaling approximately \$610, at the current exchange rate, including interest and penalties, challenging Value Added Tax (VAT) credits claimed in its 2000 and 2001 VAT returns. In December 2006 another subsidiary of the Company received an income tax assessment from the Mexican tax authorities totaling approximately \$185, at the current exchange rate, including interest

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*(Dollars in Millions Except Share and Per Share Amounts)***(Unaudited)**

and penalties, challenging the transfer pricing on transactions between that subsidiary and another of the Company's subsidiaries located in the United States. The Company, through its subsidiary, requested and received in 1999 a written advance ruling from the Mexican tax authorities for both VAT and income tax on which the Company relied in subsequently claiming the VAT credits and income tax treatment to which these assessments relate. The Company believes based on the advice of outside counsel that its tax filings are in full compliance with the written advance ruling and applicable tax law and regulations. However, the Company has entered into settlement discussions with the Mexican tax authorities regarding these matters. If such discussions are not resolved to the Company's satisfaction, it intends to vigorously challenge the assessments in the Mexican court system and through discussions between Mexican and U.S. government authorities pursuant to the income tax treaty between the countries. Although there can be no assurances, the Company believes based on the advice of outside counsel that these tax assessments are without merit, and that the Company will ultimately prevail in these matters.

In 1995, the Company acquired the Kolynos oral care business from Wyeth (formerly American Home Products) (the Seller), as described in the Company's Form 8-K dated January 10, 1995. On September 8, 1998, the Company's Brazilian subsidiary received notice of an administrative proceeding from the Central Bank of Brazil primarily taking issue with certain foreign exchange filings made with the Central Bank in connection with the financing of this strategic transaction, but in no way challenging or seeking to unwind the acquisition. The Central Bank of Brazil in January 2001 notified the Company of its decision in this administrative proceeding to impose a fine, which, at the current exchange rate, approximates \$140. The Company appealed the imposition of the fine to the Brazilian Monetary System Appeals Council (the Council), and on January 30, 2007, the Council decided the appeal in the Company's favor, dismissing the fine entirely.

In addition, the Brazilian internal revenue authority has disallowed interest deductions and foreign exchange losses taken by the Company's Brazilian subsidiary for certain years in connection with the financing of the Kolynos acquisition. The tax assessments with interest, at the current exchange rate, approximate \$120. The Company has been disputing the disallowances by appealing the assessments within the internal revenue authority's appellate process, with the following results to date:

- In June 2005, the First Board of Taxpayers ruled in the Company's favor and allowed all of the previously claimed deductions for 1996 through 1998, which represent more than half of the total exposure. The tax authorities have appealed this decision to the next administrative level.
- In March 2007, the First Board of Taxpayers ruled in the Company's favor and allowed all of the previously claimed deductions for 1999 through 2001, which represent the remaining exposure. The tax authorities could appeal this decision to the next administrative level.

In the event of an adverse decision within the internal revenue authority's appellate process, further appeals are available within the Brazilian federal courts. Although there can be no assurances, management believes, based on the opinion of its Brazilian legal counsel and other experts, that the disallowances are without merit and that the Company should prevail on appeal either at the administrative level or if necessary, in the Brazilian federal courts. The Company intends to challenge these assessments vigorously.

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In addition, Brazilian prosecutors reviewed the foregoing transactions as part of an overall examination of all international transfers of Reais through non-resident current accounts during the 1992 to 1998 time frame, a review which the Company understands involved hundreds and possibly thousands of other individuals and companies unrelated to the Company. At the request of these prosecutors, in February 2004, a federal judge agreed to authorize criminal charges against certain current and former officers of the Company's Brazilian subsidiary based on the same allegations made in the Central Bank and tax proceedings discussed above. Management believes, based on the opinion of its Brazilian legal counsel, that these officers behaved in all respects properly and in accordance with the law in connection with the financing of the Kolynos acquisition. Management intends to support and defend these officers vigorously.

In 2002, the Brazilian Federal Public Attorney filed a civil action against the federal government of Brazil, Laboratorios Wyeth-Whitehall Ltda., the Brazilian subsidiary of the Seller, and the Company, as represented by its Brazilian subsidiary, seeking to annul an April 2000 decision by the Brazilian Board of Tax Appeals that found in favor of the Seller's subsidiary on the issue of whether it had incurred taxable capital gains as a result of the divestiture of Kolynos. The action seeks to make the Company's Brazilian subsidiary jointly and severally liable for any tax due from the Seller's subsidiary. Although there can be no assurances, management believes, based on the opinion of its Brazilian legal counsel, that the Company should ultimately prevail in this action. The Company intends to challenge this action vigorously.

In December 2005, the Brazilian internal revenue authority issued to the Company's Brazilian subsidiary a tax assessment with interest and penalties of approximately \$60 at the current exchange rate, based on a claim that certain purchases of U.S. Treasury bills by the subsidiary and their subsequent disposition during the period 2000 to 2001 were subject to a tax on foreign exchange transactions. The Company is disputing the assessment within the internal revenue authority's administrative appeals process. In October 2007, the Second Board of Taxpayers ruled in favor of the internal revenue authority. The Company intends to appeal this decision to the next administrative level. Although there can be no assurances, management believes, based on the opinion of its Brazilian legal counsel, that the tax assessment is without merit and that the Company should prevail either through administrative appeal process or if necessary through further appeal in the Brazilian federal courts. The Company intends to challenge this assessment vigorously.

In February 2006, the Company learned that French competition authorities initiated an inquiry into potential competition law violations in France involving exchanges of competitive information and agreements on selling terms and conditions among a number of consumer goods companies in France, including the Company's French subsidiary. In February 2007, the Company learned that the Swiss competition authorities opened an investigation against the Company's GABA subsidiary regarding distribution policies, retail pricing and parallel trade. Governmental investigations or proceedings relating to competition law involving the Company have also been commenced in Romania and Germany. The Company's policy is to comply with antitrust and competition laws and, if a violation of any such laws is found, to take appropriate remedial action and to cooperate fully with any related governmental inquiry. The Company has undertaken a comprehensive review of its selling practices and related competition law compliance in Europe and elsewhere and, where the Company has identified a lack of compliance, it is undertaking remedial action. At this time, no formal claim for a fine or penalty has been made in any such matter. While the Company cannot predict the final financial impact of these competition law issues as these matters may change, the Company has taken and will, if necessary, take additional reserves as appropriate.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*(Dollars in Millions Except Share and Per Share Amounts)***(Unaudited)**

Hill's Pet Nutrition, like most major North American pet food producers, was affected by the pet food recalls concerning the U.S. Food and Drug Administration's discovery of melamine in certain wheat gluten supplies during March 2007, and took the precaution of conducting a voluntary recall of the small number of its products that may have been affected in the first quarter of 2007. Since the recalls, the Company has learned of four lawsuits naming Hill's, among many others, as a defendant.

While it is possible that the Company's cash flows and results of operations in a particular quarter or year could be materially affected by the impact of the above noted contingencies, it is the opinion of management that these matters will not have a material impact on the Company's financial position, or on-going results of operations and cash flows.

12. Segment Information

The Company evaluates segment performance based on several factors, including Operating profit. The Company uses Operating profit as a measure of the operating segment performance because it excludes the impact of corporate-driven decisions related to interest expense and income taxes. Corporate operations include restructuring and related implementation costs, stock-based compensation related to stock options and restricted stock awards, research and development costs, Corporate overhead costs, gains and losses on sales of non-core brands and assets, SFAS 88 pension charges and, for the nine months ended September 30, 2007, the impact on Operating profit of a limited voluntary recall of Hill's Pet Nutrition products. The Company reports these items within Corporate operations as they relate to Corporate based responsibilities and decisions and are not included in the internal measures of segment operating performance used by the Company in order to measure the underlying performance of the business segments. Net sales and Operating profit by segment were as follows:

COLGATE-PALMOLIVE COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in Millions Except Share and Per Share Amounts)
(Unaudited)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|------------------------------------|-------------------------------------|------------------|------------------------------------|------------------|
| | 2007 | 2006 | 2007 | 2006 |
| Net sales | | | | |
| Oral, Personal and Home Care | | | | |
| North America | \$ 687.7 | \$ 668.1 | \$ 2,021.6 | \$1,933.1 |
| Latin America | 893.7 | 769.3 | 2,544.9 | 2,203.1 |
| Europe/South Pacific | 875.3 | 779.8 | 2,501.8 | 2,192.7 |
| Greater Asia/Africa | 607.2 | 512.5 | 1,726.0 | 1,489.6 |
| Total Oral, Personal and Home Care | 3,063.9 | 2,729.7 | 8,794.3 | 7,818.5 |
| Pet Nutrition | 464.3 | 414.0 | 1,353.2 | 1,210.1 |
| Total Net sales | <u>\$3,528.2</u> | <u>\$3,143.7</u> | <u>\$10,147.5</u> | <u>\$9,028.6</u> |
| Operating profit | | | | |
| Oral, Personal and Home Care | | | | |
| North America | \$ 171.0 | \$ 143.5 | \$ 484.8 | \$ 418.7 |
| Latin America | 250.2 | 220.8 | 742.4 | 651.9 |
| Europe/South Pacific | 199.9 | 179.5 | 565.7 | 495.1 |
| Greater Asia/Africa | 90.8 | 65.9 | 259.2 | 199.3 |
| Total Oral, Personal and Home Care | 711.9 | 609.7 | 2,052.1 | 1,765.0 |
| Pet Nutrition | 116.9 | 106.7 | 354.5 | 318.4 |
| Corporate | (160.0) | (167.0) | (429.1) | (555.6) |
| Total Operating profit | <u>\$ 668.8</u> | <u>\$ 549.4</u> | <u>\$ 1,977.5</u> | <u>\$1,527.8</u> |

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULTS OF OPERATIONS

(Dollars in Millions Except Share and Per Share Amounts)

Executive Overview

Colgate-Palmolive Company seeks to deliver strong, consistent business results and superior shareholder returns by providing consumers on a global basis with products that make their lives healthier and more enjoyable.

To this end, the Company is tightly focused on two product segments: Oral, Personal and Home Care; and Pet Nutrition. Within these segments, the Company follows a closely defined business strategy to develop and increase market leadership positions in key product categories. These product categories are prioritized based on their capacity to maximize the use of the organization's core competencies and strong global equities and to deliver sustainable long-term growth.

Operationally, the Company is organized along geographic lines with specific regional management teams having responsibility for the financial results in each region. The Company competes in more than 200 countries and territories worldwide, with established businesses in all regions contributing to the Company's sales and profitability. This geographic diversity and balance helps to reduce the Company's exposure to business and other risks in any one country or part of the world.

The Oral, Personal and Home Care segment is operated through four reportable operating segments, North America, Latin America, Europe/South Pacific and Greater Asia/Africa, which sell to a variety of retail and wholesale customers and distributors. In the Pet Nutrition segment, the Company also competes on a worldwide basis selling its products principally through the veterinary profession and specialty pet retailers.

On an on-going basis, management focuses on a variety of key indicators to monitor business health and performance. These indicators include market share, sales (including volume, pricing and foreign exchange components), gross profit margin, operating profit, net income and earnings per share; and measures to optimize the management of working capital, capital expenditures, cash flow and return on capital. The monitoring of these indicators, as well as the Company's corporate governance practices (including the Company's Code of Conduct), are used to ensure that business health and strong internal controls are maintained.

To achieve its financial objectives, the Company focuses the organization on initiatives to drive growth and to fund growth. The Company seeks to capture significant opportunities for growth by identifying and meeting consumer needs within its core categories, in particular by deploying valuable consumer and shopper insights in the development of successful new products regionally, which are then rolled out on a global basis. Growth opportunities are enhanced in those areas of the world in which economic development and rising consumer incomes expand the size and number of markets for the Company's products.

The investments needed to fund this growth are developed through continuous, corporate-wide initiatives to lower costs and increase effective asset utilization. The Company also continues to prioritize its investments toward its higher-margin businesses, specifically Oral Care, Personal Care and Pet Nutrition.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
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(Dollars in Millions Except Share and Per Share Amounts)

Consistent with the Company's strategy to prioritize higher margin businesses, in the fourth quarter of 2006 the Company announced its agreement to sell its Latin American and Canadian bleach brands. The transaction closed in Canada during the fourth quarter of 2006. In the Latin American countries, the transaction closed during the first quarter of 2007, with the exception of Colombia, where the transaction did not receive regulatory approval and the parties are appealing.

The Company purchased 84% of the outstanding shares of Tom's of Maine, Inc. in the second quarter of 2006. This acquisition allowed the Company to enter the fast growing health and specialty trade channel where Tom's of Maine toothpaste and deodorants are market leaders.

The Company's previously announced four-year restructuring and business-building program (the 2004 Restructuring Program) to enhance the Company's global leadership position in its core businesses is progressing on schedule. On April 24, 2007, the Company expanded the 2004 Restructuring Program to encompass additional savings projects identified by the Company during the course of implementing the program. These additional projects will not extend the length of the program beyond the anticipated completion date of December 31, 2008. Including the expansion, the cost of implementing the 2004 Restructuring Program is estimated to result in cumulative pretax charges, once all the projects are approved and implemented, totaling between \$925 and \$1,075 (\$675 and \$775 aftertax). It is estimated that the total cumulative pretax charges of implementing the 2004 Restructuring Program, once completed, will be comprised of the following: termination benefits (40%), incremental depreciation (20%), asset impairments (5%) and other charges consisting primarily of implementation related charges resulting directly from exit activities (20%) and the implementation of new strategies (15%). Over the course of the four-year 2004 Restructuring Program, it is estimated that approximately 50%-60% of the charges will result in cash expenditures. Savings are projected to be in the range of \$400 and \$475 pretax (\$300 to \$350 aftertax) annually by 2008, substantially all of which is expected to increase future cash flows.

While the Company expects market conditions to remain highly competitive throughout 2007, the Company believes it is well positioned for continued growth. Over the long-term, the Company's continued focus on its consumer products business and the strength of its global brand names, its broad international presence in both developed and developing markets, and its strong capital base all position it to take advantage of growth opportunities and to increase profitability and shareholder value.

Results of Operations

Worldwide Net sales were \$3,528.2 in the third quarter of 2007, up 12.0% from 2006 driven by volume growth of 5.5%, net selling price increases of 1.0% and a positive foreign exchange impact of 5.5%. The divestments of the Latin American and Canadian household bleach businesses reduced sales for the three months ended September 30, 2007 by 1.0% versus the comparable period of 2006. Excluding the impact of these divestments, sales increased 13.0% on volume growth of 6.5%.

Net sales in the Oral, Personal and Home Care segment were \$3,063.9 in the third quarter of 2007, up 12.0% from 2006 driven by volume growth of 5.5%, net selling price increases of 0.5% and a positive foreign exchange impact of 6.0%. The divestments of the Latin American and Canadian household bleach businesses reduced sales for the three months ended September 30, 2007 by 1.0% versus the comparable period of 2006. Excluding the impact of these divestments, sales increased 13.0% on volume growth of 6.5%.

COLGATE-PALMOLIVE COMPANY

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULTS OF OPERATIONS**

(Dollars in Millions Except Share and Per Share Amounts)

Net sales in North America increased 3.0% in the third quarter of 2007 to \$687.7 driven by volume growth of 1.5%, net selling price increases of 0.5% and a positive foreign exchange impact of 1.0%. The 2006 divestment of the Canadian household bleach business reduced sales for the three months ended September 30, 2007 by 1.5% versus the comparable period of 2006. Excluding the impact of the 2006 divestment, Net sales increased 4.5% on volume growth of 3.0%. New product launches in the super premium category, including Colgate Total Advance Clean and Colgate Max Fresh BURST toothpastes and Colgate 360° and Colgate 360° Sensitive manual toothbrushes contributed to growth in oral care. Successful new products in other categories contributing to growth included Irish Spring body wash for men, Softsoap brand Nutra-Oil moisturizing body wash and Mennen Speed Stick 24/7 Gametime deodorant. Operating profit in North America increased 19% in the third quarter of 2007 to \$171.0 reflecting increased sales and gross profit margins as a result of improved product mix and the benefits of the 2004 Restructuring Program.

Net sales in Latin America increased 16.0% in the third quarter of 2007 to \$893.7 as a result of 7.5% volume growth, net selling price increases of 3.0% and a positive foreign exchange impact of 5.5%. The 2007 divestment of the household bleach business reduced sales for the three months ended September 30, 2007 by 2.0% versus the comparable period of 2006. Excluding the impact of the 2007 divestment, Net sales increased 18.0% on volume growth of 9.5%. All significant markets in the region contributed to the very strong volume gains, led by Mexico, Brazil, Venezuela, Central America, Argentina and Ecuador. Products contributing to the growth included Colgate Total Professional Clean, Colgate Max Fresh and Colgate Max White toothpastes, Colgate 360° manual toothbrush, Plax Alcohol Free and Plax Ice mouthwashes, Palmolive Naturals Mint & Eucalyptus, Palmolive Nutri-Milk, Protex Deo 12 and Protex Propolis bar soaps, Lady Speed Stick Double Defense deodorant, Palmolive Caprice shampoo and Palmolive Nutri-Milk shower gel. Operating profit in Latin America increased 13% to \$250.2 reflecting increased volume offset by higher advertising spending and increased freight and warehousing costs.

Net sales in Europe/South Pacific increased 12.0% in the third quarter of 2007 to \$875.3 as a result of 4.5% volume growth and a 9.5% positive impact of foreign exchange, partially offset by a 2.0% reduction in net selling prices. Strong volume gains in the GABA business, the United Kingdom, Denmark and Romania more than offset a volume decline in Germany due to challenging market conditions. Successful premium products driving these gains include Colgate Total, Colgate Total Professional Weekly Clean and Colgate Max Fresh toothpastes. Colgate 360°, Colgate 360° Sensitive and Colgate Max Fresh manual toothbrushes also contributed to growth. Recent premium innovations contributing to gains in other product categories include Palmolive Pure Cashmere shower gel, Colgate Plax Gentle Care mouth rinse, Soupline Aromatherapy fabric conditioner, and Ajax Professional bucket dilutable and Ajax Professional glass cleaners. Operating profit in Europe/South Pacific increased 11% to \$199.9 reflecting increased sales and gross profit margins, offset by higher commercial investments and increased freight and warehousing costs.

Net sales in Greater Asia/Africa increased 18.5% in the third quarter of 2007 to \$607.2 on volume growth of 9.5%, net selling price increases of 1.0% and a positive foreign exchange impact of 8.0%. The strong volume gains were led by India, Russia, Turkey, Ukraine, South Africa, the Gulf States and the Greater China region. Successful new products driving the oral care growth include Colgate Total Professional Clean, Colgate Herbal Seabuckthorn, Darlie Double Action and Colgate Max White toothpastes, and Colgate 360°, Colgate 360° Sensitive and Colgate Twister Fresh manual toothbrushes. New products contributing to growth in other categories in the region include Palmolive Thermal Spa Seabuckthorn shower gel, bar soap and liquid hand soap, Palmolive Pure Cashmere shower cream and bar soap, and Palmolive Floral and Odor Neutralizing liquid hand soap. Operating profit in Greater Asia/Africa increased 38% to \$90.8 reflecting increased sales and gross profit margins.

COLGATE-PALMOLIVE COMPANY

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
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(Dollars in Millions Except Share and Per Share Amounts)

Net sales for Hill's Pet Nutrition increased 12.0% in the third quarter of 2007 to \$464.3 on volume growth of 5.0%, an increase in net selling prices of 4.0% and a positive foreign exchange impact of 3.0%. Strong performers within the U.S. specialty pet channel included Science Diet Canine Large Breed, Science Diet Canine Lamb & Rice Small Bites and Science Diet Canine Nature's Best. Science Diet Indoor Cat and Science Diet Light contributed to growth in feline products. Prescription Diet c/d Multicare Feline, Prescription Diet d/d Canine and Prescription Diet j/d Canine drove growth in the U.S. veterinary channel. Internationally, growth was strong led by Russia, South Africa, the United Kingdom, Italy, Spain, Germany, Australia and France. New pet food products contributing to the international growth include Prescription Diet j/d Canine and Feline, Science Plan Feline Chunks in Gravy pouches and Science Plan Neutered Cat, a veterinary exclusive product. Operating profit increased 10% to \$116.9 in the third quarter of 2007 reflecting increased sales, partially offset by higher costs for agricultural commodities.

Worldwide Net sales were \$10,147.5 in the first nine months of 2007, up 12.5% from 2006 driven by volume growth of 7.0%, net selling price increases of 1.0% and a positive foreign exchange impact of 4.5%. The divestments of the Latin American and Canadian household bleach businesses reduced sales for the nine months ended September 30, 2007 by 0.5% versus the comparable period of 2006. Excluding the impact of these divestments, sales increased 13.0% on volume growth of 7.5%.

Net sales in the Oral, Personal and Home Care segment were \$8,794.3 in the nine months ended September 30, 2007, up 12.5% from 2006 driven by volume growth of 7.5%, an increase in net selling prices of 0.5% and a positive foreign exchange impact of 4.5%. The divestments of the Latin American and Canadian household bleach businesses reduced sales for the nine months ended September 30, 2007 by 0.5% versus the comparable period of 2006. Excluding the impact of these divestments, sales increased 13.0% on volume growth of 8.0%. Within this segment, North America sales increased 4.5% driven primarily by volume growth and Latin America sales increased 15.5% on volume growth of 10.5%. The divestments of the Latin American and Canadian household bleach businesses reduced sales for the nine months ended September 30, 2007 by 1.5% versus the comparable period of 2006 for each of these regions. Excluding the impact of these divestments, sales increased 6.0% in North America and 17.0% in Latin America on volume growth. Europe/South Pacific sales increased 14.0% on volume growth of 6.0% and Greater Asia/Africa sales increased 16.0% on volume growth of 9.0%, with the remainder of the increase in these regions due primarily to positive foreign exchange.

Net sales for Hill's Pet Nutrition increased 12.0% in the nine months ended September 30, 2007 to \$1,353.2 on volume growth of 5.0%, an increase in net selling prices of 4.5% and a positive foreign exchange impact of 2.5%. Like most major North American pet food producers, Hill's Pet Nutrition was affected by the pet food recalls concerning the U.S. Food and Drug Administration's discovery of melamine in certain wheat gluten supplies during March 2007 and took the precaution of conducting a voluntary recall of the small number of its products that may have been affected in the first quarter of 2007. These products accounted for 0.5% of Hill's Pet Nutrition's annual Net sales. The related sales loss is not anticipated to have a significant impact on the Company's 2007 annual Net sales or Operating profit. Hill's Pet Nutrition's Operating profit for the first nine months of 2007 does not reflect the impact of the recall as these costs have been included in the Corporate segment.

Operating profit (loss) related to Corporate decreased to (\$160.0) in the third quarter of 2007 from (\$167.0) in 2006. Contributing to the decrease are lower restructuring charges partially offset by higher research and development costs and a shift in costs to the Corporate segment due to the Company's supply chain globalization initiatives as previously announced under the Company's 2004 Restructuring Program. Additionally, the third quarter of 2007 includes the negative impact of \$15.4 of SFAS 88 pension charges as a result of lump sum payments of normal retirement benefits associated with a nonqualified retirement plan in the U.S. ("SFAS 88 pension charges").

COLGATE-PALMOLIVE COMPANY

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
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Operating profit (loss) related to Corporate decreased to (\$429.1) in the first nine months of 2007 from (\$555.6) in 2006. Contributing to the decrease are lower restructuring charges relating to the voluntary early retirement program applicable to certain U.S. employees, which was implemented in the second quarter of 2006. In addition to the other third quarter items listed above, the nine months ended September 30, 2007 also includes the effect of the gain on sale of non-core product lines and the negative impact of the limited voluntary recall of certain Hill's Pet Nutrition feline products. The changes in Corporate Operating profit (loss) are summarized in the following table:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|-------------------------------------|------------------|------------------------------------|------------------|
| | 2007 | 2006 | 2007 | 2006 |
| 2004 Restructuring Program | \$ (51.1) | \$ (84.0) | \$(152.4) | \$(317.7) |
| SFAS 88 pension charges | (15.4) | — | (15.4) | — |
| Gain on sale of non-core product lines, net | — | — | 48.6 | — |
| Voluntary recall of certain Hill's Pet Nutrition feline products | — | — | (13.6) | — |
| Other Corporate | (93.5) | (83.0) | (296.3) | (237.9) |
| Corporate Operating profit (loss) | <u>\$(160.0)</u> | <u>\$(167.0)</u> | <u>\$(429.1)</u> | <u>\$(555.6)</u> |

Restructuring and related implementation charges are reflected in the following income statement categories:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|-------------------------------------|----------------|------------------------------------|-----------------|
| | 2007 | 2006 | 2007 | 2006 |
| Cost of sales | \$ 37.4 | \$ 47.0 | \$ 103.8 | \$ 156.8 |
| Selling, general and administrative expenses | 11.8 | 11.5 | 32.9 | 30.6 |
| Other (income) expense, net | 1.9 | 25.5 | 15.7 | 130.3 |
| Total 2004 Restructuring Program charges, pretax | <u>\$ 51.1</u> | <u>\$ 84.0</u> | <u>\$ 152.4</u> | <u>\$ 317.7</u> |
| Total 2004 Restructuring Program charges, after tax | <u>\$ 36.3</u> | <u>\$ 58.5</u> | <u>\$ 107.9</u> | <u>\$ 221.2</u> |

For additional information regarding the Company's 2004 Restructuring Program, refer to Note 9, "Restructuring and Related Implementation Charges," of the Notes to the Condensed Consolidated Financial Statements.

COLGATE-PALMOLIVE COMPANY

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
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(Dollars in Millions Except Share and Per Share Amounts)

Worldwide gross profit margin increased to 56.2% in the third quarter of 2007 from 55.0% in the third quarter of 2006 and increased to 56.2% in the first nine months of 2007 from 54.5% in the first nine months of 2006. Gross profit margin benefited from a continued focus on cost-savings programs, lower restructuring charges, the shift toward higher margin products and higher pricing. Restructuring charges lowered the reported gross profit margin by 110 basis points (bps) and 150 bps in the third quarter of 2007 and 2006, respectively, and lowered the reported gross profit margin by 100 bps and 180 bps in the first nine months of 2007 and 2006, respectively. Excluding the impact of the 2004 Restructuring Program, gross profit margin increased to 57.3% in the third quarter of 2007 from 56.5% in the third quarter of 2006 and increased to 57.2% in the first nine months of 2007 from 56.3% in the first nine months of 2006.

Selling, general and administrative expenses as a percentage of Net sales decreased slightly to 36.2% in the third quarter of 2007 from 36.3% in 2006 and increased to 36.2% in the first nine months of 2007 from 35.6% in 2006. The 60 bps increase in the first nine months of 2007 was driven primarily by increased advertising. In the first nine months of 2007, advertising increased 18% to \$1,159.8 as compared with \$983.2 in 2006.

Other (income) expense, net was \$37.1 in the third quarter of 2007 as compared with \$38.7 in 2006 and includes \$1.9 and \$25.5, respectively, of charges related to the Company's 2004 Restructuring Program. Additionally, the third quarter of 2007 includes the negative impact of \$15.4 of SFAS 88 pension charges. The remaining change is due primarily to an increase in minority interest expense for the three months ended September 30, 2007 as compared to the three months ended September 30, 2006.

Other (income) expense, net amounted to \$55.1 in the first nine months of 2007 as compared with \$187.0 in the first nine months of 2006. The first nine months of 2007 includes a pretax gain of (\$48.6) related to the sale of the Company's household bleach business in Latin America, \$12.6 of charges related to the limited voluntary recall of certain Hill's Pet Nutrition feline products, \$15.4 of SFAS 88 pension charges and \$15.7 of charges related to the Company's 2004 Restructuring Program. The first nine months of 2006 reflects \$130.3 of charges related to the Company's 2004 Restructuring Program.

Operating profit increased 22% to \$668.8 in the third quarter of 2007 from \$549.4 in 2006 and includes a \$32.9 decrease in restructuring charges from \$84.0 for the third quarter of 2006 to \$51.1 for the third quarter of 2007. Operating profit for the third quarter of 2007 also includes the negative impact of \$15.4 of SFAS 88 pension charges. Excluding restructuring and SFAS 88 pension charges, Operating profit increased 16% for the three months ended September 30, 2007.

Operating profit increased 29% to \$1,977.5 in the first nine months of 2007 from \$1,527.8 in 2006 benefiting from a \$165.3 decrease in restructuring charges compared to the first nine months of 2006. Restructuring charges amounted to \$152.4 and \$317.7 for the first nine months of 2007 and 2006, respectively. Additionally, Operating profit increased due to a \$48.6 gain related to the sale of the Company's household bleach business in Latin America. These items were partially offset by the negative impact of \$15.4 of SFAS 88 pension charges and the \$13.6 negative impact related to the limited voluntary recall of certain Hill's Pet Nutrition feline products. Excluding restructuring charges, the gain on sale of the household bleach business, SFAS 88 pension charges and the voluntary recall, Operating profit increased 14% for the nine months ended September 30, 2007.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULTS OF OPERATIONS*(Dollars in Millions Except Share and Per Share Amounts)*

Interest expense, net decreased to \$38.5 in the third quarter of 2007 as compared with \$41.2 in 2006 due to higher interest rates on higher cash balances. Interest expense, net increased to \$121.6 in the first nine months of 2007 as compared with \$119.8 in 2006 due to higher average interest rates in the first nine months of the year.

The quarterly provision for income taxes is determined based on the Company's estimated full year effective tax rate adjusted by the amount of tax attributable to infrequent and unusual items that are separately recognized on a discrete basis in the income tax provision in the quarter in which they occur. The Company's current estimate of its full year effective income tax rate, before discrete period items is 32.4% and increased from the second quarter estimated full year effective income tax rate of 32.0%. The 2007 full year effective tax rate reflects a change in mix of income in foreign tax rate jurisdictions as well as higher U.S. taxes as a result of increased remittances of overseas earnings.

The tax rate for the third quarter of 2007 of 33.3% reflects the increase in the full year effective tax rate in the third quarter of 2007 as noted above, (105 bps), the impact of the Company's 2004 Restructuring Program, (30 bps), and SFAS 88 pension charges, 5 bps.

The tax rate for the nine months ended September 30, 2007 of 28.7% compared to the estimated full year effective income tax rate of 32.4% was impacted primarily by the recognition of \$73.9, 400 bps, of tax benefits as a result of the reduction of a tax loss carryforward valuation allowance in Brazil of \$94.6, partially offset by tax provisions for the recapitalization of certain overseas subsidiaries. Additionally, the 2007 nine month tax rate was impacted by the sale of the household bleach business in Latin America, (15 bps), the impact of the Company's 2004 Restructuring Program, (25 bps), the Hill's Pet Nutrition voluntary recall, 5 bps, and SFAS 88 pension charges, 5 bps.

The tax benefit derived from the charges incurred in the three and nine months ended September 30, 2007 related to the 2004 Restructuring Program was at a rate of 29.0% and 29.2%, respectively. The impact of the 2004 Restructuring Program on an individual period will depend upon the countries and the projects involved. Over its duration, charges associated with the 2004 Restructuring Program are projected to generate tax benefits at a rate between 25% and 30%.

Net income for the third quarter of 2007 increased to \$420.1 from \$344.1 in 2006, and earnings per common share on a diluted basis increased to \$0.77 per share compared with \$0.63 per share in the comparable prior period. Net income for the third quarter of 2007 and 2006 includes charges related to the Company's 2004 Restructuring Program of \$36.3 (\$0.07 per share) and \$58.5 (\$0.10 per share), respectively. Additionally, net income for the third quarter of 2007 includes the negative impact of \$10.0 (\$0.02 per share) of SFAS 88 pension charges.

Net income for the first nine months of 2007 increased to \$1,322.5 from \$952.2 in 2006, and earnings per common share on a diluted basis increased to \$2.43 per share compared with \$1.73 per share in the comparable prior period. Net income for the first nine months of 2007 includes a \$29.7 gain (\$0.05 per share) related to the sale of the Company's household bleach business in Latin America and an income tax benefit of \$73.9 (\$0.14 per share) related to the tax items noted above. Such benefits were partially offset by \$107.9 (\$0.20 per share) of charges related to the Company's 2004 Restructuring Program, \$10.0 (\$0.02 per share) of SFAS 88 pension charges and \$8.2 (\$0.01 per share) of charges related to the limited voluntary recall of certain Hill's Pet Nutrition feline products. Net income for the first nine months of 2006 includes \$221.2 (\$0.40 per share) of charges related to the Company's 2004 Restructuring Program.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULTS OF OPERATIONS

(Dollars in Millions Except Share and Per Share Amounts)

Net sales and volume growth both worldwide and in relevant geographic divisions are discussed both as reported and excluding divestments. Management believes this provides useful information to investors as it allows comparisons of Net sales and volume growth from on-going operations.

Worldwide Operating profit is discussed in this Form 10-Q both on a GAAP basis and excluding the impact of restructuring charges, the gain on sale of the household bleach business, the voluntary recall of certain Hill's Pet Nutrition feline products and SFAS 88 pension charges (Non-GAAP). Management believes this Non-GAAP financial measure provides useful supplemental information to investors regarding the underlying business trends and performance of the Company's on-going operations and is useful for period over period comparisons of such operations.

For a table summarizing segment Net sales and Operating profit, please refer to Note 12, "Segment Information," of the Notes to the Condensed Consolidated Financial Statements.

Liquidity and Capital Resources

Net cash provided by operations increased 20% to \$1,638.7 in the first nine months of 2007, compared with \$1,369.9 in the comparable period of 2006. The increase is primarily related to improved profitability and working capital changes, offset by higher cash spending in restructuring. The Company's working capital changes were driven by higher levels of payables and accruals, primarily due to the timing of tax payments and higher advertising, offset by higher accounts receivable and inventory balances. Higher balances in accounts receivable were due primarily to higher Net sales in the first nine months of 2007. The increase in inventory also reflects the increase in sales as well as higher levels in anticipation of plant closings under the 2004 Restructuring Program. Overall, working capital improved to 2.4% of sales for the first nine months of 2007 as compared with 2.6% of sales for the first nine months of 2006.

With the progression of the 2004 Restructuring Program, restructuring charges decreased \$165.3 and cash spending increased \$25.9 relative to the comparable period of 2006. Substantially all of the restructuring accrual at September 30, 2007 will be paid out before year end 2008. It is anticipated that cash requirements for the 2004 Restructuring Program will continue to be funded from operating cash flows.

Investing activities used \$303.6 in the first nine months of 2007, compared with \$470.3 in the comparable period of 2006. Consistent with the Company's strategy to prioritize higher margin businesses, investing activities for the first nine months of 2007 include \$66.3 of net proceeds from the sale of the Company's Latin American household bleach business in the first quarter of 2007 and \$39.7 of proceeds from the sale of property in the first nine months of 2007. The Company increased its ownership interest in one of its subsidiaries in China to 100% at a cost of \$26.5 in the third quarter of 2007. In the first nine months of 2006, the Company purchased 84% of the outstanding shares of Tom's of Maine, Inc. for approximately \$100 plus transaction costs and increased its ownership interests in its Poland and Romania subsidiaries to 100% at a cost of approximately \$95. Capital spending increased in the first nine months of 2007 to \$327.1 from \$251.8 in the comparable period of 2006. Capital spending increased as a result of the 2004 Restructuring Program and continues to focus primarily on projects that yield high aftertax returns. Overall capital expenditures for 2007 are expected to increase to an annual rate of approximately 5% of Net sales.

COLGATE-PALMOLIVE COMPANY

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULTS OF OPERATIONS**

(Dollars in Millions Except Share and Per Share Amounts)

Financing activities used \$1,208.8 of cash during the first nine months of 2007 compared with \$734.8 in the comparable period of 2006 as follows:

| | Nine Months Ended September 30, | | |
|---|------------------------------------|------------------|------------------|
| | 2007 | 2006 | Change |
| Purchases of treasury shares | \$ (866.6) | \$(601.3) | \$(265.3) |
| Net proceeds from/(payments of) debt | (105.5) | 105.4 | (210.9) |
| Dividends paid | (550.4) | (497.4) | (53.0) |
| Proceeds from exercise of stock options & excess tax benefits | 313.7 | 258.5 | 55.2 |
| Net cash used in financing activities | <u>\$(1,208.8)</u> | <u>\$(734.8)</u> | <u>\$(474.0)</u> |

In the first quarter of 2006, the Board of Directors approved a stock repurchase program under which the Company is authorized to purchase 30 million common shares. In the first quarter of 2007, the Company increased the annualized common stock dividend by 13% to \$1.44 per share and the annualized Series B Convertible Preference Stock dividend to \$11.52 per share effective in the second quarter of 2007.

Commercial paper outstanding was \$518.3 and \$913.1 as of September 30, 2007 and 2006, respectively. The maximum commercial paper outstanding during the nine months ended September 30, 2007 and 2006 was approximately \$1,700 and \$1,400, respectively. At September 30, 2007, \$539.0 of commercial paper and certain current maturities of notes payable were classified as long-term debt as the Company has the intent and ability to refinance such obligations on a long-term basis, including, if necessary, by utilizing its lines of credit that expire in 2011.

In June 2007, the Company issued 250 million of Euro-denominated medium term notes (approximately \$356 at the September 30, 2007 exchange rate) maturing in June 2014, at a fixed interest rate of 4.75%, payable annually. The net proceeds of approximately \$332 (248 million Euros) from the issuance were used to pay down US-denominated commercial paper.

The long-term notes of the Company's Employee Stock Ownership Plan (ESOP) that are guaranteed by the Company and certain amounts payable to banks contain cross-default provisions. Non-compliance with these requirements could ultimately result in the acceleration of amounts owed. The Company is in full compliance with all such requirements and believes the likelihood of non-compliance is remote.

For additional information regarding liquidity and capital resources, please refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2006.

This quarterly report on Form 10-Q may contain forward-looking statements. Such statements may relate, for example, to sales or volume growth, profit growth, earnings growth, financial goals, cost-reduction plans, estimated charges and savings associated with the 2004 Restructuring Program, tax rates and new product introductions. These statements are made on the basis of our views and assumptions as of this time and we undertake no obligation to update these statements. We caution investors that any such forward-looking statements are not guarantees of future performance and that actual events or results may differ materially from those statements. For information about certain factors that could cause such differences, please refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2006, including the information set forth under the captions "Risk Factors" and "Cautionary Statement on Forward-Looking Statements."

(Unaudited)

Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company's management, under the supervision and with the participation of the Company's President and Chief Executive Officer and Chief Financial Officer, carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of September 30, 2007 (the Evaluation). Based upon the Evaluation, the Company's President and Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934) are effective.

Changes in Internal Control over Financial Reporting

As previously disclosed, the Company entered into an agreement with IBM to provide certain procurement services globally and accounts payable services for Europe and North America. During the quarter ended June 30, 2007, pursuant to this agreement, management commenced the outsourcing of a portion of these activities in Europe to IBM. Management has implemented controls over the outsourced activities and continues to monitor the implementation by IBM. Accordingly, management believes that outsourcing these activities to IBM is not reasonably likely to have a material adverse effect on internal control over financial reporting.

There were no changes in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

For information regarding legal matters, please refer to Item 3 in the Company's Annual Report on Form 10-K for the year ended December 31, 2006, Note 13 to the Consolidated Financial Statements included therein and Note 11 to the Condensed Consolidated Financial Statements contained in this quarterly report.

Item 1A. Risk Factors

For information regarding risk factors, please refer to Item 1A in the Company's Annual Report on Form 10-K for the year ended December 31, 2006.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The Company repurchases its common stock under a share repurchase program that was approved by the Board of Directors and publicly announced in March 2006 (the 2006 Program). Under the 2006 Program, the Company is authorized to purchase up to 30 million shares of the Company's common stock. The Board's authorization also provided for share repurchases on an on-going basis associated with certain employee elections under the Company's compensation and benefit programs. The shares will be repurchased from time to time in open market transactions or privately negotiated transactions at the Company's discretion, subject to market conditions, customary blackout periods and other factors.

COLGATE-PALMOLIVE COMPANY

(Unaudited)

The following table shows the stock repurchase activity for each of the three months in the quarter ended September 30, 2007:

| <u>Month</u> | <u>Total Number of Shares Purchased⁽¹⁾</u> | <u>Average Price Paid per Share</u> | <u>Total Number of Shares Purchased as Part of Publicly Announced Plans Or Programs⁽²⁾</u> | <u>Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs⁽³⁾</u> |
|------------------------------|---|-------------------------------------|---|---|
| July 1 through 31, 2007 | 770,391 | 67.09 | 620,000 | 9,526,591 |
| August 1 through 31, 2007 | 1,775,821 | 66.61 | 1,770,000 | 7,756,591 |
| September 1 through 30, 2007 | 1,366,381 | 68.28 | 1,255,000 | 6,501,591 |
| Total | <u>3,912,593</u> | | <u>3,645,000</u> | |

- (1) Includes share repurchases under the Company's 2006 Program and those associated with certain employee elections under the Company's compensation and benefit programs.
- (2) The difference between the total number of shares purchased and the total number of shares purchased as part of publicly announced plans or programs is 267,593 shares, all of which were repurchased by the Company in connection with certain employee elections under its compensation and benefit programs.
- (3) The maximum number of shares reflects the 30 million shares authorized for repurchase under the 2006 Program less the cumulative number of shares that have been purchased under that program.

Item 4. Submission of Matters to a Vote of Security Holders

None.

Item 5. Other Information

None.

Item 6. Exhibits

During the third quarter of 2007, the Company approved amendments to certain of the Company's benefit and equity plans to comply with Section 409A of the Internal Revenue Code. On October 29, 2007, the Company also approved amendments and took action pursuant to certain of its equity plans to permit payment of the exercise price of a stock option by withholding from the shares of common stock subject to such stock option an amount having a fair market value equal to the applicable exercise price. Stock options settled in this manner will be counted in full against the total number of shares available for issuance or grant, as applicable, under such plans. The amendments or restated plans, as applicable, are filed as exhibits to this report.

| <u>Exhibits No.</u> | <u>Description</u> |
|---------------------|---|
| 10-A | a) Colgate-Palmolive Company Executive Incentive Compensation Plan, amended and restated as of September 12, 2007. b) Amendment, dated as of October 29, 2007, to the Colgate-Palmolive Company Executive Incentive Compensation Plan Trust. |

COLGATE-PALMOLIVE COMPANY

(Unaudited)

| <u>Exhibits No.</u> | <u>Description</u> |
|---------------------|--|
| 10-B | a) Colgate-Palmolive Company Supplemental Salaried Employees' Retirement Plan, amended and restated as of September 12, 2007. b) Amended and Restated Colgate-Palmolive Company Supplemental Salaried Employees Retirement Plan Trust, dated August 2, 1990. c) Amendment, dated as of October 29, 2007, to the Amended and Restated Colgate-Palmolive Company Supplemental Salaried Employee Trust. |
| 10-C | Amendment, dated as of October 29, 2007, to the Colgate-Palmolive Company Executive Severance Plan Trust. |
| 10-D | Colgate-Palmolive Company 2007 Stock Plan for Non-Employee Directors, amended and restated as of September 12, 2007. |
| 10-E | Colgate-Palmolive Company Stock Plan for Non-Employee Directors, amended and restated as of September 12, 2007. |
| 10-F | Amendment, dated as of September 12, 2007, to the Colgate-Palmolive Company Restated and Amended Deferred Compensation Plan for Non-Employee Directors. |
| 10-G | Colgate-Palmolive Company Deferred Compensation Plan, amended and restated as of September 12, 2007. |
| 10-H | Colgate-Palmolive Company Supplemental Savings and Investment Plan, amended and restated as of September 12, 2007. |
| 10-I | Action, dated as of October 29, 2007, taken pursuant to the Colgate-Palmolive Company 2005 Employee Stock Option Plan and Colgate-Palmolive Company 1997 Stock Option Plan. |
| 10-J | Amendment, dated as of October 29, 2007, to the Colgate-Palmolive Company 2005 Non-Employee Director Stock Option Plan. |
| 10-K | Amendment, dated as of October 29, 2007, to the Colgate-Palmolive Company Non-Employee Director Stock Option Plan. |
| 12 | Computation of Ratio of Earnings to Fixed Charges and Preferred Dividends. |
| 31-A | Certificate of the President and Chief Executive Officer of Colgate-Palmolive Company pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934. |
| 31-B | Certificate of the Chief Financial Officer of Colgate-Palmolive Company pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934. |
| 32 | Certificate of the President and Chief Executive Officer and the Chief Financial Officer of Colgate-Palmolive Company pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934 and 18 U.S.C. Sec. 1350. |

COLGATE-PALMOLIVE COMPANY
SIGNATURES

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 thereunto duly authorized.

COLGATE-PALMOLIVE COMPANY

(Registrant)

Principal Executive Officer:

October 30, 2007

/s/ IAN M. COOK

Ian M. Cook

President and Chief Executive Officer

Principal Financial Officer:

October 30, 2007

/s/ STEPHEN C. PATRICK

Stephen C. Patrick

Chief Financial Officer

Principal Accounting Officer:

October 30, 2007

/s/ DENNIS J. HICKEY

Dennis J. Hickey

Vice President and Corporate Controller

EXECUTIVE INCENTIVE COMPENSATION PLAN

Amended and Restated as of March 11, 1999

(Further Amended September 7, 2006, December 7, 2006 and September 12, 2007)

SECTION 1. PURPOSE

The purposes of the Plan are to give the Company a competitive advantage in attracting, retaining and motivating officers and employees and to provide the Company and its Affiliates with a compensation plan providing incentives (including long-term incentives) directly linked to the future growth and profitability of the Company's businesses and future increases in shareholder value. This Plan is also designed to enable the Company to meet its objective of maximizing the tax deductibility of awards to the Company's senior executives.

SECTION 2. DEFINITIONS

For purposes of the Plan, the following terms are defined as set forth below:

"Affiliate" means a corporation or other entity (i) controlled by the Company or in which the Company has a 50% or more ownership interest or (ii) otherwise designated by the Committee from time to time as such for purposes of this Plan.

"Applicable Maximum Percentage" means, with respect to any Participant who is designated to receive a Pool Award pursuant to any Incentive Pool, the maximum percentage of such Incentive Pool that such Participant may receive.

"Award" means an award under the Plan (as defined herein), whether taking the form of a Pool Award, a Cash-Based Award, Stock or Restricted Stock.

"Award Cycle" means a period of time designated by the Committee over which an Award is to be earned.

"Award Letter" means a written letter addressed to a Participant evidencing an Award and the terms and conditions thereof.

"Board" means the Board of Directors of the Company.

"Business Transaction" has the meaning set forth in Section 4(b).

"Cash-Based Award" means Awards denominated in dollar amounts, which may, but need not, be Qualified Performance-Based Awards.

"Cash Limit" has the meaning set forth in Section 6(d).

"Cause" means, with respect to any Participant, (1) "cause" as defined in any employment agreement between the Company or any Affiliate and the Participant that is in effect at the time of such Participant's Termination of Employment, or (2) if there is no such employment agreement or if such employment agreement does not define "cause," (A) conviction of the Participant for committing a felony under federal law or the law of the state in which such action occurred, (B) the Participant's dishonesty in the course of fulfilling his or her employment duties, (C) a willful and deliberate failure on the part of a Participant to perform his or her employment duties in any material respect, or (D) such other events as shall be determined by the Committee. The Committee shall have the sole discretion to determine whether "Cause" exists, and its determination shall be final.

“Change in Control” has the meaning set forth in Section 12(b).

“Code” means the Internal Revenue Code of 1986, as amended from time to time, and any successor thereto.

“Commission” means the Securities and Exchange Commission or any successor agency.

“Committee” has the meaning set forth in Section 3(a).

“Committee Determination Date” means, with respect to any Qualified Performance-Based Award, the date on which the Committee determines and certifies the extent to which the Award has been earned based upon the applicable Performance Goals and such other factors as the Committee may take into account, as more fully set forth in the Plan.

“Company” means Colgate-Palmolive Company, and any successor thereto.

“Corporate Transaction” has the meaning set forth in clause (iii) of Section 12(b).

“Designated Executives” means the Chairman of the Company, the Chief Executive Officer of the Company, and each other officer, executive or other key employee designated as such by the Committee from time to time.

“Disability” means permanent and total disability as determined under Company procedures in effect at the time of such determination or as otherwise established by the Committee for purposes of the Plan.

“Disaffiliation” means a subsidiary’s or Affiliate’s ceasing to be a subsidiary or Affiliate for any reason (including, without limitation, as a result of a public offering, or a spin-off or sale by the Company, of the stock of the subsidiary or Affiliate) or a sale of a division of the Company or its Affiliates.

“Effective Date” of this Plan means the date the Plan is duly approved by the Company’s shareholders.

“ESOP” means the employee stock ownership plan component of the Company’s Employees’ Savings and Investment Plan.

“Exchange Act” means the Securities Exchange Act of 1934, as amended from time to time, and any successor thereto.

“Fair Market Value” of any security means, as of any given date, the price at which such security was last sold on such date as reported on the New York Stock Exchange Composite Tape or, if not listed on such exchange, on any other national securities exchange on which the Common Stock is listed. The Fair Market Value of any other property, or of any security for there is no regular public trading market, shall be determined by the Committee in good faith.

“Incentive Pool” means an Annual Incentive Pool or a Long-term Incentive Pool described in Section 6(b)(i) and 6(b)(ii).

“Legended Stock” has the meaning set forth in Section 8(d).

“Maximum Pool Award” has the meaning set forth in Section 6(b)(iii).

“Participant” means an individual who is eligible to receive Awards as set forth in Section 5.

“Performance Goals” means the performance goals established by the Committee in connection with Qualified Performance-Based Awards. Such goals shall be based on the attainment of specified levels of, or rates of change or relative changes in, one or more of the following measures by the Company, any Affiliate, or a division or other unit of the Company or an Affiliate, in relation to specified other companies, indices, targets, prior performance or otherwise: earnings per share, net income, sales, revenues, margins, non-variable expenses, pre-tax profit, net profit after tax, gross profit, operating profit, cash generation, unit volume, return on equity, change in working capital, return on capital or shareholder return. Such Performance Goals shall be set by the Committee within the time period prescribed by Section 162(m) of the Code and related regulations.

“Plan” means the Colgate-Palmolive Company Executive Incentive Compensation Plan, amended and restated as of March 11, 1999, as set forth herein and as amended from time to time.

“Pool Award” means an Award from an Incentive Pool described in Section 6(b)(i) or 6(b)(ii).

“Qualified Performance-Based Award” means (i) an Award characterized as such by the Committee at the time of designation, based upon a determination that the Participant receiving such Award is or may be a “covered employee” within the meaning of Section 162(m)(3) of the Code in the year in which the Company would expect to be able to claim a tax deduction with respect to such Award and the Committee wishes such Award to qualify for the Section 162(m) Exemption, or (ii) a Pool Award.

“Qualified Termination of Employment” has the meaning set forth in the Colgate-Palmolive Company Executive Severance Plan, as amended and restated, as such plan may be amended from time to time, and any successor thereto.

“Restricted Stock” means hypothetical shares of Stock, also known as “phantom” stock.

“Restrictions” has the meaning set forth in Section 8(d).

“Retirement” means retirement from active employment with the Company or any Affiliate at or after age 65 or pursuant to the early retirement provisions of the applicable pension plan of such employer.

“Rule 16b-3” means Rule 16b-3, as promulgated by the Commission under Section 16(b) of the Exchange Act or any successor provision thereto.

“Section 16 Exemption” means exemptions available under the rules promulgated by the Commission under Section 16 of the Exchange Act or any successor provision thereto.

“Section 162(m) Exemption” means the exemption from the limitation on deductibility imposed by Section 162(m) of the Code that is set forth in Section 162(m)(4)(C) of the Code, as amended from time to time, or any successor provision thereto.

“Share Limit” has the meaning set forth in Section 6(d).

“Stock” means the common stock, par value \$1.00 per share, of the Company, or any common stock issued by the Company or any successor to or parent of the Company.

“Stock-Based Awards” means Awards denominated in Stock, including Legended Stock or Restricted Stock, or Awards otherwise related to the value of Stock, which may, but need not, be Qualified Performance-Based Awards.

“Termination of Employment” means the termination of the Participant’s employment with the Company or any Affiliate. A Participant employed by an Affiliate shall also be deemed to incur a Termination of Employment if the Affiliate ceases to be such an Affiliate and the Participant does not become an employee

of the Company or another Affiliate in connection therewith. Temporary absences from employment because of illness, vacation or leave of absence and transfers among the Company and its Affiliates shall not be considered Terminations of Employment. No payment of any Award of Restricted Stock shall be made on account of a Participant's Termination of Employment unless such Termination of Employment results in a "separation from service" under Section 409A(a)(2)(A)(i) of the Code.

SECTION 3. ADMINISTRATION

(a) In General. The Plan shall be administered by the Personnel and Organization Committee or such other committee of the Board as the Board may from time to time designate (the "Committee"). The Committee shall have plenary authority with respect to Awards pursuant to the terms of the Plan; provided that such plenary authority and the specific powers given to the Committee pursuant to Section 3(b)(i), (ii), (iii) and (iv), in each case with respect to Awards that are not Qualified Performance-Based Awards and that are made to Participants other than Designated Executives or to executives who are considered "insiders" for the purposes of Section 16 of the Exchange Act, may be delegated to, and exercised by, any of the elected officers of the Company in accordance with such rules, guidelines and practices as may be prescribed from time to time by the Committee. Awards under the Plan may (but need not) be evidenced by Award Letters.

(b) Specific Powers. Without limiting the generality of the foregoing, among other things, the Committee shall have the authority, in its sole discretion, subject to the terms of the Plan:

(i) To select the Participants who are eligible for and may receive Awards from time to time;

(ii) To determine the form and amount of each Award;

(iii) To determine the terms and conditions of any Award (including, but not limited to, any vesting condition, restriction or limitation (which may be related to the performance of the Participant, the Company, any Affiliate or any division or operating unit of the Company or any Affiliate)); and

(iv) Subject to Section 13, to modify, amend or adjust the terms and conditions of any Award, at any time or from time to time, including, but not limited to, Performance Goals; provided, however, that the number of shares or the amount payable with respect to a Qualified Performance-Based Award may not be adjusted upwards and the Performance Goals associated therewith may not be waived or altered in a manner that would cause such Award not to qualify for, or to cease to qualify for, the Section 162(m) Exemption.

(c) Procedures. The Committee shall have the authority to adopt, alter and repeal such administrative rules, guidelines and practices governing the Plan as it shall deem advisable from time to time and to interpret the terms and provisions of the Plan. Unless otherwise determined by the Committee, the officers of the Company shall have responsibility for the day-to-day administration of the Plan, consistent with such rules, guidelines and practices. The Committee may act only by a majority of its members then in office, except that the members thereof may (i) delegate authority in accordance with Section 3(a) above or (ii) authorize any one or more of their number or any elected officer of the Company to execute and deliver documents on behalf of the Committee.

(d) Board Action. Any authority granted to the Committee may also be exercised by the Board, except to the extent that the grant or exercise of such authority would cause any Award that is a Qualified Performance-Based Award not to qualify for, or to cease to qualify for, the Section 162(m) Exemption or the Section 16 Exemption. To the extent that any permitted action taken by the Board conflicts with action taken by the Committee, the Board action shall control.

SECTION 4. STOCK SUBJECT TO PLAN, LIMITS ON AWARDS

(a) General Limitations on Stock. The total number of shares of Stock reserved and available for Awards under the Plan during any given calendar year shall be one quarter of one percent (0.25%) of the total number of shares of Stock outstanding as of the first day of such calendar year; provided that any shares of Stock available for grant in a particular calendar year that are not actually granted in such year shall be added to the number of shares of Stock available for grant in the subsequent calendar year. Shares

of Stock subject to an Award under the Plan may be authorized and unissued shares or may be treasury shares. If any shares of Legended Stock are forfeited, such shares shall be available again for Awards under the Plan.

(b) Adjustments. In the event of any change in corporate equity capitalization, such as a stock split, reverse stock split, stock dividend, share combination, recapitalization, spin-off or similar event affecting the equity capital structure of the Company, the Committee shall make equitable substitution or adjustments in the aggregate number and kind of shares reserved for issuance under the Plan, the Share Limit set forth in Section 6(d) and in the number and kind of shares (or other property, including without limitation, cash) subject to outstanding Awards; provided, however, that the number of shares subject to any Award shall always be a whole number. In the event of a corporate transaction, such as any merger, consolidation, acquisition of property or shares, stock rights offering, liquidation, Disaffiliation (other than a spin-off), or other distribution of stock or property of the Company (including an extraordinary cash dividend) not covered by the prior sentence, any reorganization (whether or not such reorganization comes within the definition of such term in Section 368 of the Code) or any partial or complete liquidation of the Company, or similar event affecting the Company or any of its subsidiaries or Affiliates (a "Business Transaction"), the Committee may make such substitution or adjustments in the aggregate number and kind of shares reserved for issuance under the Plan, the Share Limit set forth in Section 6(d) and in the number and kind of shares (or other property, including without limitation, cash) subject to outstanding Awards, and/or such other equitable substitution or adjustments as it may determine to be appropriate in its sole discretion; provided, however, that the number of shares subject to any Award shall always be a whole number. In the case of Business Transactions, such adjustments may include, without limitation, the cancellation of outstanding Awards in exchange for payments of cash, property or a combination thereof having an aggregate value equal to the value of such Awards, as determined by the Committee in its sole discretion. Notwithstanding the foregoing: (i) any adjustments made pursuant to this paragraph to Awards that are considered "deferred compensation" within the meaning of Code Section 409A shall be made in compliance with the requirements of Code Section 409A; (ii) any adjustments made pursuant to this paragraph to Awards that are not considered "deferred compensation" subject to Code Section 409A shall be made in such a manner as to ensure that after such adjustment, the Awards either (A) continue not to be subject to Code Section 409A or (B) comply with the requirements of Code Section 409A; and (iii) in any event, the Committee shall not have the authority to make any adjustments pursuant to this paragraph to the extent the existence of such authority would cause an Award that is not intended to be subject to Code Section 409A at the time of grant to be subject thereto.

SECTION 5. ELIGIBILITY

Employees of the Company and its Affiliates who are responsible for or contribute to the operation or business of the Company or its Affiliates are eligible to receive Awards under the Plan.

SECTION 6. QUALIFIED PERFORMANCE-BASED AWARDS

(a) In General. The Committee may make Qualified Performance-Based Awards, which may be Cash-Based Awards or Stock-Based Awards.

(b) Incentive Pool Awards.

(i) Annual Incentive Pool. The Committee may determine, in its discretion, to make available Awards for an Award Cycle consisting of a fiscal year of the Company beginning after the Effective Date of this Plan, and to have available for Awards under this Section 6(b)(i) (such an Award, an "Annual Pool Award") a total dollar amount (the "Annual Incentive Pool") determined based upon the achievement of one or more Performance Goals over the Award Cycle. All Annual Pool Awards shall be Qualified Performance-Based Awards. Within 90 days after the beginning of each fiscal year, the Committee may determine whether Annual Pool Awards in fact will be designated for that fiscal year, and if so, the terms and conditions of the Annual Incentive Pool and Annual Pool Awards, including, without limitation, the following: (A) the Performance Goal or Goals; (B) the formula whereby the dollar amount of the Annual Incentive

Pool will be determined; (C) the Participants who will be eligible to receive Annual Pool Awards from that Annual Incentive Pool; (D) the amount of each such Participant's Applicable Maximum Percentage for such Annual Incentive Pool; provided that the total of such Applicable Maximum Percentages shall not exceed 100 percent; and (E) for each Participant, whether his or her Annual Pool Award will be subject to the Share Limit, the Cash Limit, or a combination thereof.

(ii) Long-term Incentive Pools. The Committee may determine, in its discretion, also to make available Awards for an Award Cycle consisting of more than one fiscal year of the Company (as determined by the Committee) and to have available for Awards under this Section 6(b)(ii) (such an Award, a "Long-term Pool Award") a total dollar amount (the "Long-term Incentive Pool") determined based upon achievement of one or more Performance Goals over the Award Cycle. All Long-term Pool Awards shall be Qualified Performance-Based Awards. Within 90 days after the beginning of each fiscal year, the Committee may determine whether Long-term Pool Awards in fact will be designated for an Award Cycle beginning that fiscal year, and if so, the terms and conditions of the Long-term Incentive Pool and Long-term Pool Awards, including, without limitation, the following: (A) the Performance Goal or Goals; (B) the formula whereby the dollar amount of the Long-term Incentive Pool will be determined; (C) the duration of the Award Cycle; (D) the Participants who will be eligible to receive Long-term Pool Awards from that Long-term Incentive Pool; (E) the amount of each such Participant's Applicable Maximum Percentage for such Long-term Incentive Pool; provided that the total of such Applicable Maximum Percentages shall not exceed 100 percent; and (F) for each Participant, whether his or her Long-term Pool Award will be subject to the Share Limit, the Cash Limit, or a combination thereof.

(iii) Determination of Pool Awards. Following the end of each Award Cycle for which Pool Awards have been designated, the Committee shall determine and certify the amount of the Incentive Pool for the Award Cycle and the maximum Pool Award for each Participant ("Maximum Pool Award"), which shall equal the lesser of (A) the Participant's Applicable Maximum Percentage multiplied by the amount of the Incentive Pool and (B) the amount permitted after applying the Share Limit and/or the Cash Limit, as applicable. For purposes of applying the Share Limit, if applicable, the number of shares of Stock represented by a particular Maximum Pool Award (or portion thereof) shall be determined by dividing the cash amount of such Maximum Pool Award (or portion thereof) by the Fair Market Value of a share of Stock on the Committee Determination Date. The Committee then shall determine for each Participant, based upon such factors (including, without limitation, the amounts allocated to the Participant's account under the ESOP) as the Committee in its sole discretion shall determine, whether he or she shall be awarded an amount equal to his or her Maximum Pool Award or a lesser amount. To the extent that a Participant has become entitled to an Annual Pool Award with respect to a calendar year, such award shall be paid during the following calendar year on a date following the Committee Determination Date but no later than March 15th of such calendar year, provided that this sentence shall not be construed as creating an entitlement to an award not otherwise provided for under this Plan.

(c) Other Qualified Performance-Based Awards.

(i) The Committee may determine, in its discretion, to make other Qualified Performance-Based Awards in addition to or in place of Pool Awards. The terms and conditions of such Awards shall be designated by the Committee in accordance with the requirements of the Section 162(m) Exemption, including, without limitation, the timely establishment of Performance Goals and Award Cycle, the determination of whether such Award is subject to the Share Limit or the Cash Limit, and when and how the Share Limit or Cash Limit, as applicable, will be applied.

(ii) Following the end of the Award Cycle applicable to each Award designated under

Section 6(c)(i), the Committee shall determine and certify the extent to which the Performance Goals have been achieved and the amount of such Award that has been earned based upon such achievement and shall determine, based upon such factors as the Committee in its sole discretion shall determine (including, without limitation, the amounts allocated to the Participant's account under the ESOP), whether the Participant for whom such Award was designated shall be awarded an amount equal to the amount so determined or a lesser amount. To the extent that a Participant has become entitled to a Qualified Performance-Based Award with respect to an Award Cycle consisting of a fiscal year of the Company, such award shall be paid during the following calendar year on a date following the Committee Determination Date but no later than March 15th of such calendar year, provided that this sentence shall not be construed as creating an entitlement to an award not otherwise provided for under this Plan.

(d) Share Limit and Cash Limit Defined. For purposes of this Section 6, the "Share Limit" shall be 100,000 shares* of Stock per Participant per calendar year, taking into account all Qualified Performance-Based Awards of the Participant that are subject to the Share Limit. The "Cash Limit" shall be \$4 million per calendar year per Participant, increased for each calendar year after 1999 by the percentage increase, if any, in the Consumer Price Index for All Urban Consumers (or any successor thereto designated by the Committee) from the prior calendar year, taking into account all Qualified Performance-Based Awards of the Participant that are subject to the Cash Limit. The Share Limit or Cash Limit, as applicable, shall apply regardless of the form in which an Award is actually paid.

SECTION 7. GENERAL AWARDS

The Committee also may make Awards other than Qualified Performance-Based Awards (any such Award, a "General Award"). General Awards may be Cash-Based Awards or Stock-Based Awards. The terms and conditions of General Awards, including, without limitation, the requirements, if any, for vesting thereof, and the time and form of payment thereof shall be determined by the Committee in its sole discretion at the time of designation or thereafter.

SECTION 8. PAYMENT OF AWARDS

(a) In General. Each Award that is to be paid in accordance with this Plan (including, without limitation, any Qualified Performance-Based Award), shall be paid in cash, in the form of Stock (which may be Legended Stock), Restricted Stock, or by a combination thereof, as the Committee shall in its sole discretion determine.

(b) Cash-Based Awards Paid in Stock or Restricted Stock. If all or a portion of a Cash-Based Award is paid in the form of Stock or Restricted Stock, the number of shares of Stock or Restricted Stock so paid shall be determined based on the number of shares of Stock or Restricted Stock having a Fair Market Value, on the Committee Determination Date, if applicable, and otherwise on the business day immediately preceding the date of payment, equal to the amount of the portion of the Cash-Based Award being paid therewith.

(c) Stock-Based Awards Paid in Cash. If all or a portion of a Stock-Based Award is paid in cash, the amount of cash so paid shall be the Fair Market Value, on the Committee Determination Date, if applicable, and otherwise on the business day immediately preceding the date of payment, of a share of Stock or Restricted Stock multiplied by the number of shares of Stock or Restricted Stock being paid therewith.

(d) Legended Stock. If a Stock-Based Award is subject to forfeiture and/or restrictions on transfer (collectively, "Restrictions"), it shall be considered to consist of "Legended Stock". Except as specifically provided in this Plan, the terms and conditions of Legended Stock, including, without limitation, the requirements for the lapse of the Restrictions applicable thereto, shall be determined by the Committee in its sole discretion.

* Automatically adjusted to 200,000 shares as a result of 1999 2-for-1 stock split, pursuant to Section 4(b).

(e) Specified Employees. If the Participant is a “specified employee,” as determined in accordance with procedures adopted by the Company that reflect the requirements of Section 409A(a)(2)(B)(i) of the Code, and payment of any Award of Restricted Stock is to be made on account of the Participant’s Termination of Employment, such payment may not be made before the earlier of (i) the date that is six months following the Participant’s Termination of Employment or (ii) the date of the Participant’s death.

SECTION 9. EVIDENCE OF AND RIGHTS RELATING TO CERTAIN AWARDS

(a) Evidence of Awards and Certificates. Shares of Stock and Legended Stock shall be evidenced in such manner as the Committee may deem appropriate, including book-entry registration or issuance of one or more stock certificates. Any certificate issued in respect of shares of Stock or Legended Stock shall be registered in the name of the Participant and, in the case of Legended Stock, shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Legended Stock, substantially in the following form:

“The transferability of this certificate and the shares of stock represented hereby are subject to the terms and conditions (including forfeiture) of the Colgate-Palmolive Company Executive Incentive Compensation Plan, as amended and restated, and any applicable Award Letter. Copies of such Plan and Award Letter, if applicable, are on file at the offices of Colgate-Palmolive Company at 300 Park Avenue, New York, NY 10022.”

(b) Custody Accounts. The Committee may require that the certificates evidencing Legended Stock and dividends paid with respect thereto be held in custody by the Company until the Restrictions applicable thereto shall have lapsed and that, as a condition of any Award of Legended Stock, the Participant shall have delivered a stock power, endorsed in blank, relating to the Stock covered by such Award. If and when the Restrictions applicable to shares of Legended Stock lapse without a prior forfeiture of the Legended Stock, unlegended certificates for such shares shall be delivered to the Participant upon surrender of the legended certificates (if applicable).

(c) Rights of Holders of Legended Stock. Except as specifically provided otherwise in this Plan and any applicable Award Letter or resolution of the Committee designating the Award, the Participant shall have, with respect to Legended Stock, all of the rights of a stockholder of the Company holding the class or series of Stock that is the subject of the Legended Stock, including, if applicable, the right to vote the shares and the right to receive any and all dividends and distributions with respect thereto. Notwithstanding the foregoing, with respect to Legended Stock, unless otherwise determined by the Committee: (i) dividends and distributions shall be automatically deferred; (ii) such deferred dividends and distributions that are in cash shall, if the applicable Award Letter or resolution of the Committee designating the Award provides, and there are sufficient shares of Stock available for grant as additional Legended Stock pursuant to the aggregate limit of Section 4(a), be reinvested in additional Legended Stock; and (iii) such deferred dividends or distributions or additional Legended Stock, as applicable, shall be held subject to the vesting of the underlying Legended Stock, or held subject to meeting separate Performance Goals.

(d) Forfeited Shares of Legended Stock. All shares of Legended Stock and all dividends and distributions on Legended Stock that are forfeited by a Participant shall revert to the Company.

(e) Dividend Equivalents on Restricted Stock. Unless otherwise determined by the Committee, an Award of Restricted Stock shall be increased to reflect deemed reinvestment in additional Restricted Stock of the dividends that would be paid and distributions that would be made with respect to the Award of Restricted Stock if it consisted of actual shares of Stock. Notwithstanding the foregoing, if an adjustment to an Award of Restricted Stock is made pursuant to Section 4(b) above as a result of any dividend or distribution, no increase to such Award shall be made under this Section 9(e) as a result of the same dividend or distribution.

SECTION 10. EFFECT OF TERMINATION OF EMPLOYMENT

The consequences of a Participant's Termination of Employment with respect to Awards shall be determined by the Committee; provided that such determination shall not be made in a manner that would cause any Qualified Performance-Based Award to fail to qualify for the Section 162(m) Exemption or, in the case of Restricted Stock, to violate the requirements of Section 409A of the Code; and provided, further, that, with respect to Awards that are not Qualified Performance-Based Awards and that are made to Participants other than Designated Executives or to executives who are considered "insiders" for the purposes of Section 16 of the Exchange Act, such authority may be delegated to, and exercised by, any of the elected officers of the Company in accordance with such rules, guidelines and practices as may be prescribed from time to time by the Committee.

SECTION 11. DEFERRAL; TRANSFERABILITY

(a) Deferral. Notwithstanding any other provision of this Plan, the Committee may establish programs and procedures pursuant to which Participants may be permitted to elect to defer receipt of all or a portion of any Award under this Plan, including Qualified Performance-Based Awards, whether paid in cash, Stock or Restricted Stock. Any such deferrals shall be subject to the terms and conditions of the Colgate-Palmolive Company Deferred Compensation Plan.

(b) Transferability. Except as may be otherwise provided by the Committee, no Award may be sold, assigned, transferred, pledged or otherwise encumbered except and to the extent that it has been paid or the Restrictions applicable thereto have lapsed, as applicable.

SECTION 12. CHANGE IN CONTROL PROVISIONS

(a) Impact of Event. Notwithstanding any other provision of this Plan to the contrary, except as otherwise provided in any applicable Award Letter or resolution of the Committee designating the Award, in the event of a Change in Control: (i) all Awards of Restricted Stock granted pursuant to a performance-based award program of the Company (including, without limitation, Qualified Performance-Based Awards) that have not yet vested shall be considered earned in full and nonforfeitable and, except to the extent otherwise expressly provided in any deferral arrangement pursuant to Section 11(a) or any other plan, program or agreement applicable to the Participant and, subject to the Change in Control meeting the requirements of Section 409A(a)(2)(A)(v) of the Code, shall be paid pursuant to Section 8; and (ii) all Restrictions applicable to Awards of Legended Stock granted pursuant to a performance-based award program of the Company (including, without limitation, Qualified Performance-Based Awards) shall lapse; and (iii) all other Awards of Restricted Stock and Legended Stock held by a Participant who experiences a Qualified Termination of Employment within two years following a Change in Control shall so vest, and such restrictions shall lapse, as applicable, at the time of such Qualified Termination of Employment.

(b) Definition of Change in Control. For purposes of the Plan, a "Change in Control" shall mean the happening of any of the following events:

(i) An acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (A) the then-outstanding shares of common stock of the Company (the "Outstanding Company Common Stock") or (B) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); excluding, however, the following: (1) any acquisition directly from the Company, other than an acquisition by virtue of the exercise of a conversion privilege unless the security being so converted itself was acquired directly from the Company, (2) any repurchase by the Company, (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company, or (4) any acquisition pursuant to a transaction that complies with clauses (A), (B) and (C) of subsection (iii) of this Section 12(b); or

(ii) A change in the composition of the Board such that the individuals who, as of the Effective Date of the Plan, constitute the Board (such Board shall be hereinafter referred to as the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that, for purposes of this Section 12(b), any individual who becomes a member of the Board subsequent to the Effective Date of the Plan, whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of those individuals who are members of the Board and who were also members of the Incumbent Board (or deemed to be such pursuant to this proviso) shall be considered as though such individual were a member of the Incumbent Board; provided, further, that any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board shall not be so considered as a member of the Incumbent Board; or

(iii) The consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company ("Corporate Transaction"); excluding, however, such a Corporate Transaction pursuant to which (A) all or substantially all of the individuals and entities who are the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Corporate Transaction will beneficially own, directly or indirectly, more than 60% of, respectively, the outstanding shares of common stock, and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Corporate Transaction (including, without limitation, a corporation that as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Corporate Transaction, of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (B) no Person (other than the Company, any employee benefit plan (or related trust) of the Company or such corporation resulting from such Corporate Transaction) will beneficially own, directly or indirectly, 20% or more of, respectively, the outstanding shares of common stock of the corporation resulting from such Corporate Transaction or the combined voting power of the outstanding voting securities of such corporation entitled to vote generally in the election of directors except to the extent that such ownership derives from ownership of a 20% or more interest in the Outstanding Company Common Stock and/or Outstanding Company Voting Security that existed prior to the Corporate Transaction, and (C) individuals who were members of the Incumbent Board will constitute at least a majority of the members of the board of directors of the corporation resulting from such Corporate Transaction; or

(iv) the approval by shareholders of a complete liquidation or dissolution of the Company.

SECTION 13. TERM, AMENDMENT AND TERMINATION

(a) Plan. The Plan will terminate on May 31, 2009. Awards outstanding as of the date of such termination shall not be affected or impaired thereby. The Board may amend, alter, or discontinue this Plan at any time, but no amendment, alteration or discontinuation shall be made that would impair the rights of a Participant under any Award theretofore designated without the Participant's consent.

(b) Awards. The Committee may amend the terms of any Award theretofore designated, prospectively or retroactively, but no such amendment may be made if it would cause a Qualified Performance-Based Award not to qualify, or to cease to qualify, for the Section 162(m) Exemption, or cause Restricted Stock to violate the requirements of Section 409A of the Code, nor shall any such Amendment impair the rights of any holder without the holder's consent.

SECTION 14. UNFUNDED STATUS OF PLAN

It is presently intended that the Plan constitute an “unfunded” plan for incentive and deferred compensation. The Committee may authorize the creation of trusts or other arrangements to meet the obligations created under the Plan to deliver Stock or make payments; provided, however, that unless the Committee otherwise determines, the existence of such trusts or other arrangements is consistent with the “unfunded” status of the Plan.

SECTION 15. GENERAL PROVISIONS

(a) Restrictions. The Committee may require each person purchasing or receiving Stock pursuant to an Award to represent to and agree with the Company in writing that such person is acquiring the Stock without a view to the distribution thereof. The certificates for such Stock may include any legend that the Committee deems appropriate to reflect any restrictions on transfer. Notwithstanding any other provision of the Plan or agreements made pursuant thereto, the Company shall not be required to issue or deliver any certificate or certificates for shares of Stock under the Plan prior to fulfillment of all of the following conditions:

- (i) Listing or approval for listing upon notice of issuance, of such shares on The New York Stock Exchange, Inc., or such other securities exchange as may be at the time the principal market for the Stock;
- (ii) Any registration or other qualification of such shares of the Company under any state or federal law or regulation, or the maintaining in effect of any such registration or other qualification that the Committee, in its absolute discretion upon the advice of counsel, shall deem necessary or advisable; and
- (iii) Obtaining any other consent, approval, or permit from any state or federal governmental agency that the Committee, in its absolute discretion after receiving the advice of counsel, shall determine to be necessary or advisable.

(b) Other Compensation. Nothing contained in the Plan shall prevent the Company or any Affiliate from adopting other or additional compensation arrangements for its employees.

(c) No Right to Employment. Adoption of the Plan shall not confer upon any employee any right to continued employment, nor shall it interfere in any way with the right of the Company or any Affiliate to terminate the employment of any employee at any time.

(d) Taxation. No later than the date as of which an amount first becomes includible in the gross income of the Participant for federal income tax purposes with respect to any Award under the Plan, the Participant shall pay to the Company, or make arrangements satisfactory to the Company regarding the payment of, any federal, state, local or foreign taxes of any kind required by law to be withheld with respect to such amount. Unless otherwise determined by the Company, withholding obligations may be settled with Stock, including Stock that is part of the Award that gives rise to the withholding requirement. The obligations of the Company under the Plan shall be conditional on such payment or arrangements, and the Company and its Affiliates shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to the Participant. The Committee may establish such procedures as it deems appropriate, including making irrevocable elections, for the settlement of withholding obligations with Stock.

(e) Beneficiaries. The Committee shall establish such procedures as it deems appropriate for a Participant to designate a beneficiary to whom any amounts payable in the event of the Participant’s death

are to be paid or by whom any rights of the Participant, after the Participant's death, may be exercised; provided that if there is no valid beneficiary designation in effect at the time of a Participant's death for any reason (including, without limitation, a lack of such procedures or a failure by the Participant to make a designation), then such Participant's estate shall be the Participant's beneficiary.

(f) Affiliates. In the case of an Award to any employee of an Affiliate, the Company may, if the Committee so directs, issue or transfer the shares of Stock, if any, covered by the Award to the Affiliate, for such lawful consideration as the Committee may specify, upon the condition or understanding that the Affiliate will transfer the shares of Stock to the employee in accordance with the terms of the Award specified by the Committee pursuant to the provisions of the Plan.

(g) Governing Law. The Plan and all Awards made and actions taken thereunder shall be governed by and construed in accordance with the laws of the State of Delaware, without reference to principles of conflict of laws.

SECTION 16. SHAREHOLDER APPROVAL

This amendment and restatement of the Plan shall be void and of no force or effect unless it is duly approved by the Company's shareholders.

**AMENDMENT TO THE
COLGATE-PALMOLIVE COMPANY
EXECUTIVE INCENTIVE COMPENSATION PLAN
TRUST AGREEMENT**

AGREEMENT made this 29th day of October, 2007 by and between **COLGATE-PALMOLIVE COMPANY** (hereinafter referred to as “Company”) and **THE BANK OF NEW YORK** (hereinafter referred to as “Trustee”).

WITNESSETH

WHEREAS, the Company has established the **COLGATE-PALMOLIVE COMPANY EXECUTIVE INCENTIVE COMPENSATION PLAN TRUST** dated June 12, 1987 (hereinafter referred to as the “Trust”), and

WHEREAS, Company desires to amend the Trust Agreement to assure that the Colgate-Palmolive Company Executive Incentive Compensation Plan complies with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”).

NOW, THEREFORE, the parties hereto, intending to be legally bound, agree to amend Section 4.03 of the Trust Agreement, effective as of the date of this Agreement, to read as follows:

Section 4.03 Other Payments. Notwithstanding any other provision of this Trust Agreement, if any amounts held in the Trust are found in a Determination to have been includible in gross income of a Participant prior to payment of such amounts from the Trust by reason of a failure of the Executive Incentive Compensation Plan to meet the requirements of

Code Section 409A and the regulations thereunder, the Trustee shall, as soon as practicable, pay such amounts that are includable in income by reason of such failure to such Participant and charge his account accordingly. For purposes of this Section 4.03, the Trustee shall be entitled to rely on an affidavit from a Participant (substantially in the form annexed hereto as Exhibit C) to the effect that a Determination described in the preceding sentence has occurred.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year first above mentioned.

COLGATE-PALMOLIVE COMPANY

By: /s/ EDWARD J. FILUSCH

THE BANK OF NEW YORK

By: /s/ MICHAEL SHAYNE

COLGATE-PALMOLIVE COMPANY
SUPPLEMENTAL SALARIED EMPLOYEES' RETIREMENT PLAN

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COLGATE-PALMOLIVE COMPANY

SUPPLEMENTAL SALARIED EMPLOYEES' RETIREMENT PLAN

Colgate-Palmolive Company (the "Company") hereby continues the Supplemental Salaried Employees' Retirement Plan (the "Plan"), a non-qualified, unfunded plan which it maintains to provide Eligible Employees with benefits which, in the absence of certain limitations imposed by the Code, would have been provided under the Colgate-Palmolive Company Employees' Retirement Income Plan (the "Base Plan"), as well as additional benefits to surviving spouses in the event of the death of certain married Members.

ARTICLE I

INTRODUCTION

Section 1.1 Name of Plan. The name of this Plan is the "Supplemental Salaried Employees' Retirement Plan".

Section 1.2 Background and Effective Date. The original effective date of the Plan is January 1, 1976. The Base Plan was amended effective July 1, 1989 to, *inter alia*, establish pension retirement accounts and to permit lump sum payments of the amounts credited to such accounts. The Base Plan amendment required changes in the administration and interpretation of this Plan. This amendment and restatement of the Plan which, except as otherwise provided herein, is generally effective for Members and Beneficiaries whose Benefit Commencement Date is on or after July 1, 1989, is intended to reflect the administration and operation of the Plan in practice since July 1, 1989, including, with respect to benefits earned and vested as of December 31, 2004, the terms of the Plan as in existence on

October 3, 2004. This Plan is further hereby amended and restated effective January 1, 2005 for the purpose of complying with the requirements of Internal Revenue Code (“Code”) section 409A as added by the American Jobs Creation Act of 2004. The Company does not intend by the retroactive application of this amended and restated Plan to materially modify, or otherwise increase or reduce, the benefits or rights under this Plan as in existence on October 3, 2004 for purposes of Code section 409A and applicable guidance thereunder with respect to benefits earned and vested as of December 31, 2004, and this Plan shall be interpreted consistent with such intent.

Section 1.3

ERISA and Code Status. This Plan is intended to be an unfunded plan for the benefit of a select group of management or highly compensated employees exempt from parts 2, 3 and 4 of Title I of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). With respect to the portion of the Plan which provides benefits in excess of the limitations imposed by section 415 of the Code, that portion is intended to be a separate plan which is an excess benefit plan exempt from ERISA. The Plan is also intended to comply with Code section 409A with respect to amounts deferred after December 31, 2004, and amounts which were deferred on or before but not vested on December 31, 2004. The Plan shall be administered and interpreted consistent with such intent.

ARTICLE II

DEFINITIONS

Capitalized terms which are not defined herein shall have the meaning ascribed to them in the Base Plan. Whenever reference is made herein to “this Plan”, such reference shall be to this Supplemental Salaried Employees’ Retirement Plan.

Section 2.1 “Actuarial Equivalent” shall mean equality in value of the aggregate benefits expected to be received under different forms of payment. For those Members whose benefits under the Base Plan is not calculated under Appendices B, C, or D of the Base Plan, the underlying actuarial assumptions used as a basis for these calculations are those which are stated in the Base Plan. For those Members whose benefit under the Base Plan is calculated under Appendices B, C, or D of the Base Plan, the underlying actuarial assumptions used as a basis for these calculations are those in effect under the Base Plan prior to January 1, 2000.

Section 2.2 “Base Plan” shall mean the Colgate-Palmolive Company Employees’ Retirement Income Plan, as amended from time to time.

Section 2.3 “Benefit Commencement Date” shall mean the first day of the month as of which a Member’s benefit is paid as an annuity or in any other form under this Plan.

Section 2.4 “Determination Date” shall mean the date as of which benefits commence under the Base Plan.

Section 2.5 “Eligible Employee” shall mean an “Eligible Employee,” as defined in the Base Plan, who is entitled to a retirement benefit under the Base Plan which is limited by Code sections 401(a)(17) and/or 415, and/or any other Employee who satisfies each of the requirements of Section 2.8.

Section 2.6 “Grandfathered Benefit” shall mean the lesser of (i) the benefit amount stated in a schedule maintained by the Employee Relations Committee (which represents the present value of the amount to which the Member would have been entitled under this Plan if he had voluntarily terminated employment without cause on December 31, 2004 and received a payment of the benefits available from the Plan on the earliest possible date allowed under the Plan to receive a payment of benefits following termination of employment, and received the benefit in the form with the maximum value, and (ii) the benefit payable under this Plan on the Benefit Commencement Date. For any subsequent year, the amount determined under (i) may increase to equal the present value of the benefit the Member actually becomes entitled to, in the form and at the time actually paid, determined under the terms of the Plan (including applicable limits under the Internal Revenue Code), as in effect on October 3, 2004, without regard to any further services rendered by the Member after December 31, 2004, or any other events affecting the amount of the Member’s entitlement to benefits (other than a Member election with respect to the time or form of an available benefit). Calculations of the amount determined under (i) shall be made in accordance with Reg. §1.409A-6(a)(3)(i) using reasonable actuarial assumptions and methods as determined thereunder.

Section 2.7 “Maximum Benefit” shall mean the maximum annual benefit payable in the form of a straight life annuity or, in the case of a married Member, a qualified joint and

survivor annuity as defined in Code section 417(b), which is permitted to be paid to a Member under the Base Plan, as determined under all applicable provisions of the Code and ERISA, specifically taking into account the limitations of Code sections 401(a)(17) and 415, and any applicable regulations thereunder. It is intended that the Maximum Benefit, as defined herein, shall automatically increase whenever the dollar limits or compensation limits under Code sections 401(a)(17) and 415 increase; provided, however, that no adjustments to the Maximum Benefit will be recognized after a Member's Benefit Commencement Date.

Section 2.8 "Member" shall mean an Eligible Employee who participates in this Plan pursuant to Section 3.1. An Eligible Employee shall remain a Member under this Plan until all amounts payable on his behalf from this Plan have been paid.

Section 2.9 "Member Eligible for an Increased Benefit" shall mean an Employee who (i) is in salary grade 19 or above, (ii) has been credited with ten (10) or more years of vesting service under the Base Plan, (iii) is covered under the Above and Beyond Plan, (iii) is covered under Appendices B, C or D of the Base Plan or elects to receive all or a portion of his benefit under the Base Plan in the form of an annuity, (iv) has been married to the same Spouse for at least one year prior to his Benefit Commencement Date, (v) is married to the person described in (iv) at the time of his death, and (vi) the person described in (iv) and (v) above is the Member's only designated beneficiary under the Base Plan.

Section 2.10 “Non-Grandfathered Benefit” shall mean the portion of the benefit payable under this Plan which exceeds the Grandfathered Benefit, calculated using the actuarial assumptions specified in Section 2.1 as of the Determination Date.

Section 2.11 “Specified Employee” shall mean a person identified in accordance with procedures adopted by the Company that reflect the requirements of Code section 409A(a)(2)(B)(i).

ARTICLE III

BENEFITS

Section 3.1 Participation. An Eligible Employee shall become a Member under this Plan on the earlier of (i) the date his accrued benefit under the Base Plan, determined without regard to the limitations of Code Sections 401(a)(17) and 415, exceeds the Maximum Benefit, or (ii) the date he satisfies each of the requirements of Section 2.8.

Section 3.2 Amount of Member’s Benefit. In the case of any Member whose Determination Date is coincident with or immediately following his separation from service, such Member shall be entitled to a benefit under this Plan, the Actuarial Equivalent of which is equal to the difference between: (i) the benefit that would have been payable under the Base Plan as of such date in the form elected by the Member under such plan if the limitations of Code sections 401(a)(17) and 415 were not take into account in calculating the benefit; and (ii) the benefit actually payable under the Base Plan. In the case of a Member Eligible for the Increased Benefit, the determination of the benefit payable under the Base Plan under (i) of

the immediately preceding sentence shall be made by assuming that the benefit is payable in the form of a joint and 75% surviving spouse annuity with no actuarial reduction to reflect the 75% survivor annuity, provided, however that in any case where the surviving spouse is more than 60 months younger than the Member, the additional 25% surviving spouse annuity shall be reduced 1/8 of 1% (.00125) per month for each month over 60 months that the surviving spouse is younger than the Member. In any case where the Determination Date under the Base Plan does not coincide with, or immediately follow, the Member's separation from service, the Member shall be entitled to a benefit under this Plan, the Actuarial Equivalent of which is equal to the difference between: (i) the annual benefit that would have been payable under the Base Plan in the normal form as of the earliest date the Member could have commenced benefits under the Base Plan following his separation from service if the limitations of Code sections 401(a)(17) and 415 were not taken into account in calculating the benefit; and (ii) the Maximum Benefit applicable to the Member as of that date. In the case of a Member Eligible for the Increased Benefit, the determination of the benefit payable under the Base Plan under (i) of the immediately preceding sentence shall be made in accordance with the second sentence of this Section 3.2.

The benefit amount determined above is subject to reduction as provided in Sections 3.6, 3.7 and 3.8. The benefit amount (after the reductions required under Sections 3.6 and 3.7 but prior to the reduction required under Section 3.8), when expressed as a straight life annuity, and then added to the benefit payable under the Base Plan, when expressed as a straight life annuity (in each case using the

actuarial assumptions specified in Section 2.1 which are in effect on the Benefit Commencement Date), shall be limited to 70 percent of the Member's salary base on the date of separation from service plus the value of the executive incentive compensation (whether or not payable in cash) awarded for services rendered in the calendar year immediately preceding the calendar year containing the separation from service date. For this purpose, executive incentive compensation includes cash and non-cash awards under the Executive Incentive Compensation Plan of the Company. Also for this purpose, restricted stock issued pursuant to the Executive Incentive Compensation Plan shall be valued at its publicly traded value on the New York Stock Exchange at the close of business on the date of grant.

Section 3.3

Amount of Beneficiary's Benefit. Upon the death of a Member whose Beneficiary is eligible for a Beneficiary's benefit under the Base Plan, such Beneficiary shall be entitled to an annual benefit under this Plan equal to the difference between (i) the benefit that would have been payable to the Beneficiary under the Base Plan if the limitations of Code Sections 401(a)(17) and 415 were not taken into account in calculating the benefit; and (ii) the benefit actually payable to the Beneficiary under the Base Plan. In the case of a Member Eligible for the Increased Benefit who dies after retirement, the determination of the benefit payable under the Base Plan under (i) of the immediately preceding sentence shall be made by assuming that the normal form of benefit is in the form of a joint and 75% surviving spouse annuity with no actuarial reduction to reflect the 75% survivor annuity, provided, however that in any case where the surviving

spouse is more than 60 months younger than the Member, the additional 25% surviving spouse annuity shall be reduced 1/8 of 1% (.00125) per month for each month over 60 months that the surviving spouse is younger than the Member. Notwithstanding the above, the Beneficiary of a Member Eligible for an Increased Benefit shall not be entitled to receive a total benefit under the Base Plan and the Plan that exceeds the Member Eligible for an Increased Benefit's normal retirement benefit under the Base Plan and the Plan.

Section 3.4

Time and Form of Payment.

- (a) Separation from Service On or After January 1, 2008 – Grandfathered Benefit. Payment of the Grandfathered Benefit under this Plan to a Member or Beneficiary shall commence as of the Determination Date and, except as provided in this Section 3.4(a), shall be paid in the same form as the benefit payable under the Base Plan.
 - (i) A Member or Beneficiary whose benefit under the Base Plan is calculated under Appendices B, C or D of the Base Plan may request the Employee Relations Committee to approve payment of his Grandfathered Benefit in a lump sum. Such request must be made at least 90 days prior to his retirement date and will be accepted or denied in the sole discretion of the Employee Relations Committee.
 - (ii) A Member or Beneficiary whose benefit under the Base Plan is not calculated under Appendices B, C or D may, with the Employee Relations Committee approval, receive payment of his Grandfathered Benefit in the form of a lump sum.

(b) Separation from Service on or After January 1, 2008 – Non-Grandfathered Benefit.

- (i) A Member whose benefit under the Base Plan is calculated under Appendices B, C or D of the Base Plan and who is married on the date of his separation from service shall receive payment of the Non-Grandfathered Benefit in the form of a Joint and 50% Survivor Annuity (Joint and 75% if such Member is a Member Eligible for the Increased Benefit), commencing as soon as practicable following the Member's separation from service. If such Member is not married on the date of his separation from service, payment of the Non-Grandfathered Benefit shall be made in the form of a level monthly annuity for life commencing as soon as practicable following the Member's separation from service. Payment to a Beneficiary shall be made in the form of a level monthly annuity for life commencing as soon as practicable following the Member's death.
- (ii) A Member or Beneficiary whose benefit under the Base Plan is not calculated under Appendices B, C or D of the Base Plan shall receive payment of the Non-Grandfathered Benefit in the form of a lump sum as soon as practicable following the Member's

separation from service. Payment to a Beneficiary shall be made in the form of a lump sum as soon as practicable following the Member's death.

The foregoing notwithstanding, in any case where the Member is a Specified Employee, payment of the Non-Grandfathered Benefit under this Section 3.4(b) shall be deferred until the earlier of (i) the date that is six months following the Member's separation from service, or (ii) the date of the Member's death. If benefits are paid in the form of an annuity, the portion of the Non-Grandfathered benefit that would have been paid during this six month period shall be accumulated and paid in a lump sum at the end of this period. If the benefit is paid in the form of a lump sum, interest credits shall continue throughout the six month period.

(c) Separation from Service Before January 1, 2008. See Appendix A.

Section 3.5 Effect of Changes in the Maximum Benefit. If, prior to a Member's Benefit Commencement Date, the benefits payable under the Base Plan increase as a result of increases in the Maximum Benefit, the benefits under this Plan shall be recalculated to take into account the higher Maximum Benefit payable from the Base Plan. If such an increase occurs after the Member's Benefit Commencement Date, no adjustment shall be made to the benefits payable under this Plan.

Section 3.6 Reduction in Benefits for Members in Foreign Service. A Member's benefit under this Plan (including his Beneficiary's benefits) based upon his participation in the Plan subsequent to December 31, 1965 shall be reduced by any foreign

retirement benefits which the Member has received or will receive which are attributable to direct or indirect contributions by the Company or any of its Subsidiaries or branches. The amount of this reduction shall be determined in accordance with the provisions of the Base Plan.

Section 3.7 Reduction in Benefits for Members Electing to Maintain Prior Plan Benefits. For those Members who elected to make Contributions to Maintain Prior Plan Benefits pursuant to Appendix C of the Base Plan, the benefit otherwise payable under this Plan shall be reduced by an amount determined to be the benefit attributable to the contributions that would have been required of the Member under the Base Plan formula to Maintain Prior Plan Benefits for benefits in excess of the Maximum Benefit, and interest thereon calculated at a rate equal to the interest crediting rate under the Base Plan during the period that such contributions would have been required.

Section 3.8 Reduction in Benefits for FICA Tax Imposed on Plan Benefits. Effective for Benefit Commencement Dates on or after January 1, 2005, where the Member's Benefit Commencement Date coincides with the Member's "resolution date," as defined in Reg. § 31.3121(v)(2)-1(e)(4)(i), and all or a portion of the Member's benefit is payable as a lump sum, the lump sum payment shall be reduced by the Actuarial Equivalent of the taxes imposed on the Member under Code sections 3101(a) and (b) (and the income tax required to be withheld on the amount of such taxes) which are attributable to the Member's Plan benefit, which amounts shall be paid in satisfaction of the Member's tax liability.

Section 3.9 Benefits Subject to Withholding. The benefits payable under this Plan shall be subject to the deduction of any federal, state, or local income taxes, employment taxes or other taxes which are required to be withheld from such payments by applicable laws and regulations. Any employment taxes owed by the Member with respect to any deferral, accrual or benefit payable under this Plan which have not been satisfied under Section 3.8 may be withheld from benefits paid under this Plan or any other compensation of the Member.

Section 3.10 Beneficiary Designation. The Member's Beneficiary for purposes of any survivor benefits under this Plan will automatically be the same as such Member's Beneficiary under the Base Plan. Notwithstanding any other provision of this Plan, the consent of the Member's Spouse shall not be required to elect a lump sum payment of the Grandfathered Benefit. In the absence of a Beneficiary who survives the Member, upon the Member's death, payment of any benefit owed to a Member's Beneficiary, if any, shall be made to the Member's estate in a lump sum as soon as practicable.

ARTICLE IV

PLAN ADMINISTRATION

Section 4.1 Employee Relations Committee. This Plan shall be administered by the Employee Relations Committee which shall have full authority to administer and interpret this Plan, make payments and maintain records hereunder, including but not limited to the power:

- (i) to determine who are Eligible Employees for purposes of participation in the Plan;
- (ii) to interpret the terms and provisions of the Plan and to determine any and all questions arising under the Plan, including without limitation, the right to remedy possible ambiguities, inconsistencies, or omissions by a general rule or particular decision; and
- (iii) to adopt rules consistent with the Plan.

The Employee Relations Committee may adopt or amend from time to time such procedures as may be required for the proper administration of the Plan. All interpretations of the Employee Relations Committee shall be final and binding on all parties including Members, Spouses and Beneficiaries, and the Company and its affiliates.

Claims Procedures. Any complaint with regard to benefits under the Plan should be directed to the Secretary of the Employee Relations Committee, Colgate-Palmolive, 300 Park Avenue, New York, NY 10022. Such complaint must be filed in writing no later than 90 days after the date of retirement, termination or other occurrence related to the complaint. Within 90 days of the filing of such claim, unless special circumstances require an extension of such period, such person will be given notice in writing of the approval or denial of the claim. If the claim is denied, the notice will set forth the reason for the denial, the Plan provisions on which the denial is based, an explanation of what other material or information, if any, is needed to perfect the claim, and an explanation of the claims review procedure. The claimant may request a review of such denial within 60 days of the date of receipt of such denial by filing notice in writing with the Employee Relations Committee. The claimant will have the right to review pertinent Plan documents and to submit issues and comments in writing. The Employee Relations Committee will respond in writing to a request for review within 60 days of receiving it, unless special circumstances require an extension of such period. If the claimant does not request such a review or the Employee Relations Committee fails to respond to such a request for review in writing, the request for review will be deemed to have been made and denied on the 120th day after the date of the initial denial. The Employee Relations Committee, in its discretion, may request a meeting to clarify any matters deemed appropriate. No action may be brought for benefits under this Plan pursuant to the denial of a claim, unless such claim was timely made under this Section and such complaint is filed on or before one year from the denial or deemed denial by the Employee Relations Committee of any such claim upon review.

- Section 4.3 Delegated Responsibilities. The Employee Relations Committee shall have the authority to delegate any of its responsibilities to such persons as it deems proper.
- Section 4.4 Amendment and Termination. The Company may amend, modify or terminate this Plan at any time, provided, however, that no such amendment, modification or termination shall reduce any benefit under this Plan to which a Member, or the Member's Beneficiary, is entitled under Article III prior to the date of such amendment or termination, and in which such Member or Beneficiary would have been vested if such benefit had been provided under the Base Plan, unless the Member or Beneficiary becomes entitled to an amount equal to the Actuarial Equivalent of such benefit under another plan, including the Base Plan, program or practice adopted by the Company. The Employee Relations Committee may make changes to this Plan which do not materially reduce the value of the benefits paid under this Plan to conform to, or take advantage of, any governmental requirements, statutes, regulations or other authority.
- Section 4.5 Payments. The Company will pay all benefits arising under this Plan and all costs, charges and expenses relating thereto out of its general assets.
- Section 4.6 Non-Assignability of Benefits. Except as otherwise required by law, neither any benefit payable hereunder nor the right to receive any future benefit under this Plan may be anticipated, alienated, sold, transferred, assigned, pledged, encumbered, or subjected to any charge or legal process, and if any attempt is

made to do so, or a person eligible for any benefits under this Plan becomes bankrupt, the interest under this Plan of the person affected may be terminated by the Employee Relations Committee which, in its sole discretion, may cause the same to be held or applied for the benefit of one or more of the dependents of such person or make any other disposition of such benefits that it deems appropriate and is consistent with Code Section 409A.

Section 4.7 Plan Unfunded. Nothing in this Plan shall be interpreted or construed to require the Company in any manner to fund any obligation to the Members or Beneficiaries hereunder. Nothing contained in this Plan nor any action taken here under shall create, or be construed to create, a trust of any kind, or a fiduciary relationship between the Company and the Members or Beneficiaries. Any funds which may be accumulated in order to meet any obligation under this Plan shall for all purposes continue to be a part of the general assets of the Company. To the extent that any Member or Beneficiary acquires a right to receive payments from the Company under this Plan, such rights shall be no greater than the rights of any unsecured general creditor of the Company.

Section 4.8 Applicable Law. All questions pertaining to the construction, validity and effect of this Plan shall be determined in accordance with the laws of the State of Delaware, to the extent not preempted by Federal law.

Section 4.9 No Employment Rights Conferred. The establishment of the Plan shall not be construed as conferring any rights upon any Eligible Employee for continuation of employment, nor shall it be construed as limiting in any way the right of the Company to discharge any Eligible Employee or treat him without regard to the effect which such treatment might have upon him under the Plan.

Section 4.10 Plan to Comply with Code Section 409A. Notwithstanding any provision to the contrary in this Plan, each provision in this Plan shall be interpreted to permit the deferral of compensation in accordance with Code section 409A and any provision that would conflict with such requirements shall not be valid or enforceable.

APPENDIX A TO
COLGATE-PALMOLIVE COMPANY
SUPPLEMENTAL SALARIED EMPLOYEES RETIREMENT PLAN

Section 3.4

Time and Form of Payment

(c) Separation from Service Prior to January 1, 2008.

(i) Determination Date Prior to January 1, 2006. Payment of benefits under this Plan to a Member or Beneficiary whose Determination Date is prior to January 1, 2006 shall commence on the Determination Date and, except as provided in this Section 3.4(c)(i), shall be payable in the same form as the benefit payable under the Base Plan.

(A) A Member whose benefit is calculated under Appendices B, C or D of the Base Plan and whose Determination Date is on or before July 27, 2005 may request the Employee Relations Committee to approve payment of his Grandfathered Benefit in a lump sum. Such request must be made at least ninety (90) days prior to his retirement date and will be accepted or denied in the sole discretion of the Employee Relations Committee. In the event a lump sum payment request is approved, the amount of the payment shall be determined based upon the actuarial assumptions specified in Section 2.1 which are in effect on the Benefit Commencement Date.

- (B) A Member whose benefit is calculated under Appendices B, C or D of the Base Plan and whose Determination Date is on or after July 27, 2005 and before January 1, 2006 may request the Employee Relations Committee to approve payment of his entire benefit in a lump sum. Such request must be made at least 90 days prior to his retirement date and will be accepted or denied in the sole discretion of the Employee Relations Committee. In the event a lump sum payment request is approved, the amount of the payment shall be determined based upon the actuarial assumptions specified in Section 2.1 which are in effect on the Benefit Commencement Date. The approval of any such request shall be deemed a cancellation of amounts deferred under the Plan during 2005 pursuant to Q&A-20(a) of IRS Notice 2005-1.
- (C) Any other Member whose benefit under the Base Plan is payable in the form of a lump sum may, with the Employee Relations Committee approval, receive payment of his entire benefit under the Plan in the form of a lump sum. The approval of any such request shall be deemed a cancellation of amounts deferred under the Plan during 2005 pursuant to Q&A-20(a) of IRS Notice 2005-1.

(ii) Determination Date After December 31, 2005.

- (A) Grandfathered Benefit. Payment of the Grandfathered Benefit under this Plan to a Member or Beneficiary shall commence on the Determination Date and, except as provided in this Section 3.4(c)(ii)(A), shall be paid in the same form as the benefit payable under the Base Plan.
- (I) A Member or Beneficiary whose benefit under the Base Plan is calculated under Appendices B, C or D of the Base Plan may request the Employee Relations Committee to approve payment of his Grandfathered Benefit in a lump sum. Such request must be made at least 90 days prior to his retirement date and will be accepted or denied in the sole discretion of the Employee Relations Committee.
- (II) A Member or Beneficiary whose benefit under the Base Plan is not calculated under Appendices B, C or D may, with the Employee Relations Committee approval, receive payment of his Grandfathered Benefit in the form of a lump sum.

(B) Non-Grandfathered Benefit. Except as otherwise provided herein,

- (I) a Member whose benefit under the Base Plan is calculated under Appendices B, C or D of the Base Plan and who is married on the date of his separation from service shall receive payment of the Non-Grandfathered Benefit in the form of a Joint and 50% Survivor Annuity (Joint and 75% if such Member is a Member Eligible for the Increased Benefit), commencing as soon as practicable following the Member's separation from service. If such Member is not married on the date of his separation from service, payment of the Non-Grandfathered Benefit shall be made in the form of a level monthly annuity for life commencing as soon as practicable following the Member's separation from service. Payment to a Beneficiary shall be made in the form of a level monthly annuity for life commencing as soon as practicable following the Member's death. The foregoing notwithstanding, certain Members designated by the Committee who meet the requirements set forth in Section 3.02 of IRS Notice 2006-79 may elect on or

before December 31, 2007 to receive payment of the Non-Grandfathered Benefit following the Member's separation from service in the form of a lump sum provided such election is made prior to the calendar year in which the Member's separation from service occurs.

- (II) A Member or Beneficiary whose benefit under the Base Plan is not calculated under Appendices B, C or D of the Base Plan shall receive payment of the Non-Grandfathered Benefit in the form of a lump sum as soon as practicable following the Member's separation from service. Payment to a Beneficiary shall be made in the form of a lump sum as soon as practicable following the Member's death.

The foregoing notwithstanding, in any case where the Member is a Specified Employee, payment of the Non-Grandfathered Benefit under this Section 3.4(c) (other than payments described in Section 3.4(c)(i)(B) and (C)) shall be deferred until the earlier of (i) six months following the Member's separation from service or (ii) the date of the Member's death. If benefits are paid in the form of an annuity, the portion of the Non-Grandfathered benefit that would have been paid during this six month period shall be accumulated and paid in a lump sum at the end of this period. If the benefit is paid in the form of a lump sum, interest credits shall continue throughout the six month period.

AMENDED AND RESTATED TRUST AGREEMENT

AMENDED AND RESTATED TRUST AGREEMENT made and entered into as of the 2nd day of August, 1990 by and between Colgate-Palmolive Company, a corporation organized under the laws of the State of Delaware (hereinafter referred to as the "Company"), and THE BANK OF NEW YORK, a New York Banking corporation (hereinafter referred to as the "Trustee"), amending and restating that certain Trust Agreement made and entered into as of August 13, 1987, between the Company and the Trustee (the "Trust Agreement").

WHEREAS, the Company maintains the Colgate-Palmolive Company Supplemental Salaried Employees Retirement Income Plan (the "Plan") for selected officers and other key employees of the Company; and

WHEREAS, a Committee (the "Committee") has been designated to control and manage the operation and administration of the Plan; and

WHEREAS, under the Plan, the Company is required to pay to the Participants or their beneficiaries Benefits, which Benefits are contemplated by the Plan to be paid by the Company from its general assets; and

WHEREAS, the Company wishes to amend and restate the Trust already established to aid it in meeting its obligations to pay Benefits under the Plan and to be assured that Benefits will be paid following a Change of Control; and

WHEREAS, this amendment and restatement of the Trust Agreement shall not affect the Company's continuing obligation to make payments to Participants and their beneficiaries under the Plan except that the Company's liability shall be offset by actual payments made by the Trustee hereunder; and

WHEREAS, the Trust shall initially be revocable but shall become irrevocable upon the occurrence of a Change of Control; and

WHEREAS, the Company intends to make contributions to the Trust from time to time as it shall determine or to establish a letter of credit pursuant to which funds may be contributed to the Trust, and intends that the Trust Fund be held by the Trustee and invested, reinvested and distributed all in accordance with the provisions of the Trust Agreement; and

WHEREAS, the Trust is intended to be a "grantor trust" with the result that the corpus and income of the Trust are treated as assets and income of the Company pursuant to Sections 671 through 679 of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, the Company intends that the Trust Fund shall at all times be subject to the claims of its existing or future general creditors as herein provided and that the Plan not be deemed funded solely by virtue of the existence of this Trust; and

WHEREAS, in and by Section 7.01(a) of the Trust Agreement, the Company, with the consent of the Trustee, desires to amend and restate the Trust Agreement in its entirety as hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the Company and the Trustee declare and agree as follows:

ARTICLE I
DEFINITIONS; ESTABLISHMENT AND AMENDMENT OF TRUST

Section 1.01. Definitions. Whenever used in this Trust Agreement, unless otherwise provided or the context otherwise requires:

(a) “Affiliate” shall mean any person, corporation or other entity which the Company shall have advised the Trustee in writing is a subsidiary or affiliate of the Company or its successor or which owns 20% or more of the voting securities of the Company.

(b) “Aggregate Lump Sum Accrued Benefits” shall mean the sum of all Participants’ Lump Sum Accrued Benefits (as such term is defined in Section 4.02(d)) pursuant to the most recent Payment Schedules received by the Trustee and which are in effect for each Participant.

(c) “Benefits” shall mean the payments required to be paid to a Participant or his beneficiary by the Company under the Plan. Following a Change of Control, all Benefits payable to Participants shall be made in the form of a lump sum.

(d) “Change of Control” shall have the meaning assigned to such term by Section 6.02 hereof.

(e) “Code” shall mean the Internal Revenue Code of 1986 as from time to time amended.

(f) “Committee” shall mean (i) prior to a Change of Control, the Employee Relations Committee (the members of which are appointed by the Board of Directors of the Company), which shall control and manage the operation and administration of the Plan, and (i) following a Change of Control, the Committee described in (i) above as constituted immediately prior to the Change of Control with such changes in the membership thereof as may be approved from time to time following the Change of Control

by a majority of the members of such Committee as constituted at the applicable time. The Company shall have no right to appoint members, to, or to remove members from, the Committee following a Change of Control.

(g) “Company” shall mean Colgate-Palmolive Company or its successors.

(h) “Consulting Firm” shall mean the actuarial or consulting firm from time to time designated by the Committee in a written notice provided to the Trustee and in effect at the applicable time. In the event of a merger or consolidation of a Consulting Firm, the successor or surviving firm shall be deemed to be the Consulting Firm hereunder, unless the Committee shall designate a different actuarial or consulting firm as the Consulting Firm. The Trustee may rely on and shall be fully protected in relying on any notice, direction or certification of the Consulting Firm provided to it.

(i) “Determination” shall have the meaning assigned to such term by Section 1313(a) of the Code.

(j) “Insolvent” with respect to the Company means that (i) the Company is unable to pay its debts generally as they come due and/or (ii) the Company is subject to a pending proceeding as a debtor under the Federal Bankruptcy Code or any successor statute.

(k) “Letter of Credit” shall mean a letter of credit maintained by the Company for the purpose of making payments to the Trust in accordance with Section 3.02.

(l) “Participant” shall mean an employee of the Company to whom Benefits are payable under the Plan.

(m) “Payment Schedule” shall mean, with respect to each Participant, a description of Benefits in the form annexed hereto as Exhibit A Page 2, or any amendment or substitution thereof as may be provided to the Trustee by the Company and in effect at the applicable time in accordance with Section 4.07.

(n) “Trust” shall mean the Trust established under the Trust Agreement.

(o) “Trust Agreement” shall mean this trust agreement as from time to time amended.

(p) “Trust Fund” shall mean the trust fund held from time to time by the Trustee hereunder consisting of all contributions received by the Trustee together with the investments and reinvestments made therewith and all net profits and earnings thereon less all payments and charges therefrom.

(q) “Trustee” shall mean The Bank of New York or its successor.

Section 1.02. Establishment, Amendment and Restatement and Title of the Trust. The Company hereby amends and restates the trust heretofore established with the Trustee and known as the "Colgate-Palmolive Company Supplemental Salaried Employees Retirement Income Plan Trust", consisting of such sum of money and other property acceptable to the Trustee as from time to time shall be paid or delivered to the Trustee. The Trust Fund shall continue to be held by the Trustee in trust and shall be dealt with in accordance with the provisions of this Trust Agreement. Prior to a Change of Control, the Company shall have the power to reacquire the Trust Fund by substituting cash or readily marketable securities of equivalent value, net of any costs of disposition (other than securities issued by the Company or any Affiliate), and such other property shall, following such substitution, constitute the Trust Fund.

Section 1.03. Acceptance of Amended and Restated Trust by the Trustee. The Trustee accepts the Trust as amended and restated hereunder on the terms and conditions set forth herein and agrees to perform the duties imposed on it by this Amended and Restated Trust Agreement.

ARTICLE II
INVESTMENT AND ADMINISTRATION OF THE TRUST FUND

Section 2.01. Powers and Duties of the Trustee. In addition to every power and discretion conferred upon the Trustee by any other provision of this Trust Agreement, the Trustee will have the following express powers with respect to the Trust Fund:

(a) Subject to the investment guidelines set forth in Section 2.02 hereof, to make investments and reinvestments of the assets of the Trust Fund including investments which yield little or no income and from time to time hold funds uninvested, without distinction between principal and income; and in making and holding investments, the Trustee will not be restricted to those investments which are authorized by the law of the State of New York for the investment of trust funds, provided, however, that no investment shall be made in any securities or other obligations of the Company or of any Affiliate. The Trustee is further authorized and empowered to invest and reinvest all or any part of such assets through the medium of any common, collective or commingled trust fund or pool maintained by it as the same may have heretofore been or may hereafter be established or amended.

(b) To retain, to exchange for any other property, to sell in any manner and at any time, any property, and to grant options to sell any such property, without regard to restrictions and without the approval of any court.

(c) To vote personally or by proxy and to delegate power and discretion to such proxy.

(d) To exercise subscription, conversion and other rights and options, and to make payments from the Trust Fund in connection therewith.

(e) To take any action and to abstain from taking any action with respect to any reorganization, consolidation, merger, dissolution, recapitalization, refinancing and any other plan or change affecting any property, and in connection therewith, to delegate its discretionary powers and to pay assessments, subscriptions and other charges from the Trust Fund.

(f) In any manner, and to any extent, to waive, modify, reduce, compromise, release, settle and extend the time of payment of any claim of whatsoever nature in favor of or against the Trust or all or any part of the Trust Fund and to commence or defend suits or other legal proceedings in connection therewith.

(g) To make executory contracts and to grant options for any purposes, and to make such contracts and options binding on the Trust and enforceable against any property of the Trust Fund.

(h) Upon any terms, to borrow money from any person (including, to the extent permitted by applicable law, the Trustee in its individual capacity) and to pledge assets of the Trust Fund as security for repayment.

(i) To hold all or any part of the Trust Fund in cash and without obligation to pay or earn interest thereon.

(j) To hold assets in time or demand deposits (including deposits with the Trustee in its individual capacity which pay a reasonable rate of interest).

(k) To employ agents, experts and counsel, to delegate discretionary powers to, and rely upon information and advice furnished by, such agents, experts and counsel and to pay their reasonable fees and disbursements.

(l) From time to time to register any property in the name of its nominee or in its own name, or to hold it unregistered or in such form that title shall pass by delivery or to cause the same to be deposited in a depository or clearing corporation or system established to settle transfers of securities and to cause such securities to be merged and held in bulk by the nominee of such depository or clearing corporation or system.

(m) Subject to Section 2.03 hereof, to apply for, purchase, accept, own (and to exercise all rights of ownership therein) and retain Insurance Contracts (as defined in Section 2.02 hereof); to exercise all rights, powers and privileges accruing under any such Insurance Contract; to institute and maintain any proceeding at law or in equity to enforce any payment under any such Insurance Contract; and to do and perform any and all acts and things which may be necessary or proper for the purpose of collecting any sums which may be due and payable pursuant to the terms and provisions of any such Insurance Contract.

(n) Subject to Section 3.02(b), to make drawings from a Letter of Credit in order to obtain additional contributions to the Trust.

Section 2.02. Investment Guidelines. In exercising its powers under Section 2.01 hereof, the Trustee shall, consistent with the overall objective of the Trust Fund, which is the preservation of capital, invest and reinvest the Trust Fund in short-term investments, including, without limitation, obligations issued or guaranteed by the United States of America or any agency thereof, proportionate interests in any such obligations held by any bank or trust company organized under the laws of the United States of America or any state thereof as a custodian, commercial paper rated A-1 by Standard & Poors Corporation or P-1 by Moody's Investment Services, Master Notes of corporations with commercial paper ratings of A-1 or P-1, time or savings deposits and certificates of deposit. Notwithstanding the foregoing, the Trustee may hold individual or group life insurance and annuity contracts ("Insurance Contracts") purchased by the Trustee prior to a Change of Control in accordance with the Committee's instruction or contributed to it by the Company. The insurer or issuer under each such Insurance Contract is authorized to make payments to the Trustee, to act solely on the instructions of the Trustee, and in every respect to deal solely with the Trustee as the absolute owner of such Insurance Contract.

Section 2.03 Special Provisions with Respect to Insurance. Notwithstanding anything in this Trust Agreement to the contrary, Insurance Contracts held in the Trust Fund shall be dealt with in accordance with the provisions of this Section.

(a) Committee Directions. The Company will be responsible for paying the premiums on each Insurance Contract from time to time held in the Trust Fund and the Trustee shall have no responsibility or liability in connection therewith. Except as provided in subsection (b) below, the Trustee shall exercise the powers set forth in Section 2.01 of this Trust Agreement with respect to an Insurance Contract in accordance with the instructions of the Committee. The Trustee shall follow the directions of the Committee concerning the exercise or non-exercise of any powers or options concerning any Insurance Contract held in the Trust Fund.

(b) Following a Change of Control. Following a Change of Control, if an event described in Section 7.03 hereof requiring a termination of the Trust shall occur, the Trustee shall surrender all such Insurance Contracts and receive the cash surrender value thereof.

(c) Liability. To the extent permitted by law, neither the Company, the Committee nor Trustee shall be liable for the refusal of any insurance company to issue, modify or convey any such Insurance Contract, to take any other action requested by the Company, the Committee or the Trustee, as the case may be, nor be liable for the form, genuineness, validity,

sufficiency or effect of any such Insurance Contract, nor for the act of any person or persons that may render such contract null and void; nor for the failure of any issuer of any Insurance Contract to pay the proceeds and avails of such Insurance Contract as and when the same shall become due and payable; nor for any delay in payment resulting from any provision contained in any such Insurance Contract; nor for the fact that for any reason whatsoever any such Insurance Contract shall lapse or otherwise be uncollectible (including, without limitation, as a result of the failure of the Company to pay any premium when due). The Company hereby agrees to indemnify the Trustee and hold it harmless from and against any claim or liability which may be asserted against the Trustee by reason of its acting on any direction from the Committee or failing to act in the absence of any such direction with respect to any such Insurance Contract or the acquisition of any Insurance Contract or exercise or non-exercise of any right or option thereunder.

ARTICLE III
CONTRIBUTIONS

Section 3.01 Contributions by the Company. (a) The Trustee shall receive from the Company such amounts in cash or other property acceptable to the Trustee as the Company shall from time to time determine. The Trustee shall be under no obligation to collect any such contribution.

(b) in addition to contributions made to the Trust pursuant to Section 3.01(a), the Company may from time to time deliver to the Trustee such other amounts as may be considered necessary or appropriate to provide for the payment of expenses of the Trust.

(c) In the event that, following a Change of Control, the Trustee is required to pay Benefits to Participants or their beneficiaries in accordance with Section 4.02, the Company shall deliver to the Trustee such amount as may be necessary (in addition to amounts contributed to the Trust under Section 3.01(a) or (b) or Section 3.02) in order to comply fully with the requirements of said Section 4.02. The Trustee shall be under no obligation to collect any such amount.

Section 3.02. Letter of Credit. (a) The Company may from time to time maintain a Letter of Credit through which the Trustee can receive additional contributions pursuant to Section 3.02(b). Upon establishing any such Letter of Credit, the Company shall promptly notify the Trustee as to the identity of the issuing bank, the amount of the Letter of Credit and its expiration date, and provide the Trustee with such documents and other information as the Trustee may need in order to make drawings under the Letter of Credit. Nothing in this Trust Agreement shall require the Company to maintain a Letter of Credit.

(b) Upon a Change of Control, the Trustee shall immediately take all necessary steps to make a drawing upon any Letter of Credit of which it has received notice under Section 3.02(a). The amount drawn down under the Letter of Credit shall equal the lesser of (i) the amount of the Letter of Credit, or (ii) 110% of (A) the Aggregate Lump Sum Accrued Benefits (assuming immediate termination of employment) payable to all Participants under the terms of the Payment Schedule then in effect, minus (B) the then current balance in the Trust Fund. At any time thereafter that the Letter of Credit is not fully drawn down and the Aggregate Lump Sum Accrued Benefits (assuming immediate termination of employment) payable to all Participants exceed the balance in the Trust Fund, the Trustee shall immediately take all necessary steps to draw down an additional amount under the Letter of Credit equal to the lesser of (i) the remaining amount of the Letter of Credit, or (ii) 110% of the difference between such Aggregate Lump Sum Accrued Benefits and the balance in the Trust Fund.

(c) Once obtained by the Trustee in accordance with this Section and deposited in the Trust Fund, amounts paid under a Letter of Credit shall in all respects be treated as Company contributions under Section 3.01.

(d) The Trustee shall have no responsibility for maintaining or renewing a Letter of Credit. Further, the Trustee shall not be liable for and the Company shall indemnify and hold the Trustee harmless from and against any claim or liability which may be asserted against the Trustee as a result of a Letter of Credit lapsing or being otherwise uncollectible for any reason whatsoever. The preceding sentence will not cover failure by the Trustee to act in accordance with the provisions of Sections 2.01(n) and 3.02(b).

ARTICLE IV
PAYMENT OF BENEFITS

Section 4.01. Payments Prior to a Change of Control. Prior to a Change of Control, the Trustee shall make such payments as directed by the Committee in writing.

Section 4.02. Payments following a Change of Control. Following the occurrence of a Change of Control;

(a) Except as otherwise provided in this Section 4.02, the Trustee shall make payment to a Participant whose employment has terminated and for whom a Participant affidavit referred to in Section 4.02(c) has been submitted (or, if such Participant is not then living, to the Participant's beneficiary designated on the Payment Schedule or, absent such designation or if the designated beneficiary is not living at the time of payment, to the legal representative of the Participant's estate) at the time or times set forth in the Payment Schedule in effect after the Change of Control. The Committee shall notify the Trustee in writing of the termination of employment of a Participant, and shall certify in writing to the Trustee the reason for such

Participant's termination of employment for the purposes of the Payment Schedule and the date of such termination of employment. Subject to the provisions of Section 4.07, the Payment Schedule for each Participant will be updated at least annually by the Consulting Firm and provided to the Trustee by the Company. Such Payment Schedule shall include the Lump Sum Accrued Benefit of such Participant as of the date of such termination of employment. Immediately upon receipt of a Participant's affidavit as referred to in Section 4.02(c), the Trustee shall make payment to such Participant of the amount of the Lump Sum Accrued Benefit set forth in the most recent Payment Schedule which is in effect as of the date of the Participant's termination of employment. Upon receipt from the Company of an updated Payment Schedule as prepared by the Consulting Firm with respect to such Participant, the Trustee shall pay that portion of the Lump Sum Accrued Benefit not reflected in the previously utilized Payment Schedule, if any, to the Participant. No payment under this Section 4.02(a) shall be made in excess of the amount then held in the Trust Fund.

(b) The Trustee shall not make any payments to Participants from the Trust Fund except as provided in Section 4.02 and 4.03, even though it may be informed from another source that payments are due under the Plan. The Trustee shall be fully protected in acting upon the Payment Schedule and the certification of the Committee in accordance with subparagraph (a) above (and making payments or omitting to make payments in accordance therewith) and shall have no duty to determine the rights of any person in the Trust Fund or under the Plan or to inquire into the right or power of the Company to grant any payment to a Participant. Upon receipt of an affidavit from a Participant whose name does not appear on the most recent Payment Schedule then in effect, the Trustee shall have no obligation to make payment of Benefits to such Participant, but shall be obligated to pay upon receipt from the Company of an appropriately updated Payment Schedule which demonstrates that Benefits are payable to such Participant.

(c) In the event that any Benefits are payable as a result of the termination of a Participant's employment, the Trustee shall be entitled to rely on either a statement from the Company or an affidavit from the Participant (substantially in the form annexed hereto as Exhibit B) to the effect that a termination of employment has occurred with respect to such Participant and the effective date thereof. In the event of a conflicting Company statement and a Participant's affidavit, the Participant's affidavit shall control.

(d) In the event that an event described in Section 7.03 hereof requiring a termination of the Trust shall occur following a Change of Control, the Trustee shall pay the full amount of each Participant's Lump Sum Accrued Benefit (as hereinafter defined and determined as of the date of such termination of the Trust) to such Participant (or, if such Participant is not then living, to the Participant's beneficiary designed on the Payment Schedule, or absent such designation or

if the designated beneficiary is not living at the time of the payment, to the legal representative of the Participant's estate) in a single cash lump sum. If the amount then held in the Trust Fund is not sufficient to pay out the full amount of each Participant's Lump Sum Accrued Benefit, the amount payable in respect of each Participant shall be proportionally reduced so that the total amount to be paid equals the balance in the Trust Fund. For the purposes of this Trust Agreement, "Lump Sum Accrued Benefit" shall mean the "Lump Sum Accrued Benefit" designated on the most recent Payment Schedule which is in effect and is applicable to the particular Participant as of the date of such termination of the Trust or, if such termination occurs on a date other than a date specified on the Payment Schedule, such lump sum amount as shall be specified in a written certification provided to the Trustee by the Consulting Firm (which dollar amount shall not be less than the amount specified on the Payment Schedule for the date next preceding such date of termination of the Trust, nor greater than the amount specified on the Payment Schedule for the date next following the date of termination of the Trust). The Trustee shall have no obligation to verify the computation of Lump Sum Accrued Benefits or the determination of the sufficiency of the Trust Fund to provide the same and may rely and shall be fully protected in relying on the Consulting Firm's certification with respect thereto and on the Payment Schedule.

Section 4.03 Other Payments. Notwithstanding any other provision of this Trust Agreement, if any amounts held in the Trust are found in a Determination to have been includible in gross income of a Participant prior to payment of such amounts from the Trust, the Trustee shall, as soon as practicable, pay such amounts to such Participant, up to the Lump Sum Accrued Benefit. For purposes of this Section 4.03, the Trustee shall be entitled to rely on an affidavit from a Participant (substantially in the form annexed hereto as Exhibit C) to the effect that a Determination described in the preceding sentence has occurred.

Section 4.04. Company's Continuing Obligations. Notwithstanding any provisions of this Trust Agreement to the contrary, the Company shall remain obligated to pay the Benefits under the Plan. To the extent the amount in the Trust Fund is not sufficient to pay any Benefit when due, the Company shall pay such deficiency directly to the Participant. Nothing in this Trust Agreement shall relieve the Company of its liabilities to pay the Benefits except to the extent such liabilities are met by the application of Trust Fund assets.

Section 4.05. Excess Amounts. To the extent there remains an amount in the Trust Fund after the Benefits with respect to all Participants have been paid in full, the Trust shall terminate and the assets of the Trust Fund (if any) after the payment of any unpaid expenses thereof shall be transferred to the Company.

Section 4.06. Company's Income. The Company agrees that all income, deductions and credits of each such account belong to it as owner for income tax purposes and will be included on the Company's income tax returns.

Section 4.07. Payment Schedule. The Company shall provide the Trustee with a Payment Schedule with respect to each Participant. The Company may amend or substitute Payment Schedules from time to time prior to the occurrence of a Change of Control, but not thereafter. Following a Change of Control, the Company shall not have the power to amend the Payment Schedule then in effect or to substitute a new Payment Schedule in its place unless (i) with respect to each Participant, the Benefits payable under the amended or substituted Payment Schedule are at least equal in all respects to the Benefits provided for under the Payment Schedule in effect immediately prior to such amendment or substitution, and (ii) the ratio which the current balance in the Trust Fund (after any amounts are drawn from the Letter of Credit pursuant to Section 3.02(b)) bears to the Aggregate Lump Sum Accrued Benefits (assuming immediate termination of employment) payable to all Participants under the amended or substituted Payment Schedule is equal to one or more; however, a Participant may at any time advise the Trustee in writing of a change in the designation of his beneficiary.

ARTICLE V
CONCERNING THE TRUSTEE

Section 5.01. Notices to the Trustee. The Trustee may rely on the authenticity, truth and accuracy of, and will be fully protected in acting upon:

(a) any notice, direction, certification, approval or other writing of the Company, if evidenced by an instrument signed in the name of the Company by its Chairman, President, any Vice President, Secretary or Treasurer;

(b) any copy of a resolution of the Board of Directors of the Company, if certified by the Secretary or an Assistant Secretary of the Company under its corporate seal; and

(c) any notice, direction, certification, approval or other writing, oral or other transmitted form of instruction received by the Trustee and believed by it to be genuine and to be sent by or on behalf of the Committee.

Section 5.02. Expenses of the Trust Fund. The Trustee is authorized to pay out of the Trust Fund: (a) all brokerage fees and transfer tax expenses and other expenses incurred in connection with the sale or purchase of investments; (b) all real and personal property taxes, income taxes and other taxes of any kind at any time levied or assessed under any present or future law upon, or with respect to, the Trust Fund or any property included in the Trust Fund; (c) the Trustee's compensation and expenses as provided in Section 5.03 hereof; and (d) all other expenses of administering the Trust, unless promptly paid to the Trustee by the Company.

Section 5.03. Compensation of the Trustee. The Company will pay to the Trustee such reasonable compensation for its services as may be agreed upon from time to time by the Company and the Trustee and will reimburse the Trustee for all reasonable expenses (including attorney's fees) incurred by the Trustee in the administration of the Trust.

Section 5.04. Protection of the Trustee. The Company shall pay and shall protect, indemnify and save harmless the Trustee and its officers, employees and agents from and against any and all losses, liabilities (including liabilities for penalties), actions, suits, judgments, demands, damages, costs and expenses (including, without limitation, attorneys' fees and expenses) of any nature arising from or relating to any action or any failure to act by the Trustee, its officers, employees and agents or the transactions contemplated by this Trust Agreement, including, but not limited to, any claim made by a Participant or his beneficiary with respect to payments made or to be made by the Trustee, any claim made by the Company or its successor, whether pursuant to a sale of assets, merger, consolidation, liquidation or otherwise, that this Trust Agreement is invalid or ultra vires, except to the extent that any such loss, liability, action, suit, judgment, demand, damage, cost or expense has been determined by final judgment of a court of competent jurisdiction to be the result of the gross negligence or willful misconduct of the Trustee, its officers, employees or agents. To the extent that the Company has not fulfilled its obligations under the foregoing provisions of this Section, the Trustee shall be reimbursed out of the assets of the Trust Fund or may set up reasonable reserves for the payment of such obligations. The Trustee assumes no obligation or responsibility with respect to any action required by this Trust Agreement on the part of the Company.

Section 5.05. Duties of the Trustee. The Trustee will be under no duties whatsoever, except such duties as are specifically set forth as such in this Trust Agreement, and no implied covenant or obligation will be read into this Trust Agreement against the Trustee. The Trustee will not be compelled to take any action toward the execution or enforcement of the Trust or to prosecute or defend any suit in respect thereof, unless indemnified to its satisfaction against loss, costs, liability and expense or there are sufficient assets in the Trust Fund to provide such indemnity; and the Trustee will be under no liability or obligation to anyone with respect to any failure on the part of the Company, the Committee or a Participant to perform any of their respective obligations under the Plan or an Agreement.

Section 5.06. Settlement of Accounts of the Trustee. The Trustee shall keep or cause to be kept accurate and detailed accounts of all investments, receipts, disbursements and other transactions hereunder. Such accounts shall be open to inspection and audit at all reasonable times during normal business hours by any person designated by the Company or the Committee or, following a Change of Control, by any Participant

listed on a Payment Schedule (or by a person designated by such Participant). At least annually, the Trustee shall file with the Company a written account, listing the investments of the Trust Fund and any uninvested cash balance thereof, and setting forth all receipts, disbursements, payments, and other transactions respecting the Trust Fund not included in any such previous account. Any account, when approved by the Company and the Committee, will be binding and conclusive on the Company and the Committee, and the Trustee will thereby be released and discharged from any liability or accountability to the Company and the Committee with respect to all matters set forth therein. Failure by the Company and the Committee to object in writing to any specific items in any such account within sixty (60) days after its delivery will constitute approval of the account by the Company and the Committee. No other accounts or reports shall be required to be given to the Company, the Committee or a Participant except as stated herein or except as otherwise agreed to in writing by the Trustee. The Trustee shall not be required to file an accounting, judicial or otherwise.

Section 5.07. Right to Judicial Settlement. Nothing contained in this Trust Agreement shall be construed as depriving the Trustee of the right to have a judicial settlement of its accounts, and upon any proceeding for a judicial settlement of the Trustee's accounts or for instructions, the only necessary parties thereto in addition to the Trustee shall be the Company and the Participants listed on the Payment Schedule then in effect (or, in the case of a deceased Participant still entitled to Benefits from the Trust Fund, his designated beneficiary or if none, the legal representative of his estate).

Section 5.08. Resignation or Removal of the Trustee. The Trustee may at any time resign and may at any time be removed by the Company upon sixty (60) days' notice in writing, provided, however, that upon or after a Change of Control, the Company shall not have the right to remove the Trustee.

Section 5.09 Appointment of Successor Trustee. In the event of the resignation or removal of the Trustee, or in any other event in which the Trustee ceases to act, a successor trustee may be appointed by the Company by an instrument in writing delivered to and accepted by the successor trustee; provided, however, that if such resignation occurs upon or after a Change of Control, the successor trustee shall be appointed by a majority of the Participants with an interest in the Trust. Notice of such appointment will be given by the Company to the retiring trustee, and the successor trustee will deliver to the retiring trustee an instrument in writing accepting such appointment. If no appointment of a successor trustee is made by the Company within a reasonable time after such a resignation, removal or other event, any court of competent jurisdiction may appoint a successor trustee after such notice, if any, solely to the Company, the Committee and the retiring trustee, as such court may deem suitable and proper.

In the event of such resignation, removal or other event the retiring trustee or its successors and assigns shall file with the Company and the Committee a final account to which the provisions of Section 5.06 hereof relating to the annual account shall apply.

In the event of the appointment of a successor trustee, such successor trustee will succeed to all the right, title and estate of, and will be, the Trustee; and the retiring trustee will after the settlement of its final account and the receipt of any compensation or expenses due it, deliver the Trust Fund to the successor trustee together with all such instruments of transfer, conveyance, assignment and further assurance as the successor trustee may reasonably require. The retiring trustee will retain a lien upon the Trust Fund to secure all amounts due the retiring trustee pursuant to the provisions of this Trust Agreement.

5.10. Merger or Consolidation of the Trustee. Any corporation continuing as the result of any merger or resulting from any consolidation to which merger or consolidation the Trustee is a party, or any corporation to which substantially all the business and assets of the Trustee may be transferred, will be deemed automatically to be continuing as the Trustee.

ARTICLE VI

ENFORCEMENT; CHANGE OF CONTROL; CREDITORS

Section 6.01. Enforcement of Trust Agreement and Legal Proceedings. The company shall have the right to enforce any provision of this Trust Agreement, and on or after a Change of Control, any Participant (or if such Participant is deceased, his beneficiary as set forth on the Payment Schedule or, absent such designation or if the designated beneficiary is deceased, the legal representative of such Participant's estate) shall have the right as a beneficiary of the Trust to enforce any provision of this Trust Agreement that affects the right, title and interest of such Participant in the Trust. Except as otherwise provided in Sections 5.06 and 5.07 hereof, in any action or proceeding affecting the Trust, the only necessary parties shall be the Company, the Trustee and the Participants listed in the Payment Schedule then in effect and, except as otherwise required by applicable law, no other person shall be entitled to any notice or service of process. Any judgment entered in such an action or proceeding shall, to the maximum extent permitted by applicable law, be binding and conclusive on all persons having or claiming to have any interest in the Trust.

Section 6.02. Change of Control. A "Change of Control" shall be deemed to have occurred upon the occurrence of any of the following events, unless and except to the extent otherwise determined by the Board prior to the occurrence of such event (i) the acquisition by a third person, including a "group" as defined in section 13(d)(3) of the Securities Exchange Act of 1934, of shares of the Company having 20% or more of the total number of votes that may be cast for the election of directors of the Company, (ii) shareholder approval of a transaction for the acquisition of the Company, or substantially all of its assets,

by another entity or for a merger, reorganization, consolidation or other business combination to which the Company is a party, (iii) a change during any period of 24 months or less in the composition of a majority of the Board of Directors of the Company where such change has not been approved by a majority of the Board as constituted immediately prior to the commencement of such period or (iv) any other event determined by the Board to be a Change of Control for purposes of the Plan. Notwithstanding the foregoing definition, no Change of Control shall be deemed to have occurred for purposes of this Trust Agreement unless and until the Trustee has actual knowledge from a reliable source, not including a Participant, of such Change of Control. For this purpose, a report filed with the Securities and Exchange Commission or a public statement issued by the Company, or a notice to the Trustee from the Committee, or a periodical of general circulation, including, but not limited to, The New York Times or The Wall Street Journal, shall be deemed to be a reliable source, and the Trustee shall be deemed to have actual knowledge of any report of any Change of Control included in such a public statement or periodical.

Section 6.03. Insolvency of the Company. If at any time (i) the Company or a person claiming to be a creditor of the Company alleges in writing to the Trustee that the Company has become Insolvent, (ii) the Trustee is served with any order, process or paper from which it appears that an allegation to the effect that the Company is Insolvent has been made in a judicial proceeding or (iii) the Trustee has actual knowledge of a current report or statement from a nationally recognized credit reporting agency or from a reliable source (within the meaning of Section 6.02 of the Trust Agreement) to the effect that the Company is Insolvent, the Trustee shall discontinue payment of Benefits under this Trust Agreement, shall hold the Trust Fund for the benefit of the Company's creditors, and shall resume payment of Benefits under this Trust Agreement in accordance with Article IV hereof only upon receipt of an order of a court of competent jurisdiction requiring such payment or if the Trustee has actual knowledge of a current report or statement from a nationally recognized credit reporting agency or other reliable source (within the meaning of Section 6.02 of this Trust Agreement) to the effect that the Company is not Insolvent; provided, however, that in the event payment of Benefits was discontinued by reason of a court order or injunction, the Trustee shall resume payment of Benefits only upon receipt of an order of competent jurisdiction requiring such payment. The Board of Directors and the Chief Executive Officer shall be obligated to give the Trustee prompt written notice in the event that the Company becomes Insolvent. The Trustee shall not be liable to anyone in the event Benefits are discontinued pursuant to this Section 6.03.

(b) If the Trustee discontinues payment of Benefits pursuant to Section 6.03(a) and subsequently resumes such payment, the first payment to a Participant for his Account following such discontinuance shall include an aggregate amount equal to the difference between the payments which would have been made to such Participant under this Trust Agreement but for

Section 6.02(a) and the aggregate payments actually made to such Participant by the Company (as certified to the Trustee by the Participant in writing) during any such period of discontinuance, plus interest on such amount at a rate equivalent to the net rate of return earned by the Trust Fund during the period of such discontinuance.

(c) In the event that at any time following a Change of Control any amount is paid from the Trust Fund to creditors of the Company, the Company shall upon demand by the Trustee deposit into the Trust Fund a sum equal to the amount paid by the Trust Fund to such creditors.

ARTICLE VII
AMENDMENT, REVOCATION AND TERMINATION

Section 7.01. Amendment. (a) Prior to the occurrence of a Change of Control, the Company may from time to time amend in writing, in whole or in part, any or all of the provisions of this Trust Agreement with the written consent of the Trustee but without the consent of any Participant.

(b) At any time upon or after the occurrence of a Change of Control, the Trust Agreement may not be amended by the Company or its successor. The Trust Agreement may, however, be amended following a Change of Control by a majority of the Participants listed on the Payment Schedule at such time; provided, however, that no such amendment shall increase the duties or obligations or change the indemnities or compensation of the Trustee without the Trustee's prior written consent. In addition, the Trust Agreement may be amended following a Change of Control by the Committee, but only to the extent such amendment is required by law or is necessary or desirable to prevent the inclusion in a Participant's income of all or any part of the Trust Fund prior to the receipt of any amounts by the Participant from the Trust Fund; provided, however, that no such amendment shall increase the duties or obligations or change the indemnities or compensation of the Trustee without the Trustee's prior written consent. In the event that the Committee adopts an amendment to the Trust Agreement following a Change of Control, the Committee shall provide the Trustee with a letter from counsel selected by the Committee to the effect that such amendment is required by law or is necessary or desirable to prevent adverse tax consequences to Participants. The Trustee may rely and shall be fully protected in relying on such letter without inquiry.

Section 7.02. Revocability and Status of Trust in Relation to Creditors. Prior to a Change of Control, the Trust shall be revocable by the Company, all or any part of the Trust Fund shall be revocable by the Company and the Participants shall have no right to any part of the Trust Fund. Upon a Change of Control, the Trust shall become irrevocable and shall be held for the exclusive purpose of providing the Benefits to Participants and their beneficiaries and defraying expenses of the Trust in accordance with the provisions of this Trust Agreement. Once the Trust has become irrevocable, no part of the income or corpus of the Trust Fund shall be recoverable by the Company, except as otherwise provided in Sections 4.05 and 7.03 hereof.

Notwithstanding anything in this Trust Agreement to the contrary, the Trust Fund shall at all times be subject to the claims of creditors of the Company as provided in Section 6.03 of this Trust Agreement.

Section 7.03. Termination. (a) Prior to a Change of Control, the Company may revoke and terminate the Trust at any time, in its sole discretion, without the approval of any Participant, upon notice in writing to the Trustee. As soon as practicable following the Trustee's receipt of such notice, the Trustee shall settle its final accounts in accordance with Section 5.06 hereof and, after the receipt of any unpaid fees and expenses, shall distribute the balance of the Trust Fund as directed by the Company.

(b) Following a Change of Control, the Trust shall terminate upon the occurrence of any of the following events: (i) the Trustee receives written notice that it believes to be genuine that any Insurance Contract held in the Trust Fund has lapsed due to the nonpayment of premiums by the Company, unless the Consulting Firm provides a written statement to the Trustee that such lapse is consistent with the funding policies of the applicable Plan; (ii) the Consulting Firm provides the Trustee with a written statement to the effect that the aggregate Lump Sum Accrued Benefits (as defined in Section 4.02(d) hereof) of all Participants exceeds the fair market value of the assets of the Trust and setting forth the amount of such excess, and the Company fails to contribute to the Trust within thirty (30) days after receipt of such statement by the Trustee an amount at least equal to such excess; or (iii) payment in full has been made of all Benefits provided in all Payment Schedules then in effect.

In such event, the Trustee shall make all payments required by Article IV, and after the Trustee's final accounts have been settled in accordance with Section 5.06 hereof and the receipt of any unpaid fees and expenses, the Trustee shall distribute the balance of the Trust Fund as directed by the Company.

ARTICLE VII MISCELLANEOUS PROVISIONS

Section 8.01. Members of the Committee. Prior to a Change of Control, the Company shall promptly certify to the Trustee the name, address and specimen signature of every member of the Committee and of any person authorized to act on behalf of the Consulting Firm and any changes in such persons. Following a Change of Control, the Committee shall promptly certify to the Trustee (in a writing signed by a majority of the then members of the Committee) any changes in the name, address and specimen signature of any member of the Committee and of any person authorized to act on behalf of the Consulting Firm. The Trustee may rely on the identity of the members of the Committee and the persons authorized to act on behalf of the Consulting Firm until it receives written notice to the contrary from the Company prior to a change of Control or from the Committee following a Change of Control.

Section 8.02. Successors. This Trust Agreement shall be binding upon and inure to the benefit of the Company and the Trustee and their representative successors and assigns.

Section 8.03. Nonalienation. Except insofar as applicable law may otherwise require, (a) no amount payable to or in respect of any Participant at any time under the Trust shall be subject in any manner to alienation by anticipation, sale, transfer, assignment, bankruptcy, pledge, attachment, charge or encumbrance of any kind, and any attempt to so alienate, sell, transfer, assign, pledge, attach, charge or otherwise encumber any such amount, whether presently or thereafter payable, shall be void; and (b) the Trust Fund shall in no manner be liable for or subject to the debts or liabilities of any Participant.

Section 8.04. Communications. (a) Communications to the Company or the Committee shall be addressed to the Company or the Committee, as the case may be, at 300 Park Avenue, New York, New York 10022, Attn: Vice President and General Counsel; provided, however, that upon the Company's or the Committee's written request, such communications shall be sent to such other address as the Company or the Committee, as the case may be, shall specify.

(b) Communications to the Trustee shall be addressed to it at 1 Wall Street, 7th Floor, New York, NY 10286, Attn: Department Head, Institutional Trust Division; provided, however, that upon the Trustee's written request, such communications shall be sent to such other address as the Trustee may specify.

(c) No communication shall be binding on the Trustee until it is received by the Trustee, and no communication shall be binding on the Company or the Committee until it is received by the Company or the Committee, as the case may be.

Section 8.05. Headings. Titles to the Sections of this Trust Agreement are included for convenience only and shall not control the meaning or interpretation of any provision of this Trust Agreement.

Section 8.06. Third Parties. A third party dealing with the Trustee shall not be required to make inquiry as to the authority of the Trustee to take any action nor be under any obligation to follow the proper application by the Trustee of the proceeds of sale of any property sold by the Trustee or to inquire into the validity or propriety of any act of the Trustee.

Section 8.07. Governing Law. This Trust Agreement and the Trust established hereunder shall be governed by and construed, enforced, and administered in accordance with the laws of the State of New York, and the Trustee shall be liable to account only in the courts of that state.

Section 8.08. Counterparts. This Trust Agreement may be executed in any number of counterparts, each of which shall be deemed to be the original although the others shall not be produced.

IN WITNESS WHEREOF, this Amended and Restated Trust Agreement has been duly executed by the parties hereto as of the day and year first above written.

COLGATE-PALMOLIVE COMPANY

By: /s/ BRIAN HEIDTKE
Brian Heidtke

Attest

/s/ EMILY ZUCKERMAN

THE BANK OF NEW YORK, as TRUSTEE

By: /s/ DONNA R. SHEEHAN
Donna R. Sheehan

Attest

/s/ (ILLEGIBLE)

LIST OF PAYMENT SCHEDULES

_____, 199__

Pursuant to the provisions of the Amended and Restated Trust Agreement between Colgate-Palmolive Company (the “Company”) and The Bank of New York as Trustee dated as of August 2, 1990 (the “Trust Agreement”), the Company provides Payment Schedules with respect to the following Participants:

Name

PAYMENT SCHEDULE

NAME AND ADDRESS OF PARTICIPANT
SSN: _____

Pursuant to the provisions of the Amended and Restated Trust Agreement between Colgate-Palmolive Company (the "Company") and The Bank of New York dated as of August 2, 1990 (the "Trust Agreement"), the Company provides the following Payment Schedule with respect to the above named Participant.

[INSERT DESCRIPTION OF BENEFIT AND DATE(S) OF PAYMENT]

BENEFICIARY: Name _____
Address _____
SSN _____

AFFIDAVIT

I, _____, under penalties of perjury, do hereby solemnly swear (i) that I make this affidavit in order to induce The Bank of New York, as Trustee under the Amended and Restated Trust Agreement with Colgate-Palmolive Company (the "Company") dated as of August 2, 1990 (the "Trust Agreement"), to pay me the benefits to which I am entitled under such Trust Agreement, and (ii) that a termination (within the meaning of Section 4.02 of the Trust Agreement) has occurred with respect to my employment with the Company as of _____.

Participant's Signature

STATE OF)
) ss. :
COUNTY OF)

On the ___ day of _____, 199___, before me personally came _____, to me known, who, being by me duly sworn, did depose and say that _____ resides at _____, and that the statements herein are all true and correct.

Notary Public

Commission Expires:

**AMENDMENT TO
TRUST AGREEMENT**

AGREEMENT made this 29th day of October, 2007 by and between **COLGATE-PALMOLIVE COMPANY** (hereinafter referred to as "Company") and **THE BANK OF NEW YORK** (hereinafter referred to as "Trustee").

WITNESSETH

WHEREAS, the Company has established the **AMENDED AND RESTATED COLGATE-PALMOLIVE COMPANY SUPPLEMENTAL SALARIED EMPLOYEES RETIREMENT INCOME PLAN TRUST** dated August 2, 1990 (hereinafter referred to as the "Trust"), and

WHEREAS, Company desires to amend the Trust Agreement to assure that the Colgate-Palmolive Company Supplemental Salaried Employees Retirement Income Plan ("SERP") complies with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code").

NOW, THEREFORE, the parties hereto, intending to be legally bound, agree to amend the Trust Agreement, effective as of the date of this Agreement, to read as follows:

1. Section 4.02(a) of the Trust is amended to read as follows:

(a) Except as otherwise provided in this Section 4.02, the Trustee shall make payment to a Participant whose employment has terminated and for whom a Participant affidavit referred to in Section 4.02(c) has been submitted (or, if such Participant is not then living, to the

Participant's beneficiary designated on the Payment Schedule or, absent such designation or if the designated beneficiary is not living at the time of payment, to the legal representative of the Participant's estate) at the time or times set forth in the Payment Schedule in effect after the Change of Control. The Committee shall notify the Trustee in writing of the termination of employment of a Participant, and shall certify in writing to the Trustee the reason for such Participant's termination of employment for the purposes of the Payment Schedule and the date of such termination of employment. Subject to the provisions of Section 4.07, the Payment Schedule for each Participant will be updated at least annually by the Consulting Firm and provided to the Trustee by the Company. Such Payment Schedule shall include the Lump Sum Accrued Benefit of such Participant as of the date of such termination of employment. Immediately upon receipt of a Participant's affidavit as referred to in Section 4.02(c), the Trustee shall make payment to such Participant of the amount of the Lump Sum Accrued Benefit set forth in the most recent Payment Schedule which is in effect as of the date of the Participant's termination of employment. Upon receipt from the Company of an updated Payment Schedule as prepared by the Consulting Firm with respect to such Participant, the Trustee shall pay that portion of the Lump Sum Accrued Benefit not reflected in the previously utilized Payment Schedule, if any, to the Participant. No payment under this Section 4.02(a) shall be made in excess of the amount then held in the Trust Fund. Notwithstanding the foregoing, in the case of a Participant whose benefit under the SERP is calculated under Appendices A, C, or D of the "Base Plan," as defined in the SERP, payment of such Participant's "Non-Grandfathered Benefit," as determined under the SERP, shall be made under this Section 4.02(a) only if (i) the transaction giving rise to the Change of Control meets the requirements of Code Section 409A(a)(2)(A)(v) and the regulations thereunder, and (ii) the Participant's termination of

employment occurs within two years of such transaction. Payments under this Section 4.02(a) of “Non-Grandfathered Benefits” to “Specified Employees,” as defined in the SERP, shall be deferred until the earlier of (i) the date that is six months following the Specified Employee’s termination of employment, or (ii) the date of the Specified Employee’s death.

2. Section 4.02(d) of the Trust is amended to read as follows:

In the event that an event described in Section 7.03 hereof requiring a termination of the Trust shall occur following a Change of Control, the Trustee shall pay the full amount of each Participant’s Lump Sum Accrued Benefit (as hereinafter defined and determined as of the date of such termination of the Trust) to such Participant (or, if such Participant is not then living, to the Participant’s beneficiary designated on the Payment Schedule, or absent such designation or if the designated beneficiary is not living at the time of the payment, to the legal representative of the Participant’s estate) in a single cash lump sum. If the amount then held in the Trust Fund is not sufficient to pay out the full amount of each Participant’s Lump Sum Accrued Benefit, the amount payable in respect of each Participant shall be proportionally reduced so that the total amount to be paid equals the balance in the Trust Fund. For the purposes of this Trust Agreement, “Lump Sum Accrued Benefit” shall mean the “Lump Sum Accrued Benefit” designated on the most recent Payment Schedule which is in effect and is applicable to the particular Participant as of the date of such termination of the Trust or, if such termination occurs on a date other than a date specified on the Payment Schedule, such lump sum amount as shall be specified in a written certification provided to the Trustee by the Consulting Firm (which dollar amount shall not be less than the amount specified on the Payment Schedule for the date next preceding such date of termination of the Trust, nor greater than the amount specified on the Payment Schedule for the date next following the date of

termination of the Trust. For purposes of this Section 4.02(d), the "Lump Sum Accrued Benefit" shall not exceed the Participant's "Grandfathered Benefit," as determined under the terms of the SERP. The Trustee shall have no obligation to verify the computation of Lump Sum Accrued Benefits or the determination of the sufficiency of the Trust Fund to provide the same and may rely and shall be fully protected in relying on the Consulting Firm's certificate with respect thereto and on the Payment Schedule.

3. Section 4.03 of the Trust is amended to read as follows:

Section 4.03 Other Payments. Notwithstanding any other provision of this Trust Agreement, if any amounts held in the Trust are found in a Determination to have been includible in gross income of a Participant prior to payment of such amounts from the Trust, the Trustee shall, as soon as practicable, pay such amounts to such Participant up to the Lump Sum Accrued Benefit which, for purposes of this Section 4.03, shall be limited to the Participant's "Grandfathered Benefit" as determined under the SERP. For purposes of this Section 4.03, the Trustee shall be entitled to rely on an affidavit from a Participant (substantially in the form annexed hereto as Exhibit C) to the effect that a Determination described in the preceding sentence has occurred. If any amounts that remain in the Trust after the payment required under the first sentence of this paragraph are found in a Determination to have been includible in gross income of a Participant prior to payment of such amounts from the Trust by reason of a failure of the SERP to meet the requirements of Code Section 409A and the regulations thereunder, the Trustee shall, as soon as practicable, pay such amounts that are includable in income by reason of such failure to such Participant and charge his account accordingly. The Trustee shall be entitled to rely on an affidavit from a Participant (substantially in the form annexed hereto as Exhibit C) to the effect that a Determination described in the preceding sentence has occurred.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year first above mentioned.

COLGATE-PALMOLIVE COMPANY

By: /s/ EDWARD J. FILUSCH

THE BANK OF NEW YORK

By: /s/ MICHAEL SHAYNE

**AMENDMENT TO THE
COLGATE-PALMOLIVE COMPANY
EXECUTIVE SEVERANCE PLAN
TRUST AGREEMENT**

AGREEMENT made this 29th day of October, 2007 by and between **COLGATE-PALMOLIVE COMPANY** (hereinafter referred to as "Company") and **THE BANK OF NEW YORK** (hereinafter referred to as "Trustee").

WITNESSETH

WHEREAS, the Company has established the **COLGATE-PALMOLIVE COMPANY EXECUTIVE SEVERANCE PLAN TRUST** dated June 12, 1987 (hereinafter referred to as the "Trust"), and

WHEREAS, Company desires to amend the Trust Agreement to assure that the Colgate-Palmolive Company Executive Severance Plan complies with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code").

NOW, THEREFORE, the parties hereto, intending to be legally bound, agree to amend Section 4.03 of the Trust Agreement, effective as of the date of this Agreement, to read as follows:

Section 4.03 Other Payments. Notwithstanding any other provision of this Trust Agreement, if any amounts held in the Trust are found in a Determination to have been includible in gross income of a Participant prior to payment of such amounts from the Trust by reason of a failure of the Executive Severance Plan to meet the requirements of Code Section

409A and the regulations thereunder, the Trustee shall, as soon as practicable, pay such amounts that are includable in income by reason of such failure to such Participant and charge his account accordingly. For purposes of this Section 4.03, the Trustee shall be entitled to rely on an affidavit from a Participant (substantially in the form annexed hereto as Exhibit C) to the effect that a Determination described in the preceding sentence has occurred.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year first above mentioned.

COLGATE-PALMOLIVE COMPANY

By: /s/ EDWARD J. FILUSCH

THE BANK OF NEW YORK

By: /s/ MICHAEL SHAYNE

COLGATE-PALMOLIVE COMPANY

2007 STOCK PLAN FOR NON-EMPLOYEE DIRECTORS

Effective January 1, 2007

(Approved by Stockholders on May 4, 2006,
and Amended December 7, 2006 and September 12, 2007)

1. *Purpose.* The purpose of the Colgate-Palmolive Company 2007 Stock Plan for Non-Employee Directors (the "Plan") is to attract and retain qualified persons to serve as directors of Colgate-Palmolive Company, a Delaware corporation (the "Company"), to enhance the equity interest of directors in the Company, to solidify the common interests of its directors and stockholders, and to encourage the highest level of director performance by providing them with a proprietary interest in the Company's performance and progress, by crediting them annually with shares of the Company's Common Stock, par value \$1.00 per share (the "Common Stock"). If approved by stockholders of the Company at the 2006 Annual Meeting of Stockholders, this Plan shall become effective as of January 1, 2007, replacing the Company's Stock Plan for Non-Employee Directors, which expires by its terms on December 31, 2006.

2. *Effective Date and Term.* The Plan shall remain in effect until December 31, 2016, unless sooner terminated by action of the Board of Directors of the Company (the "Board"), subject to Section 12 below to the extent applicable. Awards outstanding as of the date of such termination shall not be affected or impaired by the termination of the Plan.

3. *Participation.* All Non-Employee Directors shall participate in the Plan. The term "Non-Employee Director" means any individual who is a member of the Board as of January 1, 2007, or who becomes a member of the Board thereafter during the term of the Plan and in each case during such periods as he or she is not an employee of the Company or any of its subsidiaries.

4. *Administration; Amendment.*

(a) The Plan will be administered by the Employee Relations Committee of the Company (the "Committee"), the members of which are appointed from time to time by the Board, which shall have full power and authority to interpret and construe the Plan, to establish, amend and rescind rules and regulations relating to the Plan, and to take all such actions and make all such determinations in connection with the Plan as it may deem necessary or desirable.

(b) The Board may from time to time make such amendments to the Plan as it may deem proper and in the best interest of the Company without further approval of the Company's stockholders, unless and to the extent required by the listing standards of the NYSE or to qualify transactions under the Plan for exemption under Rule 16b-3 ("Rule 16b-3") promulgated under Section 16 of the Securities Exchange Act of 1934, as amended from time to time, and any successor thereto (the "Exchange Act").

(c) Subject to the above provisions of this Section 4 and to Section 12 below, the Board shall have authority, without stockholder approval, to amend the Plan to take into account changes in law and tax and accounting rules as well as other developments, including without limitation new rules that may be promulgated under Section 16 of the Exchange Act, as amended from time to time, and to grant awards which qualify for beneficial treatment under such rules.

5. *Shares.*

(a) Each Non-Employee Director shall receive compensation at the rate of 2600 shares of Common Stock per full calendar year of service on the Board. Payments shall be made annually on the third business day following the date of the public announcement of the Company's annual sales and earnings. Either authorized but unissued or Treasury shares shall be used for this purpose. The shares paid pursuant to this Plan shall be in addition to any other compensation to which a Non-Employee Director may be entitled. Each Non-Employee Director will be required to represent that the shares are to be held for investment purposes and not with a view to or for resale or distribution except in compliance with the Securities Act of 1933, as amended from time to time, and any successor thereto (the "Securities Act"), and to give a written undertaking, in form and substance satisfactory to the Company, that he or she will not publicly offer or sell or otherwise distribute the shares other than (i) in the manner and to the extent permitted by Rule 144 of the Securities and Exchange Commission under the Securities Act, (ii) pursuant to any other exemption from the registration provisions of the Securities Act, or (iii) pursuant to an effective registration statement.

(b) If an individual becomes a Non-Employee Director during a calendar year, he or she shall receive for that year the number of shares equal to the product of (i) the number of shares to which he or she would have been entitled to under Section 5(a) had he or she been a Non-Employee Director for the full calendar year, and (ii) the fraction obtained by dividing (x) the number of calendar months during such calendar year that such person was a Non-Employee Director by (y) 12; provided, that for purposes of the foregoing a partial calendar month shall be treated as a whole month. Payments for such an individual shall be made on the third business day following the date of the next public announcement of the Company's quarterly or annual sales and earnings.

6. *Adjustments.* In the event of any change in corporate equity capitalization, such as a stock split, reverse stock split, stock dividend, share combination, recapitalization, spin-off or similar event affecting the equity capital structure of the Company, the Board shall make equitable substitution or adjustments in the number and kind of shares to be granted under the Plan and the number and kind of shares credited to Share Accounts. In the event of a corporate transaction, such as any merger, consolidation, acquisition of property or shares, stock rights offering, liquidation, Disaffiliation (as defined below) (other than a spin-off), or other distribution of stock or property of the Company (including an extraordinary cash dividend) not covered by the prior sentence, any reorganization (whether or not such reorganization comes within the definition of such term in Section 368 of the Code) or any partial or complete liquidation of the Company, or similar event affecting the Company or any of its subsidiaries or affiliates, the Board may make such substitution or adjustments in the number and kind of shares to be granted under the Plan, in the number and kind of shares credited to Share Accounts, and/or such other equitable substitution or adjustments as it may determine to be appropriate in its sole

discretion. For these purposes, "Disaffiliation" means a subsidiary or affiliate of the Company ceasing to be a subsidiary or affiliate for any reason (including, without limitation, as a result of a public offering, or a spin-off or sale by the Company of the stock of the subsidiary or affiliate) or a sale of a division of the Company or its affiliates. Notwithstanding the foregoing, no adjustment shall be made pursuant to this Section as a result of a cash dividend for which Dividend Equivalents are credited pursuant to Section 7(c) below.

7. Election to Defer Shares.

(a) *Types of Elections.* Each Non-Employee Director may make an election on an annual basis to defer receipt of all or part of the shares granted under this Plan for a given calendar year (such election, a "Deferral Election," and such deferred shares, "Deferred Shares"). The Deferral Election may also specify that the Non-Employee Director elects to receive distribution of the Deferred Shares subject to such Deferral Election in accordance with Section 7(d) below in a lump sum (a "Lump Sum Delivery Election"), or in up to ten annual installments (a "Specific Installment Election"). (Lump Sum Delivery Elections and Specific Installment Elections are referred to together as "Delivery Elections." Delivery Elections and Deferral Elections are referred to together as "Elections.") Notwithstanding any other provision of this Plan, an individual who first becomes a Non-Employee Director during a particular calendar year shall not be entitled to make a Deferral Election with respect to the shares he or she is granted for that calendar year pursuant to Section 5(b) above.

(b) *Making, Revoking and Amending Elections.* In order to make a Deferral Election pursuant to Section 7(a), a Non-Employee Director must deliver to the Secretary of the Company a written notice of the Deferral Election setting forth the number of shares to be deferred on such form as may be prescribed by the Committee. The written notice of the Deferral Election, together with any Delivery Election, must be delivered no later than the December 31 prior to the commencement of the calendar year to which the Election relates and shall become irrevocable as of such December 31; provided, that a Deferral Election may be cancelled pursuant to Section 7(f) below. In addition, each Election made for a calendar year shall remain in effect and apply to shares granted under this Plan for subsequent calendar years unless and to the extent that the Non-Employee Director making such Election revokes or amends the Election by filing a new Election on or before December 31 of the first calendar year to which such revocation or amendment applies.

(c) *Share Accounts.* Deferred Shares shall be credited to a bookkeeping account for the relevant Non-Employee Director (a "Share Account"). As and when the Company declares and pays cash dividends (other than extraordinary cash dividends covered by Section 6 above) with respect to the Common Stock, each Share Account shall be credited with a number (including fractions) of additional shares of Common Stock ("Dividend Equivalents") equal to (x) the amount of cash that would have been payable as a dividend with respect to the number of shares of Common Stock credited to the Share Account as of the record date for such dividend, if such shares had been actually outstanding, divided by (y) the Fair Market Value of a share of Common Stock on the payment date for such dividend.

(d) *Distribution of Deferred Shares.* All distributions from a Director's Share Account of Deferred Shares for which no valid Delivery Election is in effect, together with any related Dividend Equivalents, shall be made to the Non-Employee Director in ten annual installments commencing as soon as practicable following his or her "separation from service" within the meaning of Section 409A of the Code and the Treasury Regulations thereunder ("Separation"). Deferred Shares for which a valid Delivery Election is in effect, together with any related Dividend Equivalents, shall be made in a lump sum, or in the specified number of installments, as the case may be, commencing as soon as practicable following the Separation of the Non-Employee Director. Notwithstanding the foregoing, no distribution of any Dividend Equivalents shall be made or commence until six months after the date they are credited to the Share Account. Distributions will be made in shares of Common Stock unless otherwise determined by the Board or a duly appointed committee of the Board consisting of at least two members, each of whom is a "non-employee director" within the meaning of Rule 16b-3 under the Exchange Act; provided that no such determination may be made that would cause any transaction under the Plan to fail to be exempt under Section 16(b) of the Exchange Act or fail to qualify as a transaction exempt from registration under the Securities Act. If such shares are to be distributed in installments, such installments shall be equal, provided, that if in order to equalize such installments, fractional shares would have to be delivered, such installments shall be adjusted by rounding to the nearest whole share. If any such shares are to be delivered after the Non-Employee Director has died or become legally incompetent, all remaining undelivered shares shall be delivered to the Non-Employee Director's designated beneficiary or legal guardian, respectively, in a single lump sum. References to a Non-Employee Director in this Plan shall be deemed to refer to the Non-Employee Director's designated beneficiary or legal guardian, where appropriate.

(e) *Six-Month Delay.* Notwithstanding Section 7(d) above, if the Company determines that a Non-Employee Director is a "specified employee" subject to the special rule of Section 409A(2)(B)(i) of the Code, all distributions from his or her Share Account that would otherwise be made pursuant to Section 7(d) before the date which is six months after his or her Separation shall instead be made in a single lump sum, on or as soon as practicable following the earlier of (i) the date which is six months after his or her Separation and (ii) the date of his or her death.

(f) *Early Distribution In Case of Unforeseeable Emergency.* A Non-Employee Director shall be entitled to early distribution of all or part of his or her Director's Trust Account in the event of an "Unforeseeable Emergency," in accordance with this paragraph. An "Unforeseeable Emergency" means a severe financial hardship to the Non-Employee Director resulting from an illness or accident of the Non-Employee Director, the Non-Employee Director's spouse or a dependent (as defined in Section 152 of the Code without regard to Sections 152(b)(1), (b)(2) and (d)(1)(B)) of the Non-Employee Director, loss of the Non-Employee Director's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Non-Employee Director. The amounts distributed with respect to an unforeseeable emergency may not exceed the amounts necessary to satisfy such emergency plus amounts necessary to pay taxes reasonably anticipated as a result of the distribution, after taking into account the extent to which such hardship is or may be relieved through reimbursement or compensation by insurance or otherwise, by liquidation of the Non-Employee Director's assets (to the extent liquidation of

such assets would not itself cause severe financial hardship) or by cessation of deferrals under this Plan. Any Deferral Election in effect for a Non-Employee Director at the time he or she receives a distribution under this Section 7(f) shall be cancelled and of no further effect as of the date of the distribution.

8. *Election to Receive Cash.* Each Non-Employee Director may make an annual irrevocable election to receive cash in lieu of shares of Common Stock granted under, and not deferred pursuant to Section 7 of, this Plan, in an amount not to exceed the amount needed to satisfy tax obligations related to the grant (the "Cash Election"), subject to and under the applicable rules and regulations promulgated from time to time by the Committee pursuant to Section 4(a) of this Plan. In order to make a cash election pursuant to this Section 8, a Non-Employee Director must deliver to the Secretary of the Company a written notice of the Cash Election setting forth the amount of shares to be distributed in the form of cash. The written notice of Cash Election must be delivered no later than December 31 prior to commencement of the calendar year to which the Cash Election relates, or such later date as may be permitted by the Committee and as permitted under Rule 16b-3. The amount of cash received pursuant to a Cash Election shall be equal to the mean between the high and low prices of a share of the Common Stock on the New York Stock Exchange composite tape (the "Fair Market Value" of a Share) on the third business day following the date of the public announcement of the Company's annual sales and earnings multiplied by the amount of shares set forth in the Cash Election.

9. *Purchase of Shares.*

(a) Subject to Section 9(b), each Non-Employee Director may make an irrevocable election to use all or a stated percentage (in increments of 25%) of his or her non-deferred cash compensation as a Non-Employee Director (including non-deferred retainer fees as a committee chairman, if applicable, to be earned during the forthcoming calendar year and attendance fees earned during the current year) to have purchased Common Stock on his or her behalf (the "Share Purchase Election"). The maximum amount of compensation that may be used by a Non-Employee Director in any year to purchase shares under this Plan shall not exceed \$100,000.00. In order to make a Share Purchase Election pursuant to this Section 9(a), a Non-Employee Director must deliver to the Secretary of the Company a written notice setting forth the percentage (in increments of 25%) of the Non-Employee Director's total non-deferred cash compensation to be used to purchase Common Stock of the Company. All shares of Common Stock of the Company purchased pursuant to this Section must be held at least until six months have elapsed from the date of such purchase.

(b) It is the intention of this Plan that Non-Employee Directors shall have the ability to make a Share Purchase Election on an annual basis provided that such annual Share Purchase Election would not cause the Plan or transactions under the Plan to fail to comply with Rule 16b-3. Subject to the preceding limitation, a Non-Employee Director may make a Share Purchase Election on an annual basis no later than the December 31 prior to the commencement of the calendar year to which the Share Purchase Election relates, or such later date as may be permitted by the Committee and as may be permitted under Rule 16b-3. Any Share Purchase Election made pursuant to Section 9(a) shall remain in effect for subsequent calendar years unless it is revoked or a subsequent different Share Purchase Election is permitted and made in accordance with this Section, which revocation or subsequent Share Purchase Election shall then be applied to subsequent calendar years beginning after it is made.

(c) All purchases of Common Stock under this Section 9 shall be made either on the open market or issued out of treasury stock of the Company on the third business day following the date of release of the Company's annual sales and earnings. Shares issued by the Company shall be priced at the Fair Market Value on such date. Brokerage fees and any other transaction costs related to open market purchases shall be paid by the Company. Shares purchased pursuant to this Section 9 shall be registered in the name of and delivered to the Non-Employee Director. Adjustments will be paid in cash for any fractional shares.

10. *Plan to Comply with Exchange Act.* Any Non-Employee Director's elections hereunder shall be subject to the requirements of the Exchange Act, as interpreted by the Committee, and the Plan shall be subject to any additional conditions or limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3). No transaction may be effected pursuant to this Plan if such a transaction is a "Discretionary Transaction" (as defined in Rule 16b-3) that occurs within six months of an "opposite way" Discretionary Transaction (as described in Rule 16b-3(f) under the Exchange Act).

11. *Reservation of Rights.* Nothing in this Plan shall confer on any individual any right to continue as a director of the Company or interfere in any way with any rights of the Company and/or its shareholders to terminate the individual's service as a director at any time.

12. *Plan to Comply with Code Section 409A.*

(a) This Plan is intended to comply with Section 409A of the Code to the extent it is applicable to this Plan; however, it is being adopted and submitted to the Company's shareholders for approval before the promulgation of final regulations under Section 409A. Accordingly, notwithstanding any provision of this Plan other than this Section 12, this Plan may be amended at any time to the extent required in order to comply with Section 409A or to ensure that any portion, or all, of the compensation provided under this Plan will not be subject to 409A, as the Board may determine to be necessary or appropriate.

(b) Each provision of this Plan that involves the deferral of compensation subject to Section 409A of the Code shall be interpreted in a manner that complies with Section 409A of the Code, and each provision that conflicts with such requirements shall not be valid or enforceable. In no event may the Plan be amended in such a way as to accelerate the payment of any amounts credited to Share Accounts as of the effective time of such amendment, except as may be permitted by Section 409A of the Code.

(c) Notwithstanding any other provision of this Plan, under any circumstances permitted by Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury Regulations thereunder, the Board may terminate the Plan at any time, and, if it so determines, cause all Share Accounts to be paid out in lump sum payments in cash or shares of Common Stock, as the Board may determine, as soon as practicable following such termination.

COLGATE-PALMOLIVE COMPANY

STOCK PLAN FOR NON-EMPLOYEE DIRECTORS

Effective January 1, 1997

Amended through September 12, 2007

1. *Purpose.* The purpose of the Colgate-Palmolive Company Stock Plan for Non-Employee Directors (the "Plan") is to attract and retain qualified persons to serve as directors of Colgate-Palmolive Company, a Delaware corporation (the "Company"), to enhance the equity interest of directors in the Company, to solidify the common interests of its directors and stockholders, and to encourage the highest level of director performance by providing them with a proprietary interest in the Company's performance and progress, by crediting them annually with shares of the Company's Common Stock, par value \$1.00 per share (the "Common Stock"). This Plan shall supersede the Company's Stock Purchase Plan for Non-Employee Directors and the Stock Compensation Plan for Non-Employee Directors, both of which shall terminate on the effective date of this Plan.

2. *Effective Date and Term.* The Plan shall remain in effect until December 31, 2006, unless sooner terminated by action of the Board of Directors of the Company (the "Board"). Awards outstanding as of the date of such termination shall not be affected or impaired by the termination of the Plan.

3. *Participation.* All Non-Employee Directors shall participate in the Plan. The term "Non-Employee Director" means any individual who is a member of the Board as of January 1, 1997, or who becomes a member of the Board thereafter during the term of the Plan and in each case during such periods as he or she is not a full-time employee of the Company or any of its subsidiaries.

4. *Administration; Amendment.*

(a) The Plan will be administered by the Employee Relations Committee of the Company (the "Committee"), the members of which are appointed from time to time by the Board, which shall have full power and authority to interpret and construe the Plan, to establish, amend and rescind rules and regulations relating to the Plan, and to take all such actions and make all such determinations in connection with the Plan as it may deem necessary or desirable.

(b) The Board may from time to time make such amendments to the Plan as it may deem proper and in the best interest of the Company without further approval of the Company's stockholders, unless and to the extent required to qualify transactions under the Plan for exemption under Rule 16b-3 ("Rule 16b-3") promulgated under Section 16 of the Securities Exchange Act of 1934, as amended from time to time (the "Exchange Act").

(c) Subject to the above provisions, the Board shall have authority, without stockholder approval, to amend the Plan to take into account changes in law and tax and accounting rules as well as other developments, including without limitation, new rules which may be promulgated under Section 16 of the Exchange Act, as amended from time to time, and to grant awards which qualify for beneficial treatment under such rules.

5. Shares.

(a) Each Non-Employee Director shall receive compensation at the rate of 650¹ shares of Common Stock per year. However, each Non-Employee Director who has elected, prior to the effective date hereof, to continue to participate in the Colgate-Palmolive Company Pension Plan for Outside Directors as Amended and Restated effective May 2, 1996, shall receive compensation at the rate of 525² shares of Common Stock of the Company per year. Payments shall be made annually on the third business day following the date of the public announcement of the Company's annual sales and earnings. Either authorized but unissued or Treasury shares shall be used for this purpose. The shares paid pursuant to this Plan shall be in addition to any other compensation to which a Non-Employee Director may be entitled. Each Non-Employee Director will be required to represent that the shares are to be held for investment purposes and not with a view to or for resale or distribution except in compliance with the Securities Act of 1933, as amended from time to time (the "Securities Act") and to give a written undertaking, in form and substance satisfactory to the Company, that he or she will not publicly offer or sell or otherwise distribute the shares other than (i) in the manner and to the extent permitted by Rule 144 of the Securities and Exchange Commission under the Securities Act, (ii) pursuant to any other exemption from the registration provisions of the Securities Act or (iii) pursuant to an effective registration statement.

(b) If an individual becomes a Non-Employee Director during a calendar year, he or she shall receive for that year the number of shares equal to the product of (i) the number of shares to which he or she would have been entitled to under Section 5(a) had he or she been a Non-Employee Director for the full calendar year, and (ii) the fraction obtained by dividing (x) the number of calendar months during such calendar year that such person was a Non-Employee Director by (y) 12; provided, that for purposes of the foregoing a partial calendar month shall be treated as a whole month. Payments for such an individual shall be made on the third business day following the date of the next public announcement of the Company's sales and earnings.

6. *Adjustments.* In the event of any change in the Common Stock of the Company, through the declaration of stock dividends, through recapitalization resulting in stock split-ups or combinations of shares, or as the result of similar events, appropriate adjustments shall be made by the Committee in the number and kind of shares to be paid pursuant to the Plan.

7. Election to Defer Shares.

(a) Each Non-Employee Director may make an irrevocable election on an annual basis to defer receipt of all or part of the shares granted under this Plan (the "Deferral Election"). In order to make a Deferral Election pursuant to this Section 7(a), a Non-Employee Director must deliver to the Secretary of the Company a written notice of the Deferral Election setting forth the number of shares to be deferred on such form as may be prescribed by the Committee. The Deferral Election may also specify that the Non-Employee Director elects to receive distribution of his or her Director's Trust Account (as defined below) in accordance with Section 7(c) in a lump sum (a "Lump Sum Delivery Election"), or in installments over a period of less than ten years (a "Specific Installment Election"). With respect to shares attributable to post-2004 years, any election of a form of distribution for the shares attributable to any particular year shall be irrevocable and may not be changed by any later election. The

¹ Adjusted to 2,600 shares for the May 1997 and June 1999 stock splits.

² Adjusted to 2,100 shares for the May 1997 and June 1999 stock splits.

written notice of the Deferral Election must be delivered no later than the December 31 prior to the commencement of the calendar year to which the Deferral Election relates. In the case of individuals who become Non-Employee Directors during a calendar year, this notice must be delivered within thirty days after the date on which the individual becomes a Non-Employee Director and shall apply only with respect to amounts earned for the portion of the calendar year following the date of the election. The Deferral Election made pursuant to this Section 7(a) shall remain in effect for subsequent years unless a subsequent different Deferral Election is permitted and made in accordance with this Section 7(a).

(b) The Committee may establish a trust for the benefit of the Non-Employee Directors on such terms and conditions as the Committee shall determine (the "Plan Trust"), the assets of which shall be subject to the claims of the Company's creditors. All shares deferred pursuant to this Section 7 shall be delivered to the Plan Trust and shall be credited to the account of each Non-Employee Director in accordance with his or her Deferral Election (the "Director's Trust Account"), and held for delivery in accordance with the terms of this Plan; and all earnings of a Director's Trust Account (including without limitation dividends on shares held therein) shall be reinvested by the trustee in Common Stock.

(c) All distributions from a Director's Trust Account under the Plan Trust shall be made to the Non-Employee Director (or, in the event of an eligible Non-Employee Director's death, his or her designated beneficiary) in ten annual installments commencing as soon as practicable following the cessation of his or her services as a Non-Employee Director. However, if the Non-Employee Director has in effect a valid Lump Sum Delivery Election or a valid Specific Installment Election pursuant to Section 7(a), such distributions shall be made in a lump sum, or in the specified number of installments, as the case may be, commencing as soon as practicable following the cessation of his or her services as a Non-Employee Director. Distributions will be made in shares unless the Committee otherwise determines, in accordance with the terms of the Plan Trust. If such shares are to be distributed in installments, such installments shall be equal, provided, that if in order to equalize such installments, fractional shares would have to be delivered, such installments shall be adjusted by rounding to the nearest whole share. If any such shares are to be delivered after the Non-Employee Director has died or become legally incompetent, the Committee shall deliver promptly all remaining undelivered shares to the Non-Employee Director's designated beneficiary or legal guardian, respectively. References to a Non-Employee Director in this Plan shall be deemed to refer to the Non-Employee Director's designated beneficiary or legal guardian, where appropriate.

(d) Nothing in the Plan or the Plan Trust shall confer on any individual any right to continue as a director of the Company or interfere in any way with the right of the Company to terminate the individual's service as a director at any time.

(e) A Non-Employee Director shall be entitled to early distribution of all or part of his or her Director's Trust Account in the event of an "Unforeseeable Emergency", in accordance with this paragraph. With respect to the portion of such Account attributable to pre-2005 years, an "Unforeseeable Emergency" means severe financial hardship to the Non-Employee Director resulting from a sudden and unexpected illness or accident of the Non-Employee Director or a dependent of the Non-Employee Director, loss of the Non-Employee Director's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Non-Employee Director. A distribution pursuant to the foregoing sentence may only be made to the extent reasonably needed to satisfy the emergency need, and may not be made if such hardship is or may be relieved (i) through reimbursement or compensation by insurance or otherwise, (ii) by liquidation of the Non-Employee Director's assets to the extent such liquidation would not itself cause severe financial hardship,

or (iii) by cessation of participation in the Plan prospectively. With respect to the portion of such Account attributable to post-2004 years, an “Unforeseeable Emergency” means a severe financial hardship to the Non-Employee Director resulting from an illness or accident of the Non-Employee Director, the Non-Employee Director’s spouse or a dependent (as defined in section 152 of the Internal Revenue Code of 1986, as amended, without regard to Section 152(b)(1), (b)(2) and (d)(1)(B)) of the Non-Employee Director, loss of the Non-Employee Director’s property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Non-Employee Director. The amounts distributed with respect to an unforeseeable emergency pursuant to the foregoing sentence may not exceed the amounts necessary to satisfy such emergency plus amounts necessary to pay taxes reasonably anticipated as a result of the distribution, after taking into account the extent to which such hardship is or may be relieved through reimbursement or compensation by insurance or otherwise, by liquidation of the Non-Employee Director’s assets (to the extent the liquidation of such assets would not itself cause severe financial hardship), or by cessation of deferrals under this Plan. The determination of whether and to what extent a distribution is permitted pursuant to this paragraph shall be made by the Committee.

(f) *Six-Month Delay.* Notwithstanding Section 7(c) above, if the Company determines that a Non-Employee Director is a “specified employee” subject to the special rule of Section 409A(2)(B)(i) of the Code, all distributions from his or her Trust Account that are attributable to post-2004 years and that would otherwise be made pursuant to Section 7(c) before the date which is six months after his or her “separation from service” within the meaning of Section 409A of the Code and the Treasury Regulations thereunder (“Separation”) shall instead be made in a single lump sum, on or as soon as practicable following the earlier of (i) the date which is six months after his or her Separation and (ii) the date of his or her death.

8. *Election to Receive Cash.* Each Non-Employee Director may make an annual irrevocable election to receive cash in lieu of shares of Common Stock granted under, and not deferred pursuant to Section 7 of, this Plan, in an amount not to exceed the amount needed to satisfy tax obligations related to the grant (the “Cash Election”), subject to and under the applicable rules and regulations promulgated from time to time by the Employee Relations Committee pursuant to Section 4(a) of this Plan. In order to make a cash election pursuant to this Section 8, a Non-Employee Director must deliver to the Secretary of the Company a written notice of the Cash Election setting forth the amount of shares to be distributed in the form of cash. The written notice of Cash Election must be delivered no later than December 31 prior to commencement of the calendar year to which the Cash Election relates, or such later date as may be permitted by the Committee and as permitted under Rule 16b-3. The amount of cash received pursuant to a Cash Election shall be equal to the mean between the high and low prices of the Common Stock on the New York Stock Exchange composite tape (the “Fair Market Value”) on the third business day following the date of the public announcement of the Company’s annual sales and earnings multiplied by the amount of shares set forth in the Cash Election.

9. *Purchase of Shares.*

(a) Subject to Section 9(b), each Non-Employee Director may make an irrevocable election to use all or a stated percentage (in increments of 25%) of his or her non-deferred cash compensation as a Non-Employee Director (including non-deferred retainer fees as a committee chairman, if applicable, to be earned during the forthcoming calendar year and attendance fees earned during the current year) to have purchased Common Stock on his or her behalf (the “Share Purchase Election”). The maximum

amount of compensation that may be used by a Non-Employee Director in any year to purchase shares under this Plan shall not exceed \$100,000.00. In order to make a Share Purchase Election pursuant to this Section 9(a), a Non-Employee Director must deliver to the Secretary of the Company a written notice setting forth the percentage (in increments of 25%) of the Non-Employee Director's total non-deferred cash compensation to be used to purchase Common Stock of the Company. All shares of Common Stock of the Company purchased pursuant to this Section must be held at least until six months have elapsed from the date of such purchase.

(b) It is the intention of this Plan that Non-Employee Directors shall have the ability to make a Stock Purchase Election on an annual basis provided that such annual Stock Purchase Election would not cause the Plan or transactions under the Plan to fail to comply with Rule 16b-3. Subject to the preceding limitation, a Non-Employee Director may make a Stock Purchase Election on an annual basis no later than the December 31 prior to the commencement of the calendar year to which the Stock Purchase Election relates, or such later date as may be permitted by the Committee and as may be permitted under Rule 16b-3. Any Stock Purchase Election made pursuant to Section 9(a), shall remain in effect for subsequent calendar years unless a subsequent different Stock Purchase Election is permitted and made in accordance with this Section, which subsequent Stock Purchase Election shall then be applied to subsequent calendar years.

(c) All purchases of Common Stock under the Plan shall be made either on the open market or issued out of treasury stock of the Company on the third business day following the date of release of the Company's annual sales and earnings. Shares issued by the Company shall be priced at the Fair Market Value on such date. Brokerage fees and any other transaction costs related to open market purchases shall be paid by the Company. Shares purchased pursuant to this Section 9 shall be registered in the name of and delivered to the Non-Employee Director. Adjustments will be paid in cash for any fractional shares

10. *Plan to Company with Exchange Act.* Any Non-Employee Director's elections hereunder shall be subject to the requirements of the Exchange Act, as interpreted by the Committee, and the Plan shall be subject to any additional conditions or limitations set forth in any applicable exemptive rule under Section 16 (including any amendment to Rule 16b-3). No transaction may be effected pursuant to this Plan if such transaction is a "Discretionary Transaction" (as defined in Rule 16b-3) that occurs within six months of an "opposite way" Discretionary Transaction.

11. *Plan to Comply with Code Section 409A.* Each provision of this Plan which permits the deferral of the receipt of shares shall be interpreted in a manner which complies with Section 409A of the Code, and each provision that conflicts with such requirements shall not be valid or enforceable.

Colgate-Palmolive Company
Restated and Amended
Deferred Compensation Plan for Non-Employee Directors

As Amended October 9, 1997

AMENDMENT

Effective January 1, 2005, the Plan is hereby amended to read as follows (with added language bolded and underlined and deleted language struck through):

1. Section 2.2(a) is amended to read as follows:

2.2 Election to Participate.

(a) Each Director may elect to defer payment of all or any portion (in increments of 25%) of his or her Compensation that is payable during the immediately succeeding Plan Year. Such election must be made by December 31 of the Plan Year preceding the Plan Year in which such Compensation otherwise would be paid. A Director who first becomes eligible to participate in the Plan after the beginning of a Plan Year must make his election no later than thirty (30) days after he first becomes eligible, and such election shall be effective only with respect to amounts earned after the date of the election.

2. Section 2.5(c) is amended to read as follows:

(c) A Participant's elections referred to in paragraphs (a) and (b) above must be in writing and be delivered to the Committee with such Participant's election pursuant to Section 2.2. With respect to amounts attributable to pre-2005 Plan Years, unless such elections are made irrevocable by their terms, a Participant, at any time on or before

December 1 of the Plan Year preceding the Plan Year in which distribution of such Participant's Stock Account is to commence, may request that such elections be changed. Such request must be in writing and must be delivered to the Committee prior to such December 1. The Committee shall have the sole discretion to permit or deny such request. With respect to amounts attributable to post-2004 Plan Years, any election made under paragraphs (a) and (b) above may not be changed by any later election except that payment may be delayed, an election (or deemed elections) of a single installment may be changed to annual installment payments, or the number of annual installment payment may be increased (but not in excess of ten) if the following requirements are met:

(i) the election will not take effect until at least twelve months after the date on which the election is made and will not be recognized with respect to payments that would otherwise have commenced during such twelve-month period;

(ii) except for payments made pursuant to Sections 2.7 and 2.9, the first payment with respect to which such election is made shall be deferred for a period of not less than five years from the date such payment would otherwise have been made; and

(iii) any election related to payments that would otherwise have commenced as of a specified time as opposed to the cessation of services as a Director may not be made less than twelve months prior to the date on which such payments would otherwise have commenced.

3. Section 2.5 is amended by adding a new subsection (e) which reads as follows:

(e) Notwithstanding any other provision of this Plan, if the Company determines that a Participant is a "specified employee" subject to the special rule of Section 409(A)(2)(B)(i) of the Code, all distributions of amounts attributable to post-2004 years that are being made on account of the Participant's separation from service before the date which is six months after his or her separation shall instead be made in a single lump sum, on or as soon as practicable following the earlier of (i) the date which is six months after his or her separation, or (ii) the date of his or her death.

4. Section 2.7 is amended to read as follows:

2.7 Severe Financial Hardship.

Notwithstanding any other Section of this Article 2, with respect to amounts attributable to pre-2005 Plan Years, at the written request of a Participant or a Participant's legal representative, the Committee, in its sole discretion upon a finding that continued deferral will result in severe financial hardship to the Participant, may authorize (i) the payment of all or a part of a Participant's Stock Account in a single installment prior to his or her ceasing to be a Director or (ii) the acceleration of payment of any multiple installments thereof. With respect to amounts attributable to post-2004 years, a payment under this Section 2.7 will be permitted only in the event of an "Unforeseeable Emergency." For this purpose, an "Unforeseeable Emergency" means a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant's spouse or a dependent (as defined in section 152 of the Internal Revenue Code of 1986, as amended, without regard to sections 152(b)(1), (b)(2) and (d)(1)(B)) of the Participant, loss of the Participant's property due to casualty, or

other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. The amounts distributed with respect to an "Unforeseeable Emergency" may not exceed the amounts necessary to satisfy such emergency plus amounts necessary to pay taxes reasonably anticipated as a result of the distribution, after taking into account the extent to which such hardship is or may be relieved through reimbursement or compensation by insurance or otherwise, by liquidation of the Participant's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship), or by cessation of deferrals under this Plan. The determination of whether and to what extent a distribution is permitted pursuant to this Section 2.7 shall be made by the Committee.

5. A new Section 4.11 is added to the Plan which reads as follows:

4.11 Plan to Comply with Code Section 409A.

Notwithstanding any provision to the contrary in this Plan, each provision in this Plan shall be interpreted to permit the deferral of compensation in accordance with Code section 409A and any provision that would conflict with such requirements shall not be valid or enforceable.

COLGATE-PALMOLIVE COMPANY DEFERRED COMPENSATION PLAN

Colgate-Palmolive Company (the "Company") hereby continues the Deferred Compensation Plan, a non-qualified, unfunded plan (the "Plan") for the exclusive benefit of key management and top executive employees of the Company and designated subsidiaries. This Plan is intended to aid in attracting and retaining executives for the continued growth and profitability of the Company.

1. Name of Plan. The name of this Plan is the "Deferred Compensation Plan."
2. Effective Date. The effective date of the Plan is July 15, 1994. The effective date of this amended and restated Plan is January 1, 2005.

Elections may be made under this Plan for the deferral of base salary, cash bonus awards to be made under the Company's Executive Incentive Compensation Plan ("EICP"), and such other types of compensation (including, but not limited to, restricted stock awards) as may be designated by the Personnel and Organization Committee of the Board of Directors of the Company (the "Board") (the "Committee") (such base salary, cash bonus awards and other types of compensation hereafter collectively referred to as "compensation").

3. Purpose. The purpose of this Plan is to provide a means by which an Eligible Employee may, under certain circumstances, elect to defer for a specified number of years or to termination of employment the receipt of a portion of compensation which is otherwise payable on account of services performed or results achieved in a specific calendar period (provided that the requirements of Sections 7, 8 and 10 hereof are satisfied with respect to each deferral election).

4. Plan Administration. The Plan shall be administered by the Global Compensation Department provided, however, that any action that can be taken by the Global Compensation Department hereunder can also be taken by the Committee, at its discretion. The Global Compensation Department shall have the discretionary authority to adopt, alter and repeal such administrative rules, guidelines and practices governing the Plan as it shall, from time to time, deem advisable, to interpret the terms and provisions of the Plan and to otherwise supervise the administration of the Plan, provided that the Global Compensation Department shall not have the authority to amend the terms and conditions of the Plan. The Committee shall have the duty and responsibility of designating groups of Eligible Employees and the Global Compensation Department shall have the duty and responsibility of identifying individuals eligible to participate based on the designations determined by the Committee. The Global Compensation Department shall have the duty and responsibility of maintaining records, making the requisite calculations and disbursing the payments hereunder. Any action taken on any matter within the discretion of the Global Compensation Department and/or the Committee shall be final and binding on all persons and parties concerned, including the Participants, beneficiaries and the Company.

5. Delegated Responsibilities. The Global Compensation Department shall have the authority to delegate any of its responsibilities for administration to such other groups or persons as it deems proper for prudent administration of the Plan.

6. Participation by Eligible Employees. Any key management or top executive employee (“Employee”) of the Company or any wholly-owned subsidiary thereof

(collectively, the “Company”) who has been identified as eligible to participate in this Plan by the Global Compensation Department (an “Eligible Employee”), may elect to become a participant under the Plan (a “Participant”) by filing a written notice (“Notice”) with the Global Compensation Department, in the form prescribed by the Global Compensation Department.

7. Deferred Compensation. Any Participant may elect, in accordance with Section 8 of this Plan, to defer the receipt of a portion of the compensation otherwise payable to him by the Company. The Participant may designate the portion to be deferred, which shall not be less than the minimum, nor more than the maximum, dollar amount or percentage established from time to time by the Global Compensation Department, prior to the calendar year in which the Participant performs the services that entitles him to the compensation being deferred. The Global Compensation Department shall determine any such minimum or maximum separately with respect to each category of compensation potentially to be deferred (*e.g.*, base salary, cash bonus award or other types of compensation).

The Participant may also elect the length of the deferral period, with the minimum elected deferral period being for five (5) years from the date the compensation otherwise would have been payable, and the maximum elected deferral period being to termination of employment, at which time payment will be made or commence, subject to special rules for “specified employees,” as described in Section 10. If longer than the minimum required deferral period, the Participant may also select a deferral period running to a specific time.

The Participant may also elect at the time of the deferral election whether the FICA and Medicare taxes attributable to the EICP bonus (and the income tax attributable to the portion of such bonus used to satisfy the FICA, Medicare and associated income tax) should be withheld from the portion of the bonus subject to the deferral or whether such taxes should be withheld from other amounts which are currently taxable to the Participant.

Any compensation deferred pursuant to this Section 7 shall be recorded by the Company, as a bookkeeping entry only, in a Deferral Bookkeeping Account (an "Account") maintained in the name of the Participant. With respect to a deferral of base salary, such amount shall be credited to the Account on each date for payment of base salary, in accordance with the Company's normal practices, and shall be spread equally over the remainder of the calendar year beginning as soon as is administratively possible following receipt of the Notice of deferral election. With respect to a deferral of a cash bonus, the Account shall be credited with the dollar amount of the elected bonus deferral at the time the deferred amount otherwise would have been paid. The deferral of restricted stock awards or other types of compensation shall follow a procedure which may be established at a future date by the Global Compensation Department.

The Company shall furnish each Participant with an annual statement of his Account. The Company shall also credit interest equivalents on amounts deferred in an Account from the date the deferred amount is credited to the Account until final distribution of the Account pursuant to Section 10 of the Plan.

8. Election to Defer Receipt of Compensation. The Notice by which a Participant elects to defer receipt of compensation as provided in this Plan shall be in a form and manner determined by the Global Compensation Department, and shall be delivered to the Global Compensation Department prior to the date specified by the Global Compensation Department, which shall be no later than the December 31 which immediately precedes the calendar year in which the compensation is to be earned (and with respect to a type of compensation which may be determined on the basis of a multi-year performance period, prior to the first year of such period).

Notwithstanding the prior sentence, in the case of a newly eligible employee who is a new hire and first becomes eligible to participate in the Plan during the calendar year in which hired, the initial deferral election may be made no later than thirty (30) days after he first becomes eligible, and shall be effective only with respect to amounts earned after the date of the deferral election. Any deferral election made by any Participant shall be irrevocable with respect to any amount of compensation covered by such election subject to Sections 10(a) and 16 hereof.

9. Investment of Deferred Amounts. All amounts credited to an Account shall be credited annually, as of the end of each calendar year, with interest at an annual rate designated from time to time by the Committee. This crediting rate initially shall be equal to 120% of the Applicable Federal Rate (the "AFR") - either the fixed mid-term or long-term AFR, as appropriate for the Participant's selected deferral period. The Committee may, in its sole discretion, modify the crediting rate(s) prospectively at any time, with respect to either amounts already credited to an Account or amounts to be

credited in the future pursuant to an existing or future election to defer compensation. Interest shall continue to be credited until the Account has been fully distributed to a Participant or to his beneficiary or beneficiaries designated pursuant to Section 10(d) below.

10. Distribution.

(a) At the time of his initial election to defer a portion of compensation for a particular calendar year, the Participant shall also indicate the form and length of distribution, selecting from either a lump sum or a series of annual installments over a period of not more than ten (10) years (commencing or paid as soon as is administratively possible upon either the completion of the elected deferral period or the first day of the year following the completion of such period as elected by the Participant at the time of his initial election to defer). Subsequent annual installments will be paid on or about January 30th of each subsequent year. The Participant's election of a method of distribution shall be irrevocable once made. However, with respect to amounts deferred prior to January 1, 2005 for which the Participant had a legally binding right as of December 31, 2004 to be paid the amount, and such right is both earned and vested as of such date, and the earnings credited thereon (the "Grandfathered Benefit"), the Global Compensation Department may, in its discretion, decide at any time to shorten the period of distribution or, with the consent of a Participant, decide not less than one (1) year prior to the originally scheduled commencement of payment(s), to lengthen the period of distribution, to a date which follows such originally scheduled commencement date by at least one (1) year, and, if later, up to the maximum period (or to the latest deferral date)

that was initially available to the Participant. For the portion of a Participant's Account in excess of the Grandfathered Benefit, the Global Compensation Department may, in its discretion, decide at any time to permit Participants to elect to defer or lengthen the period of distribution provided the following requirements are met:

(i) the election will not take effect until at least twelve months after the date on which the election is made and will not be recognized with respect to payments that would otherwise have commenced during such twelve-month period;

(ii) except for payments made pursuant to Sections 10(e) and 16, the first payment with respect to which such election is made shall be deferred for a period of not less than five years from the date such payment would otherwise have been made; and

(iii) any election related to payments that would otherwise have commenced as of a specified time, as opposed to the termination of a Participant's employment with the Company, may not be made less than twelve months prior to the date on which such payments would otherwise have commenced.

(b) Upon termination of a Participant's employment with the Company for any reason other than retirement (including, but not limited to, death, disability, termination by the Company or resignation), the Participant or his beneficiary or beneficiaries designated pursuant to paragraph (d) of this Section shall be paid, as soon as is administratively possible, the Grandfathered Benefit as of the date of termination of employment (including any remaining amounts not yet paid out, if the termination of

employment occurs while the Participant is receiving installment payments from his Account), in a lump sum including interest credited through the date of termination at the crediting rate established for the applicable plan year. Upon termination of a Participant's employment with the Company for any reason prior to attainment of age 55, the portion of the Participant's Account in excess of the Grandfathered Benefit shall be paid in accordance with the immediately preceding sentence. The foregoing notwithstanding, effective for payments made on or after January 1, 2005, if the Participant is a "specified employee," as determined in accordance with procedures adopted by the Company that reflect the requirements of section 409A(a)(2)(B)(i) of the Internal Revenue Code of 1986, as amended (the "Code"), payment of the portion of the Participant's Account in excess of the Grandfathered Benefit which is made on account of the Participant's termination of employment shall be deferred until the earlier of (i) the date that is six months following the Participant's termination of employment or (ii) the date of the Participant's death.

(c) Upon termination of a Participant's employment with the Company by reason of his retirement, the Participant will be entitled to his Grandfathered Benefit, which shall be payable according to the terms of the Participant's preference filed with the Global Compensation Department pursuant to the provisions of paragraph (a) of this Section, except that payment of the Grandfathered Benefit shall be made or commence as soon as is administratively possible after the Participant's retirement or, if the Participant has elected, the first day of the year immediately following the Participant's retirement. If the Participant is receiving installment payments from his Account at the time of his retirement, payment will continue as scheduled. Upon termination of a Participant's

employment with the Company after the attainment of age 55 for any reason other than death, the portion of the Participant's Account in excess of the Grandfathered Benefit shall be paid in accordance with the provision of this paragraph (c) as if the Participant had retired. The foregoing notwithstanding, effective for payments made on or after January 1, 2005, if the Participant is a "specified employee," as determined in accordance with procedures adopted by the Company that reflect the requirements of Code section 409A(a)(2)(B)(i), payment of the portion of the Participant's Account in excess of the Grandfathered Benefit which is made on account of the Participant's termination shall be deferred until the earlier of (i) six months following the Participant's termination or (ii) the date of the Participant's death).

(d) In the event of a "Change of Control," as such term is defined in the Colgate-Palmolive Company Executive Severance Plan, as amended from time to time, payment of the Grandfathered Benefit shall be made 30 days following the Change of Control if such Participant is then covered under the Executive Severance Plan pursuant to the Executive Severance Plan. If the Change of Control satisfies the requirements of Code section 409A(a)(2)(A)(v), payment of such Participant's Account in excess of the Grandfathered Benefit shall be made 30 days following the Change of Control.

(e) Upon the death of the Participant prior to the complete distribution of the entire balance of his Account, the balance of his Account on the date of his death shall be paid in a lump sum to the beneficiary or beneficiaries designated by the Participant in writing delivered to the Global Compensation Department. In the absence of an appropriately filed beneficiary designation, or if the designated beneficiary or beneficiaries is not living at the time of the Participant's death, then the Account balance shall be paid:

1. to the surviving spouse,

2. to the children, if no surviving spouse,
3. to the Participant's parents, if none of (1) or (2),
4. to the Participant's siblings, if none of (1), (2) or (3),
5. to the Participant's estate, if none of (1)-(4).

11. Participant's Rights Unsecured; Limitation on Assignment. The right of the Participant or his designated beneficiary to receive a distribution hereunder shall be an unsecured claim against the general assets of the Company, and neither the Participant nor his designated beneficiary shall have any rights in or against the amount credited to his account or any other specific assets of the Company. The Company shall pay all benefits arising under this Plan and all costs, charges and expenses relating thereto out of its general assets. All amounts credited to an Account shall constitute general assets of the Company and may be disposed of by the Company at any such time and for such purposes as it may deem appropriate. Except as otherwise required by law, an Account may not be encumbered or assigned by a Participant or any beneficiary, or subjected to any charge or legal process. If any attempt is made to do so, or a person eligible for benefits under this Plan becomes bankrupt, the interest under this Plan of the person affected may be terminated by the Committee which, in its sole discretion, may cause the same to be held or applied for the benefits of one or more of the dependents of such person or make any other disposition of such benefits that is deemed appropriate and is consistent with section 409A of the Code.

12. Amendments to the Plan. The Board may amend the Plan at any time, without the consent of the Participants or their beneficiaries, provided, however, that no amendment shall divest any Participant or beneficiary of the credits to his Account occurring prior to such amendment, or of any rights to which he would have been entitled if the Plan had been terminated immediately prior to the effective date of such amendment.

13. Termination of the Plan. The Board may terminate the Plan at any time. Upon termination of the Plan, distribution of the credits to a Participant's Account shall be made in the manner and at the time prescribed in Section 10 hereof or, with respect to the Participant's Grandfathered Benefit, at such other time determined by the Board; provided that no additional credits shall be made to the Account of a Participant following termination of the Plan other than interest thereon credited pursuant to Section 9.

14. Expenses. Costs of administration of the Plan will be paid by the Company and/or by such of its affiliates with Employees participating in the Plan.

15. Notices. Any notice or election required or permitted to be given hereunder shall be in writing and shall be deemed to be filed:

(a) on the date it is personally delivered to the Global Compensation Department, or

(b) three business days after it is sent by registered or certified mail, to the Vice President, Global Compensation at 300 Park Avenue, New York, NY 10022.

16. Hardship Distributions. A Participant may at any time request the Global Compensation Department to accelerate distribution of all or any part of his Account in the case of an “unforeseeable emergency.” With respect to the Grandfathered Benefits, an unforeseeable emergency means an unanticipated emergency that is caused by an event beyond the control of the Participant or beneficiary and that would result in severe financial hardship to the individual if early withdrawal were not permitted. With respect to the portion of a Participant’s Account in excess of the Grandfathered Benefit, an unforeseeable emergency means a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant’s spouse or a dependent (as defined in Code section 152, without regard to Code sections 152(b)(1), (b)(2) and (d)(1)(B)) of the Participant, loss of the Participant’s property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. The amounts distributed with respect to an unforeseeable emergency may not exceed the amounts necessary to satisfy such emergency plus amounts necessary to pay taxes reasonably anticipated as a result of the distribution, after taking into account the extent to which such hardship is or may be relieved through reimbursement or compensation by insurance or otherwise or by liquidation of the Participant’s assets (to the extent the liquidation of such assets would not itself cause severe financial hardship). The Global Compensation Department may request that the Participant provide any information it determines appropriate in connection with such request. The decision of the Global Compensation Department with respect to the above shall be in its sole discretion, and shall be final and binding and not subject to review.

17. Plan Unfunded. Nothing in this Plan shall be interpreted or construed to require the Company in any manner to fund any obligation to the Participants or any beneficiary hereunder. Nothing contained in this Plan nor any action taken hereunder shall create, or be construed to create, a trust of any kind, or a fiduciary relationship between the Company and the Participants, beneficiaries, or any other persons. Notwithstanding the preceding sentence, however, the Company reserves the right to establish a rabbi trust (i.e., a trust which would constitute a “grantor trust” resulting in the corpus and income of such trust being treated as assets and income of the Company) and appropriate related funding medium (including, but not limited to, a letter of credit) to aid the Company in meeting its obligations to the Participants under this Plan and to be assured that such obligations will be met following a change of control of the Company. Any funds which may be accumulated to meet any obligation under this Plan shall for all purposes continue to be part of the general assets of the Company.

18. Non-guarantee of Employment. Nothing contained in this Plan shall be construed as a contract of employment between the Company and any Participant, or as a right of any Participant to be continued in employment of the Company, or as a limitation on the right of the Company to discharge any employee, with or without cause.

19. Deferral Election Does Not Affect “Recognized Earnings” for Purposes of Other Company Benefits. “Recognized Earnings” for purposes of all other benefits offered by the Company (including, but not limited to, the Employees Retirement Income Plan/PRA, the Savings and Investment Plan, life, disability, accidental death and dismemberment, supplemental pension and savings benefits) will not be affected by any deferral election made hereunder.

20. Applicable Law. All questions pertaining to the construction, validity and effect of this Plan shall be determined in accordance with the laws of the State of New York, to the extent not preempted by Federal law.

21. Conflicts with Other Plans or Documents. From time to time, the Committee or the Global Compensation Department of the Company may issue guidelines or other explanatory material concerning the operations of the Plan. To the extent that any of these supplemental materials concerning the operations of this Plan shall be inconsistent with the terms of this Plan document, the terms of this Plan shall prevail.

To the extent that the terms of this Plan may prove to be inconsistent with the terms of the EICP or any other plan(s) approved by the shareholders of the Company, the terms of the EICP or such other shareholder-approved plan(s) shall be controlling.

To the extent that the terms of this Plan may prove to be inconsistent with the terms of the Executive Severance Plan, the terms of this Plan shall be controlling.

22. Pronouns. Whenever used in this Plan, the masculine pronoun is to be deemed to include the feminine. The singular form, whenever used herein, shall mean or include the plural form where applicable, and vice versa.

23. Representations. The Company does not represent or guarantee that any particular federal or state income, payroll, personal property or other tax consequence will result from participation in this Plan. A Participant should consult with professional tax advisors to determine the tax consequences of his or her participation.

24. Plan to Comply with Code Section 409A. Notwithstanding any provision to the contrary in this Plan, each provision in this Plan shall be interpreted to permit the deferral of compensation in accordance with Code section 409A and any provision that would conflict with such requirements shall not be valid or enforceable.

COLGATE-PALMOLIVE COMPANY
SUPPLEMENTAL SAVINGS AND INVESTMENT PLAN

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COLGATE-PALMOLIVE COMPANY

SUPPLEMENTAL SAVINGS AND INVESTMENT PLAN

Colgate-Palmolive Company hereby continues the Supplemental Savings and Investment Plan, a non-qualified, unfunded plan which it maintains to provide Eligible Employees with a benefit which, in the absence of certain limitations imposed by the Code, would have been provided under the Colgate-Palmolive Company Employees Savings and Investment Plan.

ARTICLE I

INTRODUCTION

Section 1.1 Name of Plan. The name of this Plan is the “Supplemental Savings and Investment Plan”.

Section 1.2 Effective Date. The effective date of this Plan is January 1, 1991. This amended and restated Plan is effective January 1, 2005, except as otherwise provided herein, and is amended for the purpose of complying with the requirements of Internal Revenue Code section 409A as added by the American Jobs Creation Act of 2004. The Company does not intend by the retroactive application of this amended and restated Plan to increase or reduce the benefits previously offered thereunder.

ARTICLE II

DEFINITIONS

Capitalized terms which are not defined herein shall have the meaning given to them in the Base Plan. Whenever reference is made herein to "this Plan", such reference shall be to this Supplemental Savings and Investment Plan.

- Section 2.1 "Account" shall mean a separate account maintained for a Member to record the Annual Allocation which the Member elects to defer under Section 3.4 of the Plan, and the earnings and losses allocable thereto. Separate sub-accounts shall be maintained within the Account for each Member to reflect the aggregate Annual Allocations deferred for Plan Years 1991 through 2002, and the separate Annual Allocations for each Plan Year after 2002, and the respective earnings and losses thereon.
- Section 2.2 "Annual Allocation" shall mean the amount determined under Section 3.2 for any Plan Year.
- Section 2.3 "Base Plan" shall mean the Colgate-Palmolive Company Employees Savings and Investment Plan, as amended from time to time.
- Section 2.4 "Change of Control" shall have the meaning given to such term under the Colgate-Palmolive Company Executive Severance Plan, as amended from time to time.

- Section 2.5 “Deferred Annual Allocation” shall mean the amount described in Section 3.4.
- Section 2.6 “Eligible Employee” shall mean (a) a salaried person who is employed by the Company on a full-time or part-time basis as of January 1 of a Plan Year and is, or is expected to become, eligible to participate in the Base Plan during the Plan Year, or (b) a United States Employee in Foreign Service as of January 1 of a Plan Year who is eligible to participate in the Base Plan, and whose Recognized Earnings for such Plan Year in either case are expected to be limited by Code section 401(a)(17).
- Section 2.7 “Grandfathered Benefit” shall mean the portion of the Member’s Account that reflects the Annual Allocations deferred for Plan Years prior to 2005, as adjusted for earnings and losses thereon.
- Section 2.8 “Member” shall mean an Eligible Employee who participates in this Plan pursuant to Article III. An Eligible Employee shall remain a Member under this Plan until all amounts payable on his behalf from this Plan have been paid.
- Section 2.9 “Subsidiary” means a domestic or foreign company, at least 50% of whose issued and outstanding voting shares are directly or indirectly owned or controlled by the Company.

ARTICLE III

BENEFITS

- Section 3.1 Participation. An Eligible Employee will participate in this Plan for any Plan Year if Recognized Earnings, as determined under the Base Plan for such Plan

Year, are limited by Code Section 401(a)(17). A person who is hired and becomes an Eligible Employee after January 1 of a Plan Year is not eligible to make a deferral election until the election for the following Plan Year.

Section 3.2 Amount of Annual Allocation. A Member's Annual Allocation for any Plan Year beginning on or after January 1, 2005 shall be equal to the difference between: (a) the Company Matching Contribution that would have been made under the Base Plan for the Plan Year on behalf of such Member, based on the Member's elected percentage as of the first day of such Plan Year (or if later, when the Member becomes a participant in the Base Plan during the Plan Year) and if the Recognized Earnings subject to such elected percentage were not limited by Code section 401(a)(17); and (b) the Company Matching Contribution that would have been made under the Base Plan for the Plan Year on behalf of such Member, based on the same elected percentage as in (a) but with the Recognized Earnings subject to such elected percentage limited by Code section 401(a)(17).

Section 3.3 Distribution of Amounts Credited for any Plan Year. Absent a timely deferral election made in accordance with Section 3.4, a Member's Annual Allocation for any Plan Year shall be distributed to the Member on or about December 15th of such Plan Year.

Section 3.4 Deferral Election. Prior to the beginning of any Plan Year, a Member may elect to defer distribution of his Annual Allocation for such Plan Year, resulting in a Deferred Annual Allocation. Such election shall be made on a form provided by, and delivered to, the Committee prior to the first day of the Plan Year. Amounts deferred hereunder shall be credited to the Member's Account.

Section 3.5 Adjustments to Deferred Annual Allocations. A Deferred Annual Allocation which is attributable to a post-2002 Plan Year shall be credited with interest at a rate equal to the interest rate credited on long-term deferrals under the Colgate-Palmolive Company Deferred Compensation Plan, as such rate is determined for deferrals elected under that plan with respect to such Plan Year. The aggregate Deferred Annual Allocations attributable to pre-2003 Plan Years shall be credited with earnings and losses based on the performance of shares of the Company's Series B Convertible Preference Stock (including dividends thereon which shall be deemed to be reinvested in such shares). The adjustment to a Deferred Annual Allocation as described herein shall be effective for periods beginning with the last day of the Plan Year for which the Annual Allocation is deferred.

Section 3.6 Distribution of Member's Account. Amounts credited to a Member's Account shall be distributed as soon as practicable following the end of the quarter in which the Member separated from service; provided, however, that effective for distributions made on or after January 1, 2006, if the Member is a "specified employee," as determined in accordance with procedures adopted by the Company that reflect the requirements of Code section 409A(a)(2)(B)(i), distribution of the portion of the Member's Account in excess of the Grandfathered Benefit shall be deferred until the earlier of (i) the date that is six months following the Member's separation from service or (ii) the date of the Member's death. Distributions shall be made in cash except for the portion of a Member's Account attributable to pre-2003 deferrals, which shall be distributed in shares of Company common stock.

Section 3.7 Death of a Member. Upon a Member's death, the Member's Account, together with the amount attributable to the Plan Year in which the Member died, shall be distributed to the Member's Beneficiary in a lump sum payment as soon as practicable following the end of the quarter in which the Member died.

Section 3.8 Change of Control for Members Covered under the Executive Severance Plan. In the event of a Change of Control, a distribution of the Member's Grandfathered Benefit shall be made within 30 days following the Change of Control provided the Member is then covered under the Executive Severance Plan. If the Change of Control satisfies the requirements of Code section 409A(a)(2)(A)(v), a distribution of the portion of such Member's Account in excess of the Grandfather Benefit shall be made within 30 days following the Change of Control.

ARTICLE IV

PLAN ADMINISTRATION

Section 4.1 Committee. This Plan shall be administered by the Committee, which shall have full authority to administer and interpret this Plan, make payments and maintain records hereunder. The Committee may adopt or amend from time to time such procedures as may be required for determinations required under the Plan. All interpretations of the Committee shall be final and binding on all parties including Members, Beneficiaries and the Company. Any complaint with regard to benefits under the Plan should be directed to the Employee Relations Committee, Colgate-

Palmolive Company, 300 Park Avenue, New York, NY 10022. Such complaint must be filed in writing no later than 90 days after the date of retirement, termination or other occurrence related to the complaint.

Section 4.2 Delegated Responsibilities. The Committee shall have the authority to delegate any of its responsibilities to such persons as it deems proper.

Section 4.3 Amendment and Termination. The Company may amend, modify or terminate this Plan at any time, provided, however, that no such amendment, modification or termination shall reduce the amount credited to a Member's Account as of the date of such amendment or termination unless the Member becomes entitled to an amount equal to any such reduction under another plan (including the Base Plan), program or practice adopted by the Company.

Section 4.4 Payments. The Company will pay all benefits arising under this Plan and all costs, charges and expenses relating thereto out of its general assets.

Section 4.5 Non-Assignability of Benefits. Except as otherwise required by law, neither any benefit payable hereunder nor the right to receive any future benefit under this Plan may be anticipated, alienated, sold, transferred, assigned, pledged, encumbered or subjected to any charge or legal process, and if any attempt is made to do so, or a person eligible for any benefits under this Plan becomes bankrupt, the interest under this Plan of the person affected may be terminated by the Committee which, in its sole discretion, may cause the same to be held or applied for the benefit of one or more of the dependents of such person or make any other disposition of such benefits that it deems appropriate and is consistent with Code Section 409A.

- Section 4.6 Plan Unfunded. Nothing in this Plan shall be interpreted or construed to require the Company in any manner to fund any obligation to the Members or Beneficiaries hereunder. Nothing contained in this Plan nor any action taken here under shall create, or be construed to create, a trust of any kind, or a fiduciary relationship between the Company and the Members or Beneficiaries. Any funds which may be accumulated in order to meet any obligation under this Plan shall for all purposes continue to be a part of the general assets of the Company. To the extent that any Member or Beneficiary acquires a right to receive payments from the Company under this Plan, such rights shall be no greater than the rights of any unsecured general creditor of the Company.
- Section 4.7 Applicable Law. All questions pertaining to the construction, validity and effect of this Plan shall be determined in accordance with the laws of the State of Delaware, to the extent not preempted by Federal law.
- Section 4.8 No Employment Rights Conferred. The establishment of the Plan shall not be construed as conferring any rights upon any Eligible Employee for continuation of employment, nor shall it be construed as limiting in any way the right of the Company to discharge any Eligible Employee or treat him without regard to the effect which such treatment might have upon him under the Plan.
- Section 4.9 Plan to Comply with Code Section 409A. Notwithstanding any provision to the contrary in this Plan, each provision in this Plan shall be interpreted to permit the

deferral of compensation in accordance with Code section 409A, and any provision that would conflict with such requirements shall not be valid or enforceable.

COLGATE-PALMOLIVE COMPANY
PERSONNEL & ORGANIZATION COMMITTEE

Action Taken Pursuant to the
Colgate-Palmolive Company 2005 Employee Stock Option Plan and
Colgate-Palmolive Company 1997 Stock Option Plan

By resolution adopted at a meeting held on October 29, 2007, the Personnel & Organization Committee (the "Committee") of the Board of Directors of Colgate-Palmolive Company (the "Company"), pursuant to the discretion granted to the Committee under Section 5(c) of the Colgate-Palmolive Company 2005 Employee Stock Option Plan and Section 5 of the Colgate-Palmolive Company 1997 Stock Option Plan (collectively, the "Plans"), authorized the following method to pay the exercise price for Stock Options (as such capitalized term and all other capitalized terms used herein without definition are defined in the applicable Plan) in addition to the other permissible methods of payment authorized under the Plans:

Unless otherwise determined by the Committee, at the written request of the holder of Stock Options delivered to the Company together with the notice of exercise of Stock Options required under the applicable Plan, such holder's obligation to pay the exercise price for the Stock Options being exercised may be settled by the Company's withholding from the shares of Common Stock subject to the Stock Options sufficient shares to pay such exercise price (based on the Fair Market Value) of the Common Stock on the date such Stock Options are exercised.

Pursuant to the above resolution, Stock Options that have been settled in the manner indicated above shall be counted in full against the total number of shares available for issuance under the applicable Plan, regardless of the number of shares of Common Stock issued upon settlement of such Stock Options.

AMENDMENT TO
COLGATE-PALMOLIVE COMPANY
2005 NON-EMPLOYEE DIRECTOR
STOCK OPTION PLAN

WHEREAS by resolution adopted at a meeting held on October 29, 2007, the Board of Directors of Colgate-Palmolive Company determined to amend the Colgate-Palmolive Company 2005 Non-Employee Director Stock Option Plan to permit payment of the exercise price of stock options granted pursuant to the Plan by withholding from the shares of Common Stock (as such capitalized term and all other capitalized terms used in this Amendment without definition are defined in the Plan) subject such to a Stock Option an amount having a fair market value equal to the exercise price; and

WHEREAS, pursuant to such resolution, Stock Options that have been settled in the manner indicated above shall be counted in full against the total number of shares available for grant under the Plan, regardless of the number of shares of Common Stock issued upon settlement of such Stock Options;

NOW, THEREFORE, Section 5 of the Plan is amended by adding the following sentence to the end of the second paragraph of Section 5(c)(iii):

“Payment in full or part may also be made by requesting the Company to withhold from the shares of Common Stock subject to the Stock Options sufficient shares to pay such purchase price (based on the Fair Market Value of the Common Stock on the date of exercise).”

AMENDMENT TO
COLGATE-PALMOLIVE COMPANY
NON-EMPLOYEE DIRECTOR
STOCK OPTION PLAN

WHEREAS by resolution adopted at a meeting held on October 29, 2007, the Board of Directors of Colgate-Palmolive Company determined to amend the Colgate-Palmolive Company Non-Employee Director Stock Option Plan to permit payment of the exercise price of stock options granted pursuant to the Plan by withholding from the shares of Common Stock (as such capitalized term and all other capitalized terms used in this Amendment without definition are defined in the Plan) subject such to a Stock Option an amount having a fair market value equal to the exercise price; and

WHEREAS, pursuant to such resolution, Stock Options that have been settled in the manner indicated above shall be counted in full against the total number of shares available for grant under the Plan, regardless of the number of shares of Common Stock issued upon settlement of such Stock Options;

NOW, THEREFORE, Section 5 of the Plan is amended by adding the following sentence to the end of the second paragraph of Section 5(c)(iii):

“Payment in full or part may also be made by requesting the Company to withhold from the shares of Common Stock subject to the Stock Options sufficient shares to pay such purchase price (based on the Fair Market Value of the Common Stock on the date of exercise).”

COLGATE-PALMOLIVE COMPANY

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES AND
PREFERRED DIVIDENDS(Dollars in Millions)
(Unaudited)

| | Nine Months Ended September 30, 2007 |
|---|---|
| Earnings: | |
| Income before income taxes | \$ 1,855.9 |
| Add: | |
| Interest on indebtedness and amortization of debt expense and discount or premium | 129.1 |
| Portion of rents representative of interest factor | 35.7 |
| Less: | |
| Gain on equity investments | (2.8) |
| Income as adjusted | <u>\$ 2,017.9</u> |
| Fixed Charges: | |
| Interest on indebtedness and amortization of debt expense and discount or premium | 129.1 |
| Portion of rents representative of interest factor | 35.7 |
| Capitalized interest | 5.1 |
| Total fixed charges | <u>\$ 169.9</u> |
| Preferred Dividends: | |
| Dividends on Preference Stock | <u>\$ 25.8</u> |
| Ratio of earnings to fixed charges | <u>11.9</u> |
| Ratio of earnings to fixed charges and preferred dividends | <u>10.3</u> |

I, Ian M. Cook, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Colgate-Palmolive Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 30, 2007

/s/ IAN M. COOK

Ian M. Cook
President and Chief Executive Officer

I, Stephen C. Patrick, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Colgate-Palmolive Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 30, 2007

/s/ STEPHEN C. PATRICK

Stephen C. Patrick
Chief Financial Officer

The undersigned President and Chief Executive Officer and Chief Financial Officer of Colgate-Palmolive Company each certify, pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934 and 18 U.S.C. § 1350, that:

- (1) the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2007 (the "Periodic Report") which this statement accompanies fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and
- (2) information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of Colgate-Palmolive Company.

Date: October 30, 2007

/s/ IAN M. COOK

Ian M. Cook
President and Chief Executive Officer

/s/ STEPHEN C. PATRICK

Stephen C. Patrick
Chief Financial Officer