

CANON INC  
Form 6-K  
January 30, 2009

**FORM 6-K**  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
**Report of Foreign Issuer**  
**Pursuant to Rule 13a-16 or 15d-16 of**  
**the Securities Exchange Act of 1934**

For the month of ..... **January**..... , **2009**  
**CANON INC.**

(Translation of registrant's name into English)  
30-2, Shimomaruko 3-Chome, Ohta-ku, Tokyo 146-8501, Japan

(Address of principal executive offices)

[Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.  
Form 20-F            Form 40-F

[Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby  
furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.  
Yes                      No                     

[If  Yes is marked, indicate below the file number assigned to the registrant in connection with  
Rule 12g3-2(b):82-

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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.

**CANON INC.**  
(Registrant)

Date.... **January 29, 2009**....

By...../s/..... Masashiro Kobayashi .....  
(Signature)\*

Masashiro Kobayashi  
General Manager  
Global Finance Management Center  
Canon Inc.

\*Print the name and title of the signing officer under his signature.

The following materials are included.

1. Notice Regarding Issuance of Stock Options (Share Options)
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January 28, 2009

Canon Inc.  
Chairman & CEO: Fujio Mitarai  
Securities code: 7751  
[Tokyo (First Section) and other Stock Exchanges]

Inquiries:  
Masahiro Osawa  
Managing Director, Group Executive,  
Finance & Accounting Headquarters  
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**Notice Regarding Issuance of Stock Options (Share Options)**

Canon Inc. (the **Company**) resolved, at the meeting of its board of directors (the **Board of Directors**) held on January 28, 2009 to make the following proposals at the Ordinary General Meeting of Shareholders for the 108th Business Term of the Company scheduled for March 27, 2009: a) that share options (*shinkabu yoyaku-ken*) be issued, without compensation, to the Company's directors, executive officers and senior employees, as stock options, pursuant to the provisions of Articles 236, 238 and 239 of the Corporation Law (*Kaisha-ho*); b) that the determination of the matters regarding the offering be delegated to the Board of Directors; and c) that share options be issued to the Company's directors as compensation. The Company hereby announces as follows:

**1. The Reason for the Necessity to Solicit Those Who Subscribe for Share Options on Particularly Favorable Conditions**

Share options will be issued to the Company's directors, executive officers and senior employees, without compensation, for the purpose of further enhancing their motivation and morale to improve the Company's performance, with a view to long-term improvement of its corporate value.

**2. Grantees of Share Options**

The Company's directors, ten (10) executive officers, and not more than thirty-five (35) senior employees who are entrusted with important functions.

**3. Maximum Number of Share Options**

The maximum number of share options that the Board of Directors will be authorized to determine matters on offering, based on the delegation by resolution of the said shareholders meeting (the **Resolution**), will be eleven thousand (11,000).

**4. Cash Payment for Share Options**

No cash payment will be required for the share options that the Board of Directors will be authorized to determine matters on offering, based on the delegation by the Resolution.

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## 5. Features of Share Options

The features of share options that the Board of Directors will be authorized to determine matters on offering, based on the delegation by the Resolution, will be as follows:

### (1) Number of Shares to be acquired upon Exercise of a Share Option

The number of shares to be acquired upon Exercise of one (1) share option (the **Allotted Number of Shares**) shall be one hundred (100) common shares, and the maximum total number of shares to be delivered due to the exercise of share options shall be one million one hundred thousand (1,100,000) shares.

However, if the Company effects a share split (including allotment of common shares without compensation; this inclusion being applicable below) or a share consolidation after the date of the allotment of the share options, the Allotted Number of Shares will be adjusted by the following calculation formula:

#### **Allotted Number of Shares after Adjustment**

**= Allotted Number of Shares before Adjustment x Ratio of Share Splitting or Share Consolidation.**

Such adjustment will be made only with respect to the number of issued share options that have not then been exercised, and any fractional number of less than one (1) share resulting from such adjustment will be rounded off.

### (2) Amount of Property to Be Contributed upon Exercise of Share Options

The amount of property to be contributed upon the exercise of each share option will be the amount obtained by multiplying the amount to be paid in for one share (the **Exercise Price**) to be delivered upon the exercise of a share option by the Allotted Number of Shares. The Exercise Price will be the product of the multiplication of 1.05 and the closing price of one (1) common share of the Company in ordinary trading at the Tokyo Stock Exchange as of the date of allotment of the share options (or if no trade is made on such date, the date immediately preceding the date on which such ordinary shares are traded), with any fractional amount of less than one (1) yen to be rounded up to one (1) yen.

The Exercise Price will be adjusted as follows:

- (i) If the Company effects a share split or a share consolidation after the date of the allotment of the share options, the Exercise Price will be adjusted by the following calculation formula, with any fractional amount of less than one (1) yen to be rounded up to one (1) yen:

#### **Exercise Price after Adjustment**

$$1$$

**= Exercise Price before  
Adjustment x**

**Ratio of Share Splitting or Share  
Consolidation**

- (ii) If, after the date of allotment of share options, the Company issues common shares at a price lower than the then market price thereof or disposes common shares owned by it, the Exercise Price will be adjusted by the following calculation formula, with any fractional amount of less than one (1) yen to be rounded up to one (1) yen; however, the Exercise Price will not be adjusted in the case of the exercise of share options:

**Exercise Price after Adjustment = Exercise Price before Adjustment x**

$$\begin{array}{r} \text{Number of Issued and Outstanding Shares} + \\ \text{Number of Newly Issued Shares} \times \text{Payment amount} \\ \text{per Share} \\ \text{Market Price} \\ \hline \text{Number of Issued and Outstanding Shares} + \text{Number of Newly Issued Shares} \end{array}$$

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The Number of Issued and Outstanding Shares is the number of shares already issued by the Company after subtraction of the number of shares owned by the Company. In the case of the Company's disposal of shares owned by it, the Number of Newly Issued Shares will be replaced with the Number of Own Shares to be Disposed.

(iii) In the case of a merger, a company split or capital reduction after the date of allotment of share options, or in any other analogous case requiring the adjustment of the Exercise Price, the Exercise Price shall be appropriately adjusted within a reasonable range.

**(3) Period during Which Share Options Are Exercisable**

From May 1, 2011 to April 30, 2015.

**(4) Matters regarding Stated Capital and Capital Reserves Increased When Shares Are Issued upon Exercise of Share Options**

(i) The increased amount of stated capital will be one half (1/2) of the maximum amount of increases of stated capital, etc. to be calculated in accordance with Article 40, Paragraph 1 of the Companies Accounting Regulations (*Kaisha Keisan Kisoku*). Any fractional amount of less than one (1) yen resulting from such calculation will be rounded up to one (1) yen.

(ii) The increased amount of capital reserves shall be the amount of the maximum amount of increases of stated capital, etc., mentioned in (i) above, after the subtraction of increased amount of stated capital mentioned in (i) above.

**(5) Restriction on Acquisition of Share Options by Transfer**

An acquisition of share options by way of transfer requires the approval of the Board of Directors.

**(6) Events for the Company's Acquisition of Share Options**

If a proposal for the approval of a merger agreement under which the Company will become an extinguishing company or a proposal for the approval for a share exchange agreement or a share transfer plan under which the Company will become a wholly-owned subsidiary is approved by the Company's shareholders at a shareholders' meeting (or by the Board of Directors if no resolution of a shareholders' meeting is required for such approval), the Company will be entitled to acquire the share options, without compensation, on a date separately designated by the Board of Directors.

**(7) Handling of Fractions**

Any fraction of a share (less than one (1) share) to be delivered to any holder of share options who has exercised share options will be disregarded.

**(8) Other Conditions for Exercise of Share Options**

(i) One share option may not be exercised partially.

(ii) Each holder of share options must continue to be a director, executive officer or employee of the Company until the end of the Company's general meeting of shareholders regarding the final business term within two (2) years from the end of the Ordinary General Meeting of Shareholders for the 108th Business Term of the Company.

(iii)

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Holders of share options will be entitled to exercise their share options for two (2) years, and during the exercisable period, even after they lose their positions as directors, executive officers or employees. However, if a holder of share options loses such position due to resignation at his/her initiative, or due to dismissal or discharge by the Company, his/her share options will immediately lose effect.

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(iv) No succession by inheritance is authorized for the share options.

(v) Any other conditions for the exercise of share options may be established by the Board of Directors.

**6. Specific Method of Calculation of Remuneration to Directors**

The amount of share options to be issued to the directors of the Company, as remuneration, will be the amount to be obtained by multiplying the fair market value per share option as of the allotment date thereof by the total number (not more than five thousand seven hundred (5,700) share options) of share options to be allotted to the directors existing as of such allotment date. The fair market value of a share option will be calculated with the use of the Black-Scholes model on the basis of various conditions applicable on the allotment date. Upon the approval of Proposal No. 3, regarding election of directors, the number of directors will be Twenty-five (25).

End.

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*Notes to the Grants of Plan-Based Awards Table*

<sup>1</sup> The amounts shown represent the threshold, target and maximum payouts for annual performance-based cash bonuses under the EICP Plan with respect to services rendered in 2011. The threshold, target and maximum payouts are based on performance against the pre-established

performance measures. The actual amounts awarded are reported in column (g) of the Summary Compensation Table. See pages 30 to 31 of the CD&A for a description of the Company's annual incentive program, including the above-mentioned performance measures.

2 The amounts shown represent the dollar value of threshold, target and maximum award opportunities for performance-based restricted stock awards pursuant to the EICP Plan for the 2008-2010 measurement cycle. As described in more detail on pages 32 to 33 of the CD&A, such restricted stock awards are made based on the strength of compound annual growth in both net sales and earnings per share over a three-year measurement period. Award opportunities are expressed in dollars and are converted into shares based on the fair market

value of the Company's common stock on the date of grant. Actual awards based on the award opportunities shown above were made in February 2011 following the completion of the 2008-2010 measurement period, and the number of shares granted to the Named Officers, which was 141.8% of their target award opportunities, was as follows: Mr. Cook 59,845; Mr. Hickey (then Vice President and Corporate Controller) 4,972; Mr. Tangney 16,068; Mr. Garcia 16,068; and Mr. Moison 14,155. The aggregate grant date fair value of such awards is included in column (e) of the Summary Compensation Table.

Performance-based restricted stock awards based on the award opportunities discussed in the CD&A were made in March 2012 following the completion of the 2009-2011

measurement period, and the number of shares granted to the Named Officers, which was 73.4% of their target award opportunities, was as follows: Mr. Cook 25,609; Mr. Hickey 5,392; Mr. Garcia 7,014; and Mr. Moison 6,142. Because Mr. Tangney retired before the awards were granted, his award of \$658,765, which was also 73.4% of his target award opportunity, was paid in cash. See pages 32 to 33 of the CD&A for a description of the

*(Notes continued on next page)*

awards granted in March 2012 and the performance-based restricted stock program, including the terms and conditions and applicable performance measures.

- 3 The amount shown represents a restricted stock award made to Mr. Moison to recognize his contributions and to help ensure his continued service to the Company, as described on page 33 of the CD&A. The aggregate grant date fair value of such award is included in column (e) of the Summary Compensation Table.
  
- 4 The amounts shown represent stock option awards granted in 2011 under the stockholder-approved Colgate-Palmolive Company 2005 Employee Stock Option Plan. The key terms of the Company's stock options are as follows: (a) the exercise price is equal to the closing price of the Company's common stock on the date of grant, (b) the term is six years and (c) they vest in equal annual installments over three years.
  
- 5 This column shows the grant date fair value of: (i) the actual restricted stock awards for which the estimated payout range is described in columns (f) through (h) of this table; and (ii) the restricted stock and stock option awards shown in columns (i) and (j) of this table, respectively. The value of restricted stock awards is based on the fair market value of the Company's common stock on the date of grant, which is the closing stock price on the date of

grant. The estimated value of options is calculated using the Black-Scholes option valuation model. For a description of the assumptions used to calculate the amounts, see Note 7 ( Capital Stock and Stock-Based Compensation Plans ) to the Company s Consolidated Financial Statements included in its Annual Report on Form 10-K for the year ended December 31, 2011.

**Outstanding Equity Awards at Fiscal Year-End**

The following table contains information about stock options and restricted stock awards held by the Named Officers as of December 31, 2011.

Name (a)	Option Grant Date	Option Awards <sup>1</sup>				Stock Awards	
		Number of Securities Underlying Unexercised Options (#) Exercisable (b)	Number of Securities Underlying Unexercised Options (#) Unexercisable <sup>2</sup> (c)	Option Exercise Price (\$) (e)	Option Expiration Date (f)	Number of Shares or Units of Stock That Have Not Vested (#) <sup>3,4</sup> (g)	Market Value of Shares or Units of Stock That Have Not Vested (\$) (h)
Ian Cook	9/12/02	95,000		\$ 55.11	9/12/12	220,958	\$ 20,414,310
	9/7/06	165,000		\$ 60.68	9/7/12		
	9/12/07	250,000		\$ 68.15	9/12/13		
	9/11/08	355,000		\$ 79.52	9/11/14		
	9/10/09	236,666	118,334	\$ 73.23	9/10/15		
	9/16/10	118,333	236,667	\$ 76.58	9/16/16		
	9/8/11		355,000	\$ 90.46	9/8/17		
Dennis J. Hickey	9/12/02	30,000		\$ 55.11	9/12/12	38,615	\$ 3,567,640
	5/1/03	20,000		\$ 56.71	5/1/13		
	9/7/06	30,000		\$ 60.68	9/7/12		
	9/12/07	32,000		\$ 68.15	9/12/13		
	9/11/08	32,000		\$ 79.52	9/11/14		
	9/10/09	21,333	10,667	\$ 73.23	9/10/15		
	9/16/10	10,666	21,334	\$ 76.58	9/16/16		
9/8/11		45,000	\$ 90.46	9/8/17			
Michael J. Tangney	9/12/02	75,000		\$ 55.11	9/12/12	58,754	\$ 5,428,280
	9/7/06	72,000		\$ 60.68	9/7/12		
	9/12/07	75,000		\$ 68.15	9/12/13		
	9/11/08	75,000		\$ 79.52	9/11/14		
	9/10/09	50,000	25,000	\$ 73.23	9/10/15		
	9/16/10	25,000	50,000	\$ 76.58	9/16/16		

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	9/8/11		75,000	\$	90.46		9/8/17	6
Fabian T. Garcia	9/7/06	56,000		\$	60.68		9/7/12	76,254
	9/12/07	60,000		\$	68.15		9/12/13	
	9/11/08	61,000		\$	79.52		9/11/14	
	9/10/09	41,000	20,500	\$	73.23		9/10/15	
	9/16/10	21,666	43,334	\$	76.58		9/16/16	
	9/8/11		65,000	\$	90.46		9/8/17	
Franck J. Moison	12/12/02	30,000		\$	53.06		12/12/12	56,921
	9/7/06	56,000		\$	60.68		9/7/12	
	9/12/07	55,800		\$	68.15		9/12/13	
	9/11/08	55,000		\$	79.52		9/11/14	
	9/10/09	36,666	18,334	\$	73.23		9/10/15	
	9/16/10	21,666	43,334	\$	76.58		9/16/16	
	9/8/11		65,000	\$	90.46		9/8/17	

*(Notes appear on next page)*

*Notes to the Outstanding Equity Awards Table*

<sup>1</sup> The following table contains information about the aggregate value of stock options held by each of the Named Officers as of December 31, 2011. The values shown are calculated based on the difference between the closing price of the Company's common stock on December 31, 2011 and the applicable exercise prices.

**Value of Unexercised  
In-the-Money Options  
at Fiscal Year-End**

Named Officer	Exercisable	Unexercisable
Ian Cook	\$ 25,807,965	\$ 6,694,135
Dennis J. Hickey	\$ 4,548,290	\$ 628,520
Michael J. Tangney	\$ 9,215,620	\$ 1,414,250
Fabian T. Garcia	\$ 5,143,329	\$ 1,203,341
Franck J. Moison	\$ 6,061,312	\$ 1,161,840

<sup>2</sup> The stock

option  
awards  
shown  
in this  
column  
will vest  
as  
follows:

<b>Named Officer</b>	<b>9/8/12</b>	<b>9/10/12</b>	<b>9/16/12</b>	<b>9/8/13</b>	<b>9/16/13</b>	<b>9/8/14</b>
Ian Cook	118,333	118,334	118,333	118,333	118,334	118,334
Dennis J. Hickey	15,000	10,667	10,667	15,000	10,667	15,000
Fabian T. Garcia	21,666	20,500	21,667	21,666	21,667	21,668
Franck J. Moison	21,666	18,334	21,667	21,666	21,667	21,668

Because  
Mr.  
Tangney  
retired from  
the  
Company  
effective  
February 1,  
2012, all  
150,000 of  
his  
outstanding  
stock  
options  
vested on  
February 1,  
2012.

<sup>3</sup> The  
amounts  
shown  
include  
dividend  
equivalents  
in the form  
of  
additional  
shares of  
restricted  
stock that  
have

accrued during the applicable vesting period.

- 4 The restricted stock awards shown in this column will vest as follows:

<b>Named Officer</b>	<b>2/26/12</b>	<b>9/8/12</b>	<b>2/25/13</b>	<b>9/8/13</b>	<b>12/9/13</b>	<b>2/24/14</b>	<b>2/26/14</b>	<b>9/8/14</b>
Ian Cook	93,668		67,597			59,693		
Dennis J. Hickey	7,556		5,559		20,541	4,959		
Michael J. Tangney	24,577		18,149			16,028		
Fabian T. Garcia	22,098		16,302			16,392	21,462	
Franck J. Moison	18,881	720	21,782	719		14,097		722

- 5 The market value of unvested restricted stock is calculated based on the closing price of the Company's common stock on December 31, 2011.

- 6 Because Mr. Tangney retired from the Company

effective  
February 1,  
2012 and all  
of his  
outstanding  
stock option  
awards  
vested on  
that date,  
his  
outstanding  
stock  
options  
expire on  
the earlier  
of their  
original  
expiration  
date (noted  
in column  
(f)) and  
February 1,  
2015.

**Option Exercises and Vesting of Previously Granted Restricted Stock Awards**

The following table contains information about the number of shares acquired and value realized (including, in the case of restricted stock awards, dividends accrued during the vesting period) during 2011 upon the exercise or vesting of equity awards previously granted to each of the Named Officers.

**Option Exercises and Stock Vested**

Name (a)	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#) (b)	Value Realized on Exercise (\$) <sup>1</sup> (c)	Number of Shares Acquired on Vesting (#) (d)	Value Realized on Vesting (\$) <sup>2</sup> (e)
Ian Cook	270,000	\$ 7,837,800	25,424	\$ 2,002,393
Dennis J. Hickey	56,500	\$ 1,683,263	2,875	\$ 225,950
Michael J. Tangney	137,500	\$ 4,242,663	8,953	\$ 703,773
Fabian T. Garcia	52,000	\$ 1,292,980	13,616	\$ 1,140,722
Franck J. Moison	123,000	\$ 3,411,895	6,569	\$ 517,918

**Notes to the Option Exercises and Stock Vested Table**

<sup>1</sup> The aggregate dollar amount realized upon the exercise of stock options is calculated based on the difference between the fair market

value of  
the  
Company's  
common  
stock on  
the  
exercise  
date and  
the  
exercise  
price of the  
stock  
option.

- 2 The  
aggregate  
dollar  
amount  
realized  
upon the  
vesting of  
restricted  
stock  
awards is  
calculated  
based on  
the fair  
market  
value of  
the  
Company's  
common  
stock on  
the vesting  
date of  
each  
award.

## Retirement Plans

The Named Officers are participants in and will receive retirement benefits under the Colgate-Palmolive Company Employees Retirement Income Plan (the Retirement Plan ), a broad-based, tax-qualified retirement plan available generally to all U.S. employees who were eligible for the plan as of August 31, 2010, and the Colgate-Palmolive Company Supplemental Salaried Employees Retirement Plan (the Supplemental Retirement Plan ), a non-qualified supplemental plan available to employees whose benefits under the Retirement Plan are subject to certain IRS limits. The Supplemental Retirement Plan provides only for payment of the portion of the Retirement Plan benefit that exceeds these IRS limits. Colgate's retirement programs, including these plans, are generally designed to provide the Company's long-service, retiring employees with fair and adequate replacement income based on then-prevailing market practice.

Under the Retirement Plan, benefits are determined in accordance with one of two formulas: (i) the final average earnings formula, the formula in effect under the Retirement Plan on June 30, 1989; or (ii) the Personal Retirement Account ( PRA ) formula, which was added to the Retirement Plan on July 1, 1989. Currently, the vast majority of the Company's eligible employees' benefits are determined in accordance with the PRA formula.

All of the Company's salaried employees employed at June 30, 1989 were offered a one-time opportunity to elect to maintain the Retirement Plan's benefit under the final average earnings formula by making monthly contributions of 2% of recognized earnings up to the Social Security wage base and 4% of recognized earnings in excess of the wage base. Employees who made this election receive at retirement the greater of: (i) the benefit under the final average earnings formula or (ii) the sum of the benefit under the PRA formula plus the contributions made by the employee. Employees who did not make this election, and eligible employees hired on or after July 1, 1989 and before June 1, 2010, receive at retirement the benefit under the PRA formula. The final average earnings and PRA formulas are described in more detail below.

Following a review of its retirement benefits, effective September 1, 2010, the Company made several adjustments to its retirement programs, including the following: (i) allocating a larger portion of the Company's retirement benefit allocations to the Savings and Investment Plan, a defined contribution plan, rather than the Retirement Plan; (ii) simplifying the formula for determining monthly pay-based credits to the Retirement Plan; and (iii) determining interest credits under the Retirement Plan using long-term rates instead of short-term rates. The simplified formula and the interest crediting rate are described below under PRA Formula. New employees hired after June 1, 2010 are not eligible to participate in the Retirement Plan, but are eligible to participate in the Savings and Investment Plan. These changes were designed to help ensure that the Company continues to provide a level of benefits to employees, at a cost to the Company of providing such benefits, targeted at the median level for similar programs at peer companies.

For employees who receive the benefit under the final average earnings formula, the normal retirement age is 65, with early retirement available at age 55, if the applicable employee has been employed by the Company for ten years. The benefit payable upon early retirement is reduced by one-third of one percent for each month a person retires and begins collecting benefits before age 60. However, there is no reduction in the benefit if the participant has attained 85 years of combined age and service with the Company at the time of early retirement. For employees who receive the benefit under the PRA formula, the benefit payable upon the employee's departure from the Company at any age is the amount in the employee's account, provided the employee is vested in the benefit, as described in more detail below.

Total annual retirement benefits payable under the Retirement Plan and the Supplemental Retirement Plan are subject to a maximum of 70% of the sum of an individual's base salary at retirement plus cash-based executive incentive compensation awarded for services rendered in the calendar year immediately preceding retirement. Benefits under the final average earnings formula are subject to an offset for Social Security and certain other amounts. In addition, in February 2010, the Company amended the Supplemental Retirement Plan to further limit the benefits payable thereunder such that a participant's aggregate benefits under the Retirement Plan and the Supplemental Retirement Plan, as currently calculated and projected, may not exceed a cap of \$22.5 million when expressed as a lump sum.

Such cap will be increased at an annual rate of 6%. If an employee dies during retirement, the employee's spouse is entitled to receive a monthly pension equal to 50% of the employee's normal monthly retirement benefit for life. For approximately 400 employees, including the Named Officers, the employee's spouse is entitled to receive an additional monthly amount equal to 25% of the employee's normal monthly retirement benefit for life, if the employee dies during

retirement. However, this benefit is not available to the extent it would cause the total retirement benefit payable to the employee's spouse to exceed 100% of the employee's normal retirement benefit.

If the participant in question is a specified employee under Section 409A of the Internal Revenue Code, there may be a six-month delay in the commencement of Supplemental Retirement Plan distributions, if triggered by the participant's termination or retirement.

***Final Average Earnings Formula***

Messrs. Cook, Hickey, Tangney and Moison made the one-time election in 1989 described above and, accordingly, will receive the greater of the final average earnings formula or PRA formula calculated using the pay-based credit schedule in effect on August 31, 2010. Benefits under the final average earnings formula are computed by multiplying final average earnings by the product of years of service and 1.8%. Final average earnings is defined as the average of an individual's highest recognized earnings for any three consecutive years during the ten years immediately preceding retirement. Recognized earnings for a particular year are set on February 1 each year, and consist of (i) the higher of the compensation earned by an employee during the previous year or (ii) his or her annual salary as of January 1 of the year in question plus the annual bonus paid to the employee in the previous year. Recognized earnings do not include the value of restricted stock awards or stock options. Employees retiring under the final average earnings formula may request that their retirement benefit under the Supplemental Retirement Plan be paid to them in a lump sum rather than an annuity. Such requests may be accepted or denied. If accepted, the lump sum value is calculated by projecting the annual benefit payable over the actuarially determined life of the participant and spouse, if applicable, and discounting each year's benefit back to the present using currently prevailing interest rates. This amount is limited to the present value of the benefit accrued through December 31, 2004, in accordance with Section 409A of the Internal Revenue Code. The residual value over the limitation applicable to the lump sum is paid in the form of an annuity.

***PRA Formula***

Eligible employees hired on or after July 1, 1989 and before June 1, 2010, and those hired before July 1, 1989 who did not make the one-time election referred to above, will receive at retirement the benefit under the PRA formula. Mr. Garcia, who joined the Company in 2003, will receive benefits under the PRA formula, which are determined as follows: On July 1, 1989, an account was established for each eligible person employed on June 30, 1989, with an opening balance equal to the greater of (i) the value of the pension then accrued under the final average earnings formula or (ii) an amount equal to the sum of the monthly pay-based credits that would have been made to the employee's account had the PRA always been in effect. For employees hired between July 1, 1989 and June 1, 2010, monthly pay-based credits accumulate in a PRA account established in the employee's name. Through August 31, 2010, these credits equaled a percentage of the employee's monthly recognized earnings determined in accordance with the following schedule:

<b>Years of Service</b>	<b>Up to 1/48 of Social Security Wage Base</b>	<b>Over 1/48 of Social Security Wage Base</b>
0 - 9	2.50 %	3.75 %
10 - 14	3.00 %	4.50 %
15 - 19	4.00 %	6.00 %
20 - 24	5.35 %	8.00 %
25 or more	7.50 %	11.25 %

The PRA formula was amended effective September 1, 2010 to provide for monthly pay-based credits equal to a percentage of the employee's monthly recognized earnings determined in accordance with the following schedule:

<b>Years of Service</b>	<b>Basic Retirement Contributions</b>
0 - 9	2.00 %
10 or more	2.50 %

In addition, eligible employees received additional allocations to their PRA accounts in September 2010 and September 2011 of 0.25% of their projected PRA balance as of August 31, 2010 for each full year of vesting service through August 31, 2010, up to a combined maximum of 15% based on 30 years of service.

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Under the PRA formula, the employee's account receives a monthly credit for interest. The interest crediting rate is equal to the IRS Composite Corporate Bond Rate (not to exceed the Third Segment Rate, which is a rate defined under the Internal Revenue Code regulations for pension plans). This rate was 5.43% for 2011.

The balance of the employee's account vests based on his or her years of service as follows: two years 50%; three years 100%. Employees retiring under the PRA formula may elect to have their retirement benefit under the Supplemental Retirement Plan paid in a lump sum. If such request is made, the full benefit will be paid in a lump sum. Otherwise, benefits earned through December 31, 2004 will follow the form of benefit elected under the Retirement Plan and benefits earned after December 31, 2004 will be paid in a lump sum.

**Pension Benefits**

The following table shows the actuarial present value of each Named Officer's total accumulated benefit as of December 31, 2011 under the terms of the Retirement Plan and the Supplemental Retirement Plan, and assumes that each Named Officer elects a joint and survivor annuity at the time of retirement.

<b>Name</b> <b>(a)</b>	<b>Plan Name</b> <b>(b)</b>	<b>Number of Years Credited Service (#)<sup>1</sup></b> <b>(c)</b>	<b>Present Value of Accumulated Benefit (\$)<sup>2</sup></b> <b>(d)</b>	<b>Payments During Last Fiscal Year (\$)</b> <b>(e)</b>
Ian Cook	Retirement Plan	35.83	\$ 2,164,540	
	Supplemental Retirement Plan	35.83	\$ 20,307,460	
			\$ 22,472,000	
Dennis J. Hickey	Retirement Plan	34.58	\$ 1,888,753	
	Supplemental Retirement Plan	34.58	\$ 6,132,521	
			\$ 8,021,274	
Michael J. Tangney	Retirement Plan	40.25	\$ 2,248,400	
	Supplemental Retirement Plan	40.25	\$ 16,159,666	
			\$ 18,408,066	
Fabian T. Garcia	Retirement Plan	8.25	\$ 75,396	
	Supplemental Retirement Plan	16.92 <sup>3</sup>	\$ 430,809 <sup>3</sup>	
			\$ 506,205	
Franck J. Moison	Retirement Plan	33.00	\$ 2,232,367	
	Supplemental Retirement Plan	33.00	\$ 10,084,834	
			\$ 12,317,201	

**Notes to the Pension Benefits Table**

<sup>1</sup> Except as described in footnote 3 below, the years in this

column represent the actual years worked for Colgate by the Named Officers as of December 31, 2011.

- 2 For Messrs. Cook, Hickey, Tangney and Moison, the amounts shown were calculated assuming credited service and final average earnings, as described above, as of December 31, 2011 and a discount rate of 4.9%. Accrued benefits were assumed to be payable at the earliest age at which each Named Officer is eligible to retire under each plan without any benefit reduction due to age. In addition, as noted above, the aggregate benefits payable to a participant under the Retirement Plan and the Supplemental Retirement Plan are subject to a cap of \$22.5 million, with such cap to be increased at an annual rate of 6%. Based on their respective ages and years of service at December 31, 2011, Messrs. Cook, Hickey, Tangney and Moison were eligible for retirement with full benefits. For more information regarding the assumptions used to

calculate the accrued benefits as of December 31, 2011, see Note 9 ( Retirement Plans and Other Retiree Benefits ) to the Company s Consolidated Financial Statements included in its Annual Report on Form 10-K for the year ended December 31, 2011.

For Mr. Garcia, the amounts shown reflect the value of his retirement benefits as of December 31, 2011 under the PRA formula described above.

As noted above, the Named Officers may request that a portion of their benefit under the Supplemental Retirement Plan be paid in the form of a lump sum. In such case, the lump sum amount payable as of December 31, 2011 would be as follows:

Mr.

Cook \$4,914,686;

Mr.

Hickey \$2,477,924;

Mr.

Tangney \$5,421,226;

and Mr.

Moison \$2,274,701.

The residual value over the limitation on the lump sum value would be paid in the form of an

annuity. Mr. Garcia is eligible to receive his full benefit of \$506,205 in a lump sum under the PRA formula.

- <sup>3</sup> For Mr. Garcia, the amount shown includes an enhancement to his years of credited service of 8.67 years that the Company agreed to give him upon his joining the Company to compensate him for forfeited benefits that he had earned in his previous employment. This enhancement resulted in an incremental benefit to Mr. Garcia of \$111,905.

### **Deferred Compensation Plan**

Eligible employees, including the Named Officers, may elect annually to defer a portion of their salary and/or cash bonus under the Colgate-Palmolive Company Deferred Compensation Plan (the Deferred Compensation Plan). Under this plan, participants can defer up to 75% of their salary and/or 100% of their cash bonus payable in the following calendar year. At the option of the participant, these amounts may be deferred to a specific date, at least five years from when the compensation is otherwise payable, or until retirement. Interest on deferred amounts is credited to the participant's account at the end of each calendar year and compounded annually. Interest accrues at a fixed rate equal to 120% of the Applicable Federal Rate (AFR) published by the Internal Revenue Service, which, for amounts deferred in 2011, equaled 1.91% and 4.02% for mid- and long-term rates, respectively. Mid- or long-term AFRs are used based on the length of the deferral period elected. Once established, the same rate remains in effect throughout the entire deferral period.

At the time of deferral, a participant must indicate whether he or she wishes to receive the amount deferred in either a lump sum or up to ten annual installments. If a participant is less than 55 years old and leaves or retires prior to the elected commencement date for distributions, the deferred amounts will be distributed immediately in a lump sum, regardless of the method of distribution originally elected by the participant. If a participant is 55 or older and leaves or retires prior to the elected commencement date for distributions, the deferred amounts will be paid according to the participant's original election. If the participant in question is a specified employee under Section 409A of the Internal Revenue Code, there may be a six-month delay in the commencement of distributions, if triggered by the participant's termination or retirement. Changes to deferral elections and early withdrawals from deferred accounts are only permitted in extreme cases, such as unforeseen financial hardship which is demonstrated to the P&O Committee. Of the Named Officers, only Mr. Garcia has elected to participate in the Deferred Compensation Plan. Mr. Garcia deferred a portion of his annual cash bonus for 2010 (which was paid in 2011), and information about earnings on his deferral is included in the Nonqualified Deferred Compensation Table.

### **Supplemental Savings and Investment Plan**

Employees, including the Named Officers, whose earnings exceed certain applicable federal limitations on compensation that may be recognized under tax-qualified plans, such as the Savings and Investment Plan, are entitled to receive a supplemental contribution under the Supplemental Savings and Investment Plan. The supplemental contribution is equal to the amount of the Company's matching contributions and retirement contributions that cannot be made under the Savings and Investment Plan due to certain federal tax limits. Under the Savings and Investment Plan, the Company matches a portion of employee contributions up to 6% of the employee's recognized earnings (as defined on page 44) and provides retirement contributions, subject to a maximum amount of recognized earnings under applicable federal tax regulations of \$250,000 in 2012 and \$245,000 2011. The supplemental contributions are allocated to the Supplemental Savings and Investment Plan.

Interest is credited under the Supplemental Savings and Investment Plan as follows:

Contributions  
allocated to the  
plan through  
December 31,  
2002 realize  
investment  
results based  
on the  
performance  
of the

Company's  
common stock.

Contributions  
allocated to the  
plan from  
January 1,  
2003 through  
September 30,  
2010 were  
credited with  
interest at  
annual interest  
rates  
calculated on  
the same basis  
as under the  
Deferred  
Compensation  
Plan described  
above.  
Effective  
October 1,  
2010, the  
interest  
crediting rate  
was adjusted  
so that these  
contributions  
are credited  
with interest at  
the rate of  
6.01%.

Contributions  
allocated to the  
plan in  
December  
2010 for 2010  
matching  
contributions  
are credited  
with interest at  
the rate of  
6.01%.

Contributions  
allocated to the  
plan for  
retirement  
contributions

beginning on  
September 1,  
2010, and for  
matching  
contributions  
beginning on  
January 1,  
2011, are  
credited with  
the same  
interest rate  
that applies  
under the  
Retirement  
Plan described  
on page 45.

Amounts allocated to the Supplemental Savings and Investment Plan are distributed upon the participant's departure from the Company. If the participant in question is a specified employee under Section 409A of the Internal Revenue Code, there may be a six-month delay in the commencement of distributions, if triggered by the participant's termination or retirement.

**Nonqualified Deferred Compensation**

The following table shows information about the amount of contributions, earnings and balances for each Named Officer under the Supplemental Savings and Investment Plan and, in the case of Mr. Garcia, the Deferred Compensation Plan as of December 31, 2011.

<b>Name</b> <b>(a)</b>	<b>Aggregate Balance at Beginning of Last Fiscal Year</b> <b>(\$)</b>	<b>Executive Contributions in Last Fiscal Year</b> <b>(\$)</b>	<b>Registrant Contributions in Last Fiscal Year</b> <b>(\$)<sup>1</sup></b>	<b>Aggregate Earnings in Last Fiscal Year</b> <b>(\$)<sup>2</sup></b>	<b>Aggregate Withdrawals/ Distributions</b> <b>(\$)</b>	<b>Aggregate Balance at Last Fiscal Year End</b> <b>(\$)<sup>3</sup></b>
	<b>(b)</b>		<b>(c)</b>	<b>(d)</b>	<b>(e)</b>	<b>(f)</b>
Ian Cook	\$ 151,576		\$ 181,904	\$ 30,778		\$ 364,258
Dennis J. Hickey	\$ 538,830		\$ 35,692	\$ 68,218		\$ 642,740
Michael J. Tangney	\$ 1,080,530		\$ 58,295	\$ 130,595		\$ 1,269,420
Fabian T. Garcia	\$ 143,489	\$ 100,000 <sup>4</sup>	\$ 79,385	\$ 13,955		\$ 336,829
Franck J. Moison	\$ 182,290		\$ 49,893	\$ 23,883		\$ 256,066

**Notes to the Nonqualified Deferred Compensation Table**

<sup>1</sup> These amounts represent Company contributions under the Supplemental Savings and Investment Plan for 2011, which were allocated to the Supplemental Savings and Investment Plan. These contributions

were also included in compensation reported for each Named Officer in column (i) of the Summary Compensation Table.

- 2 These amounts represent the interest credited to each Named Officer during 2011 for amounts allocated under the Supplemental Savings and Investment Plan and, in the case of Mr. Garcia, deferred under the Deferred Compensation Plan. For information regarding the calculation of interest earnings on these amounts, see page 47.
- 3 To the extent that an executive was a Named Officer for a reported year, these amounts, other than the portion attributable to accrued earnings, were

reported in previous proxy statements as compensation in the year of the executive's deferral (under the Deferred Compensation Plan or the Supplemental Savings and Investment Plan) or the Company's contribution (under the Supplemental Savings and Investment Plan), as applicable.

- <sup>4</sup> This amount represents the portion of Mr. Garcia's annual cash bonus for 2010 that he deferred under the Deferred Compensation Plan during 2011. This amount is also included in Mr. Garcia's compensation reported for 2010 in column (g) of the Summary Compensation Table.

## **Executive Severance and Other Termination Benefits**

The P&O Committee periodically reviews the appropriateness of the payment and benefit levels provided under the plans and programs described in this section, based on competitive market information and emerging best practices and governance trends. In particular, the Company's Executive Severance Plan (the "Severance Plan") is subject to renewal every three years by the Board. During its most recent review of the Severance Plan in July 2010, the P&O Committee and the Board determined to reduce the bonus component of the severance amount, replacing the highest annual bonus award in the last five years with the average of the three highest annual bonus awards in the last five years. During its review in June 2007, the P&O Committee and the Board determined to reduce the maximum amount of severance payable under the plan from 36 months to 24 months, eliminated the tax gross-up provision in the plan and limited compensation under the plan to a level that maintains deductibility by the Company under Section 280G of the Internal Revenue Code.

### ***Severance Plan***

*Change in Control.* The Severance Plan is designed to provide participants with reasonable compensation if their employment is terminated following a change in control of the Company. Individual employees are assigned a particular severance level up to the maximum allowed under the plan (24 months) based on grade level and years of service, subject to individual negotiation from time to time in the case of new hires.

The P&O Committee selects participants from among the executive officers and other key personnel of the Company and has selected a group of approximately 150 participants, including the Named Officers. In addition to the Severance Plan, the Company has incorporated other arrangements relating to a change in control in its compensation and benefit plans, as described below.

Under the Severance Plan, if at any time within two years of a change in control of the Company, the Company terminates a Named Officer's employment or a Named Officer terminates employment due to an adverse change in his conditions of employment, such as a diminution in his position, authority or responsibilities, or a salary reduction (each a "Qualified Termination"), such Named Officer is entitled to receive an amount equal to (i) 24 months of compensation (defined as base salary as of the termination date plus the greater of (a) the average of his three highest bonus awards within the last five years or (b) the annual bonus he would have received for the year in which the Qualified Termination occurs assuming all performance targets had been met), plus (ii) the present value of additional retirement plan accruals the participant would have received had he remained employed until the end of the severance period, or age 65, if earlier, plus (iii) the continuation of medical, dental and life insurance benefits during the severance period. No severance payments are required if a Named Officer is terminated for cause, which is defined as willful and continued failure to substantially perform his duties or gross misconduct that is materially and demonstrably injurious to the Company.

Generally under the plan, a change in control is deemed to occur if: (a) any person, entity or group acquires 20% or more of the Company's outstanding shares of common stock or voting securities (other than securities acquired directly from the Company); (b) a majority of the board of directors as of the effective date of the Severance Plan is replaced (unless any subsequent board member is approved by at least a majority of the original incumbent board, who shall thereafter be considered an incumbent board member); (c) a reorganization, merger, consolidation or sale or other disposition of all or substantially all of the Company's assets is consummated (other than under specific circumstances); or (d) a complete liquidation or dissolution of the Company is approved by the Company's stockholders.

If an outside accounting firm were to determine that a payment under the Severance Plan would cause a Named Officer to exceed the statutory limit and subject him to tax under Section 4999 of the Internal Revenue Code, then the Named Officer would receive a reduced amount.

In addition to the foregoing severance benefit, the Severance Plan provides for a payment within 30 days after the change in control, whether or not the Named Officer remains employed, of a pro-rated bonus for the year in which the change in control occurs. The pro-rated bonus paid may be used to offset any other bonus awarded for such year.

*Termination for Company Convenience.* Whether or not a change in control has occurred, if the Company terminates the employment of a Named Officer at the Company's convenience other than for cause, the

Company will pay in a lump sum an amount between 12 and 24 months of the Named Officer's base salary and continue to pay certain medical, dental and life insurance benefits for the same period. For employees who are eligible to receive benefits under the final average earnings formula described on page 44, the severance period and the period during which the Company continues such benefits ends upon the earlier of the Named Officer reaching age 65 or attaining 85 years of combined age and service with the Company. The Company is not required to make these payments if it terminates a Named Officer's employment for cause (as defined above) or if such officer voluntarily terminates his employment.

***Other Change-in-Control Arrangements***

Other arrangements relating to a change in control in the Company's compensation and benefit plans are as follows.

**Equity Awards.**

Under the Company's stock option plans, stock options held by employees and non-employee directors that are not yet exercisable become exercisable upon a change in control. Unvested restricted stock awards are considered earned in full and non-forfeitable (i) in the case of performance-based awards, upon a change in control, and (ii) in the case of all other awards, upon a Qualified Termination of employment (as defined above under Severance Plan ).

**Deferred Compensation Balances.**

Under the Severance Plan, participating employees are also entitled to receive within 30 days

following a change in control all amounts previously deferred by the employee under the Deferred Compensation Plan and amounts held in the employee's Supplemental Savings and Investment Plan account. For more information regarding the Deferred Compensation Plan and the Supplemental Savings and Investment Plan, see page 47.

**Letter of Credit for Unfunded Retirement Plan.**

With respect to the Supplemental Retirement Plan, which is an unfunded plan, the Company has arranged for a letter of credit that requires the issuing bank to fund the accrued benefits payable under this plan if the Company refuses to pay these benefits after a change in control. Funding would be made by payments to a trust, the assets of which would be subject to the claims of the Company's creditors if the Company were to

become insolvent.

***Death and Disability Benefits***

The Company provides additional benefits to approximately 1,000 employees, including the Named Officers, upon their death or disability. If a Named Officer dies while actively employed, his eligible survivors are entitled to an annuity equal to 20% of the Named Officer's recognized earnings (as defined on page 44) at the time of death. The benefit is payable until the Named Officer would have reached age 65. If the Named Officer's spouse is not living and his dependent children are under the age of 23, the benefit is paid to them until they reach age 23, or until the employee would have reached age 65, whichever is earlier.

Under the Long-term Disability Plan available to all U.S. employees, the Company generally provides long-term disability benefits based on an employee's earnings up to a maximum of \$300,000. Certain executives, including the Named Officers, receive additional benefits based on the amount of their earnings that exceed \$300,000, at no additional cost to them. If a Named Officer becomes disabled at or before age 60 while he is actively employed, he is entitled to receive these increased disability benefits until he reaches age 65. If a Named Officer becomes disabled after age 60 while he is actively employed, he is entitled to receive disability benefits until the earlier of the date on which he reaches age 70 or five years from the date he became disabled.

***Deferred Compensation and Retirement Benefits***

For information about the pension benefits payable to the Named Officers upon their retirement and deferred compensation balances, see pages 43 to 48. In addition to the post-retirement welfare benefits available to U.S. employees generally, approximately 1,000 employees, including the Named Officers, who have at least 10 years of service at retirement, can qualify for a post-retirement life insurance benefit equal to one-half of recognized earnings up to a maximum of \$750,000 in lieu of the Company's regular life insurance plan for retirees.

***Equity Awards***

The treatment, in general, of previously granted equity awards in the case of the termination of employment under the following circumstances is as follows:

*Death, Disability or Retirement.* All unvested restricted stock awards, including those subject to continued employment, will continue to vest and be distributed in accordance with their original vesting schedule, except, in the case of retirement, for special retention awards that are subject to continued employment. All outstanding stock options, whether or not previously exercisable, will be exercisable for a period of three years from the death, disability or retirement, as applicable, or until the end of the original term of the option, whichever is shorter.

*Termination for Company Convenience.* Where severance is paid following a termination of employment at the Company's convenience, the severance period is

counted in determining the vesting of restricted stock awards and stock options and whether the employee would have been eligible for retirement. If the employee would have been eligible for retirement during the severance period, equity awards are treated as outlined under Death, Disability or Retirement above. If not, any unvested restricted stock awards that would have vested during the severance period will continue to vest and be distributed in accordance with their original vesting schedule. Any unvested stock options that would have vested during the severance period will be vested upon termination and, together with any other vested stock options, will be exercisable for a period of three months or until the end of the original term of the option, whichever is shorter. Any remaining unvested restricted stock

awards and stock options will be forfeited.

*Termination for Cause.* Unvested restricted stock awards and both vested and unvested stock options are forfeited.

*Resignation.* Unvested restricted stock and unvested stock option awards are forfeited. Vested stock options are exercisable for a period of three months after termination, or until the end of their original term, if shorter.

*Change in Control.* For a description of the treatment of equity awards following a change in control of the Company, see Other Change-in-Control Arrangements on page 50.

**Potential Payments Upon Termination or Change in Control**

The following table sets forth the estimated incremental payments and benefits that would be payable to each Named Officer upon termination of his employment or a change in control of the Company, assuming that the triggering event occurred at year-end 2011. These amounts would be incremental to the compensation and benefit entitlements described previously in this Proxy Statement that are not contingent upon a termination or change in control.

Name	Change In Control		Involuntary Termination		Resignation	Death <sup>4,5</sup>	Disability <sup>5,6</sup>	Retirement
	Without Qualified Termination <sup>1</sup>	With Qualified Termination <sup>2</sup>	With Cause	Without Cause <sup>3</sup>				
Ian Cook		\$ 9,061,561				\$ 4,047,782	\$ 9,185,396	
Dennis J. Hickey		\$ 2,703,503				\$ 423,219	\$ 2,068,323	
Michael J. Tangney		\$ 3,781,952					\$ 1,893,202	
Fabian T. Garcia		\$ 3,453,380		\$ 835,161		\$ 2,772,373	\$ 6,507,460	
Franck J. Moison		\$ 3,042,599				\$ 1,717,491	\$ 3,187,829	

**Notes to the Potential Payments Upon Termination or Change in Control Table**

- <sup>1</sup> **Change in Control without Qualified Termination.**  
As shown in this column, if there is a change in control but there is no Qualified Termination of the Named Officers

employment  
(as defined  
above under  
Severance  
Plan ), the  
Named  
Officer would  
not be entitled  
to receive any  
incremental  
payment or  
benefit.  
However, the  
vesting or  
distribution of  
certain  
existing  
compensation  
reported  
previously in  
this Proxy  
Statement  
would be  
accelerated as  
follows:

**Equity Awards.** The  
vesting of previously  
granted stock options  
and  
performance-based  
restricted stock  
awards would be  
accelerated as  
described under  
Other  
Change-in-Control  
Arrangements Equity  
Awards on page 50.  
All such awards were  
reported on Forms 4  
when granted and as  
compensation in the  
proxy statement for  
the year of grant, to  
the extent the  
executive was a  
Named Officer for  
that year. The  
estimated value as of  
year-end 2011 of the

previously granted awards that would be accelerated for the applicable Named Officers is as follows: Mr. Garcia \$4,286,821. The estimated value of restricted stock awards that would be accelerated was calculated based on the closing price of the Company's common stock on December 31, 2011. The estimated value of the stock options that would be accelerated was calculated based on the difference between the closing price of the Company's common stock on December 31, 2011, and the applicable exercise price.

**Pro-Rated Bonus.**

The Named Officers would be entitled to receive a pro-rated portion of their annual cash bonus for the year in which the change in control occurs (reported as of year-end 2011 in column (g) of the Summary Compensation Table).

**Deferred Compensation Balances.**

The Named Officers would be entitled to receive any amounts

previously deferred by or allocated to them under the Deferred Compensation Plan or Supplemental Savings and Investment Plan (reported as of year-end 2011 in column (f) of the Nonqualified Deferred Compensation Table).

2 **Change in Control with Qualified Termination.**

This column consists of the following benefits under the Severance Plan described beginning on page 49: (i) severance payments, (ii) the value of accruals under Company retirement plans during the severance period and (iii) continuation of medical, dental and life insurance benefits during the severance period. The value of retirement accruals was calculated based on the difference between the present value of additional retirement plan accruals that the Named Officer

would have received had he remained employed until the end of the severance period, or age 65, if earlier, and the present value of retirement benefits payable at the change-in-control date without assuming future service. For more information regarding the assumptions used to calculate the present value of retirement benefits, see note 2 to the Pension Benefits Table. The additional medical, dental and life insurance benefits were valued based on the aggregate premiums paid by the Company for the applicable severance period.

*(Notes continued on next page)*

In addition to the amounts shown in this column, the vesting or distribution of certain existing compensation reported previously in this Proxy Statement would be accelerated as follows:

**Equity Awards.** The vesting of previously granted stock options and restricted stock awards would be accelerated as described under Other Change-in-Control Arrangements Equity Awards on page 50. All such awards were reported on Forms 4 when granted and as compensation in the proxy statement for the year of grant, to the extent the executive was a Named Officer for that year. The estimated value as of year-end 2011 of the previously granted awards that would be accelerated for the applicable Named Officers is as follows: Mr. Hickey \$1,897,780; Mr. Garcia \$8,248,455; and Mr. Moison \$726,072. For the assumptions used to calculate these amounts, see note 1 above.

**Pro-Rated Bonus.**

The Named Officers would be entitled to receive a pro-rated portion of their annual cash bonus for the year in which the change in control occurs (reported as of year-end 2011 in column (g) of the Summary Compensation Table).

**Retirement Accruals and Deferred Compensation**

**Balances.** The Named Officers would be entitled to receive their accrued retirement benefits (reported in the Pension Benefits Table) and any amounts previously deferred by or allocated to them under the Deferred Compensation Plan or Supplemental Savings and Investment Plan (reported as of year-end 2011 in column (f) of the Nonqualified Deferred Compensation Table).

<sup>3</sup> **Involuntary Termination without Cause.**

Messrs. Cook, Hickey, Tangney and Moison are not eligible for severance in the

event of termination for Company convenience under the Severance Plan because they are eligible for retirement with full benefits under the final average earnings formula described on page 44. This column shows the severance payment and the continuation of medical, dental and life insurance benefits during the severance period that would be payable to Mr. Garcia. For the assumptions used to calculate the additional retirement and insurance benefits, see note 2 above.

In addition to the amounts shown in this column, certain previously granted and unvested equity awards would be allowed to vest if they would have otherwise vested before the end of the severance period, as described under Termination for Company Convenience on page 51. All such awards were reported on Forms 4 when granted and as compensation in

the proxy statement for the year of grant, to the extent the executive was a Named Officer for that year. The estimated value as of year-end 2011 for awards that would be accelerated for the applicable Named Officers is as follows: Mr. Garcia \$2,818,765 and Mr. Moison \$726,072. For the assumptions used to calculate these amounts, see note 1 above. If the triggering event occurs at year-end, as assumed in the table above, each Named Officer would also be entitled to receive his annual cash bonus for the year in which the triggering event occurs (reported in column (g) of the Summary Compensation Table), his performance-based restricted stock award for the three-year performance cycle ending such year (reported in footnote 2 to the Grants of Plan-Based Awards Table) and any amounts previously deferred by or

allocated to him under the Deferred Compensation Plan and Supplemental Savings and Investment Plan (reported in the Nonqualified Deferred Compensation Table).

- 4 **Death.** This column consists of a spousal annuity, the actuarial present value of which is calculated based on the lump sum of all of the annuities payable until the Named Officer would have reached 65. The amounts shown were calculated assuming an interest rate of 4.9%. No amount is shown for Mr. Tangney because he is over 65 years old and his children are over 23 years old.
- 5 In addition to the amounts shown in this column, unvested restricted stock awards would continue to vest in accordance with their original vesting schedule and all outstanding stock options would be exercisable for a period of three years or until the

end of the original term, whichever is shorter, as described under Death, Disability or Retirement on page 51. All such awards were reported on Forms 4 when granted and as compensation in the proxy statement for the year of grant, to the extent the executive was a Named Officer for that year. The estimated value as of year-end 2011 for awards that would continue to vest for the applicable Named Officers is as follows: Mr. Hickey \$1,897,780; Mr. Garcia \$8,248,455; and Mr. Moison \$726,072. For the assumptions used to calculate these amounts, see note 1 above. If the triggering event occurs at year-end, as assumed in the table above, each Named Officer would also be

*(Notes continued on next page)*

entitled to receive his annual cash bonus for the year in which the triggering event occurs (reported in column (g) of the Summary Compensation Table) and his performance-based restricted stock award for the three-year performance cycle ending such year (reported in footnote 2 to the Grants of Plan-Based Awards Table).

- 6 **Disability.** This column consists of the actuarial present value of additional long-term disability benefits for which each Named Officer is eligible, as described more fully on page 50. The amounts shown were calculated assuming an interest rate of 4.9%.
- 7 **Retirement.** As shown in this column, the Named Officers would not be entitled to receive any incremental payment or benefit upon retirement. In addition to the amounts shown in this column, unvested restricted stock awards, except those subject to continued employment, would continue to vest in accordance with their original vesting schedule and all outstanding stock options would be exercisable for a period of three years or until the end of the original term, whichever is shorter, as described under Death, Disability or Retirement on page 51. All such awards were reported on Forms 4 when granted and as compensation in the proxy statement for the year of grant, to the extent the executive was a Named Officer for that year.

Each Named Officer would be entitled to receive his retirement benefits under the Retirement Plan and Supplemental Retirement Plan, as described on pages 43 to 45. If the triggering event occurs at year-end, as assumed in the table above, each Named Officer would also be entitled to receive his annual cash bonus for the year in which the triggering event occurs (reported in column (g) of the Summary Compensation Table), his performance- based restricted stock award for the three-year performance cycle ending such year (reported in footnote 2 to the Grants of Plan-Based Awards Table), and any amounts previously deferred by or allocated to him under the Deferred Compensation Plan and Supplemental Savings and Investment Plan (reported as of year-end 2011 in column (f) of the Nonqualified Deferred Compensation Table) in accordance with the distribution schedule elected by the Named Officer.

**COMPENSATION OF DIRECTORS**

Compensation for the non-employee directors is set by the Board at the recommendation of the Nominating and Corporate Governance Committee. The substantial majority of the compensation paid to the non-employee directors is in the form of Colgate equity pursuant to stockholder-approved plans that provide for fixed annual grants, as described below.

In 2011, non-employee director compensation consisted of the following, as applicable:

<b>Annual Fee</b>	2,600 shares of common stock
<b>Annual Retainer</b>	\$25,000
<b>Committee Chairperson Fees</b>	\$3,000 for the chair of each committee
<b>Stock Option Grant</b>	Options to purchase 4,000 shares of common stock
<b>Expenses and Benefits</b>	Reimbursement of travel and related expenses incurred in attending meetings; life and travel/accident insurance; and Charitable Matching Gifts Program available to U.S. employees as described below

Mr. Cook does not receive any compensation for serving on the Board.

***Deferral of Compensation***

Under the Colgate-Palmolive Company Non-Employee Director Stock Plan (the Director Stock Plan), approved by the Company's stockholders in 2006, directors may elect to defer all or a part of their annual stock compensation. Deferred stock compensation is credited to a stock unit account, the value of which reflects changes in the market price of the Company's common stock and dividends paid. No interest is paid on deferred balances. The directors also may elect to receive cash in lieu of up to 25% of the shares of the Company's common stock granted and not deferred under the Director Stock Plan solely for the purpose of satisfying related tax obligations.

Directors may elect to defer all or a part of their cash compensation under the Colgate-Palmolive Company Restated and Amended Deferred Compensation Plan for Non-Employee Directors. As with the Director Stock Plan, deferred fees are credited to a stock unit account, the value of which reflects changes in the market price of the Company's common stock and dividends paid. No interest is paid on deferred balances. Under both plans, distributions are made in shares of the Company's common stock in annual installments or by lump sum in accordance with the distribution election made by the director.

The table included in Stock Ownership of Directors and Executive Officers includes information concerning directors who have elected to defer their fees.

***Election to Purchase Stock***

Directors may elect to purchase the Company's common stock with all or a portion of their cash compensation. Shares of the Company's common stock that represent committee chairperson fees are purchased on behalf of directors who make this election at the beginning of the year, and shares that represent the annual retainer are purchased after the end of the year. In both cases, shares are purchased on behalf of directors on the third business day following the announcement of the Company's annual earnings.

**Director Compensation**

The following table shows the compensation earned by each non-employee director in 2011.

<b>Name (a)</b>	<b>Fees Earned or Paid in Cash (\$)<sup>1</sup> (b)</b>	<b>Stock Awards (\$)<sup>2</sup> (c)</b>	<b>Option Awards (\$)<sup>3</sup> (d)</b>	<b>All Other Compensation (\$)<sup>4</sup> (g)</b>	<b>Total (\$) (h)</b>
John T. Cahill	\$ 26,500	\$ 220,558	\$ 48,828	\$ 10,158	\$ 306,044
Helene D. Gayle	\$ 80,140 <sup>5</sup>	\$ 165,419 <sup>5</sup>	\$ 48,828	\$ 1,908	\$ 296,295
Ellen M. Hancock	\$ 83,140 <sup>5</sup>	\$ 165,419 <sup>5</sup>	\$ 48,828	\$ 10,158	\$ 307,545
Joseph Jimenez	\$ 25,000 <sup>6</sup>	\$ 220,558 <sup>6</sup>	\$ 48,828	\$ 1,908	\$ 296,294
David W. Johnson <sup>7</sup>	\$ 14,000	\$	\$	\$ 679,926 <sup>7</sup>	\$ 693,926
Richard J. Kogan	\$ 28,000	\$ 220,558	\$ 48,828	\$ 10,158	\$ 307,544
Delano E. Lewis	\$ 83,140 <sup>5</sup>	\$ 165,419 <sup>5</sup>	\$ 48,828	\$ 9,408	\$ 306,795
J. Pedro Reinhard	\$ 25,000	\$ 220,558	\$ 48,828	\$ 1,908	\$ 296,294
Stephen I. Sadove	\$ 25,000	\$ 220,558	\$ 48,828	\$ 10,158	\$ 304,544

**Notes to the Director Compensation Table**

<sup>1</sup> Consists of an annual retainer and committee chair fees, as described above.

This column reflects the aggregate grant date fair value of stock awards granted to each director in 2011. As noted above, directors receive an annual grant of 2,600 shares of the Company's common stock. The grant date fair value of stock awards granted in 2011 to each director was \$84.83 per share, based on the fair market value of the Company's common stock on the date of grant.

<sup>3</sup> As noted above, directors receive an annual grant of 4,000 stock options. The key terms of such stock options granted in 2011 are as follows: (a) the exercise price is equal to the closing price of the Company's stock on the date of grant, (b) the term is six years and (c) they vest in equal annual installments over three years.

The grant date fair value of stock options

granted in 2011 to each director was \$12.21 per option. The estimated value of options is calculated using the Black-Scholes option valuation model. For a description of the assumptions used to calculate the amounts shown in this column, see Note 7 ( Capital Stock and Stock-Based Compensation Plans ) to the Company s Consolidated Financial Statements included in its Annual Report on Form 10-K for the year ended December 31, 2011.

The aggregate number of stock options outstanding for each director as of December 31, 2011 was as follows: Mr. Cahill 25,000; Dr. Gayle 7,334; Mrs. Hancock 40,000; Mr. Jimenez 7,334; Mr. Johnson 20,000; Mr. Kogan 32,000;

Mr. Lewis 8,001;  
Mr.  
Reinhard 24,000  
and Mr.  
Sadove 18,334.

- 4 The amounts shown include (a) the value of Company-paid life insurance premiums and (b) matching charitable donations contributed by the Company in the director's name pursuant to the Charitable Matching Gifts Program, which is available to all directors, U.S. retirees and U.S. employees who are actively employed on a full time basis and have completed at least one year of service. Under the Charitable Matching Gifts Program, the Company matches contributions to schools and other eligible institutions up to a maximum of \$8,000 per individual per year. Eligible gifts up to \$250 are matched on a 2:1 basis with all other eligible gifts up to

\$7,750 matched on a 1:1 basis. The Company does not match certain gifts such as contributions to organizations that are not tax-exempt, dues to alumni or similar groups, tuition payments, contributions to school funds or associations that are not used exclusively to support educational purposes of the institution and any gift for which the donor receives a substantial benefit.

- 5 Dr. Gayle, Mrs. Hancock and Mr. Lewis each elected to receive 25% of her or his annual stock fee in cash to satisfy tax obligations pursuant to the procedure described on page 55.
- 6 Mr. Jimenez elected to defer the cash retainer and the stock award he earned in 2011 pursuant to the procedure described on page 55.

*(Notes continued on next page)*

7 Mr. Johnson retired as a director of the Company effective May 6, 2011. Following his retirement, in May 2011, Mr. Johnson received a distribution of 7,763 shares of Common Stock from an account the Company created in his name upon the termination of the Pension Plan for Outside Directors as of December 31, 1996. On the termination date of that plan, the account was credited with common stock units representing the accrued value under the plan as of that date. In addition, in honor of Mr. Johnson's long service as a Colgate director, following his retirement in May 2011, the Company made a one-time \$10,000 donation to an international scholarship program at the University of Chicago in Mr. Johnson's name.

**STOCK OWNERSHIP****Stock Ownership of Directors and Executive Officers**

Directors and executive officers of the Company own significant amounts of Company stock. Under the Company's stock ownership guidelines, non-employee directors are required to own stock equal in value to at least five times their annual stock retainer, and executive officers of the Company are required to own stock equal in value to at least two to eight times their salary, depending on their grade level.

The following table shows the beneficial ownership of Common Stock of each director, each of the Named Officers appearing in the Summary Compensation Table and the directors and executive officers (including the Named Officers) as a group. Beneficial ownership as used here means more than ownership as that term is commonly used. For example, a person beneficially owns Colgate stock not only if he or she holds it directly, but also if he or she has (or shares) the power to vote or sell the stock indirectly (for example, through a relationship, a position as a director or trustee, or a contract or understanding). Beneficial ownership also includes shares a person has the right to acquire within 60 days, for example, through the exercise of a stock option.

Name of Beneficial Owner	Common Stock Amount and Nature of Beneficial Ownership <sup>1,2</sup>			Held by Savings & Investment Plan Trustee <sup>4</sup>
	Directly Owned	Exercisable Options <sup>3</sup>	Common Stock Units	
Ian Cook <sup>5</sup>	368,532	1,219,999		48,450
Dennis J. Hickey <sup>6</sup>	124,094	115,999		24,053
Michael J. Tangney	454,241	522,000		68,049
Fabian T. Garcia	36,902	183,666		3,960
Franck J. Moison	31,435	255,132		17,253
Nikesh Arora <sup>7, 8</sup>				
John T. Cahill <sup>9</sup>	15,694	20,999	9,456	<sup>10</sup>
Helene D. Gayle <sup>8</sup>	3,575	3,555		
Ellen M. Hancock <sup>11</sup>	36,538	31,999	39,561	<sup>10</sup>

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Joseph Jimenez <sup>8</sup>	1,625	3,555	3,273	10
Richard J. Kogan	43,516	27,999		
Delano E. Lewis	4,956	4,000	7,895	10
J. Pedro Reinhard	103	19,999	16,897	10
Stephen I. Sadove <sup>12</sup>	15,479	14,333		
All directors and executive officers as a group (32 persons)	1,551,122	3,659,157	77,082	346,436

**Notes to the Stock Ownership Table**

<sup>1</sup> Information about Common Stock holdings is as of March 12, 2012, the record date for the Annual Meeting. Unless stated otherwise in these notes, each person named in the table owns his or her shares directly and has sole voting and investment power over such shares.

<sup>2</sup> Each person named in the table beneficially owns less

than 0.25% of the outstanding Common Stock, except for Mr. Cook who owns 0.33%. The directors and executive officers as a group beneficially own 1.1% of the outstanding Common Stock.

<sup>3</sup> This column includes options that are exercisable on or before May 11, 2012, which is 60 days after March 12, 2012. As of March 12, 2012, a total of 21,818,464 options were outstanding under the Company's stock option plans and 8,724,354 shares were available for future grants.

<sup>4</sup> Consists of Common

Stock credited to executive officers under the Company's Savings and Investment Plan. The Company issues, under its Savings and Investment Plan, Common Stock to a trustee acting on behalf of the Savings and Investment Plan. Employees who participate in this plan, including the Named

*(Notes continued on next page)*

Officers, have voting power over such shares allocated to their accounts under the plan, subject to the right of the plan trustee to vote shares if a participant fails to do so. Participants have no investment power over such shares until they are distributed or diversified at the participant's election in accordance with the terms of the plan.

5 Mr. Cook's holdings include 235,938 shares of Common Stock owned jointly with his spouse.

6 Mr. Hickey's holdings include 108,161 shares of Common Stock owned jointly with his spouse.

7 In accordance with the Director Stock Plan and the Colgate-Palmolive Company 2005 Non-Employee Director Stock Option Plan, Mr. Arora, who was first elected to the Board effective March 15, 2012, will receive pro-rata grants in 2012 of 2,167 shares of Common Stock and 3,334 stock options on May 14, 2012.

8 Mr. Arora was first elected to the Board effective March 15, 2012 and Dr. Gayle and Mr. Jimenez were first elected to the Board effective March 1, 2010. Directors have five years from the date of their initial election to meet the Company's stock ownership guidelines.

- 9 Mr. Cahill's holdings include 10,397 shares of Common Stock owned by the John Tobin Cahill Revocable Trust.
- 10 Consists of Common Stock units credited to one or more of the following accounts: (i) a deferred account under the Director Stock Plan; (ii) a deferred account under the Restated and Amended Deferred Compensation Plan for Non-Employee Directors; or (iii) an account representing the accrued value under the Pension Plan for Outside Directors that was terminated as of December 31, 1996. In each case, the holder of Common Stock units has no voting or investment power over such units.
- 11 Mrs. Hancock's holdings include 17,164 shares of Common Stock owned jointly with her spouse.
- 12 Mr. Sadove's holdings include 9,879 shares of Common Stock held through a grantor retained annuity trust.

**Stock Ownership of Certain Beneficial Owners**

The following table sets forth information regarding persons or groups known to the Company to be beneficial owners of more than 5% of the Company's outstanding Common Stock.

<b>Name and Address of Beneficial Owner</b>	<b>Number of Shares Beneficially Owned as of December 31, 2011</b>	<b>Percent of Common Stock Outstanding as of December 31, 2011</b>
State Street Corporation <sup>1</sup> State Street Financial Center One Lincoln Street Boston, MA 02111	37,721,647 <sup>2</sup>	7.8 %

***Notes to the Stock Ownership of Certain Beneficial Owners Table***

- <sup>1</sup> State Street Bank and Trust Company ( State Street ), a subsidiary of State Street Corporation, is the trustee of the Colgate-Palmolive Company Employee Stock Ownership Trust (the Trustee ).
- <sup>2</sup> On a Schedule 13G filed with the SEC by State Street Corporation on February 13, 2012, State Street Corporation reported that, as of December 31, 2011, it beneficially owned 37,721,647 shares of Common Stock over which it had shared voting and dispositive power and State Street,

acting in various capacities, reported that, as of December 31, 2011, it beneficially owned 25,595,258 shares over which it had shared voting and dispositive power.

For information regarding the voting of shares allocated to the Colgate-Palmolive Employee Stock Ownership Plan participants, please see Voting Procedures Voting by Employees Participating in the Company's Savings and Investment Plan. The Trustee will vote unallocated shares in the same proportion in which allocated shares are voted.

## **Compliance with Section 16(a) Beneficial Ownership Reporting**

Section 16(a) of the Exchange Act requires the Company's directors and executive officers and any persons owning more than 10% of a class of the Company's stock to file reports with the SEC and the NYSE regarding their ownership of the Company's stock and any changes in such ownership. The Company undertakes to file such reports on behalf of its directors and executive officers pursuant to a power of attorney given to certain attorneys-in-fact. Based on the Company's review of copies of these reports and officer and director certifications, the Company believes that all Section 16(a) filing requirements applicable to its directors and executive officers were complied with during 2011, except that (1) on November 17, 2011, a Form 4 was filed on behalf of Delano E. Lewis reporting four gifts of 50 shares each on December 8, 9 and 20, 2010; (2) on August 9, 2011, a Form 4 was filed on behalf of Alexandre de Guillenchmidt, rather than on August 8, 2011, for a sale of 2,176 shares that occurred on August 4, 2011; and (3) on January 26, 2012 an amendment to a Form 4 filed on May 20, 2011, was filed on behalf of Francis M. Williamson reporting a transaction date of May 13, 2011, rather than May 18, 2011, for the sale of 8,700 shares.

## **Certain Relationships and Related Transactions**

Colgate has a longstanding policy prohibiting its directors, officers and employees from entering into transactions that present actual or potential conflicts of interest. This policy is reflected in the Company's Code of Conduct, Business Practices Guidelines and Director Independence Standards. In addition, the Board has adopted a written policy regarding related person transactions which supplements these policies by establishing additional procedures for monitoring and reviewing and, if appropriate, approving or ratifying, these types of transactions. The policy covers any related person transaction, as defined under SEC rules, which generally includes any transaction, arrangement or relationship involving more than \$120,000 in which the Company or any of its subsidiaries was, is or will be a participant and in which a related person has a material direct or indirect interest. Related persons means directors and executive officers and their immediate family members, and shareholders owning five percent or more of Colgate's outstanding stock.

The Company's Corporate Legal Department, together with the Corporate Controller's Department, is responsible for monitoring compliance with these policies and procedures. In the rare instance where a related person transaction is determined to provide a material benefit to the Company and its stockholders, the transaction must be submitted to the independent directors of the Board for their review. Only the independent directors of the Board may approve or ratify the transaction in accordance with the procedures for review and approval or ratification described in the policy. In the course of its review of related person transactions, the independent directors of the Board will consider all of the relevant facts and circumstances that are available to them, including but not limited to: (i) the benefits to the Company, (ii) in a transaction involving a director, the impact on the director's independence, (iii) the availability of comparable products or services, (iv) the terms of the transaction and (v) whether the transaction is proposed to be on terms more favorable to the Company than terms that could have been reached with an unrelated third party.

Nikesh Arora, who was elected to the Company's Board effective March 15, 2012, is Senior Vice President and Chief Business Officer of Google, Inc. During 2011, in the ordinary course of business the Company purchased advertising from Google, Inc. on arm's length terms, totaling approximately \$7 million. In accordance with the Company's Related Person Transaction Policy, these transactions were referred to the independent directors of the Board for their approval and they concluded the transactions are in the best interests of the Company and its stockholders.

Based on the Company's review of its transactions, there were no other transactions considered to be a related person transaction during 2011.

**PROPOSALS REQUIRING YOUR VOTE**

The following four proposals will be presented at the meeting for your vote. When voting by internet or telephone, you will be instructed how to vote for or against or abstain from voting on these proposals. If you received a printed copy of your proxy materials, space is provided on the proxy card to vote for or against or abstain from voting on each of the proposals.

**PROPOSAL 1: ELECTION OF DIRECTORS**

The Board has nominated ten people for election as directors at the Annual Meeting. All nominees are currently serving as directors of the Company. All nominees, except Mr. Arora, were elected at the 2011 Annual Meeting. Mr. Arora was elected by the Board effective March 15, 2012. If you elect these nominees, they will hold office until the next Annual Meeting or until their successors have been elected and qualified. For information about Colgate's by-law provisions regarding the election of directors, please see [Majority Voting in Director Elections](#).

The nominees are Nikesh Arora, John T. Cahill, Ian Cook, Helene D. Gayle, Ellen M. Hancock, Joseph Jimenez, Richard J. Kogan, Delano E. Lewis, J. Pedro Reinhard and Stephen I. Sadove. Biographical information regarding the nominees and information regarding the skills and qualifications of the nominees appears on pages 9 to 14 of this Proxy Statement.

**The Board of Directors recommends a vote FOR the nominees for director listed above.**

**PROPOSAL 2: RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We are asking you to ratify the Audit Committee's selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2012. PricewaterhouseCoopers LLP has audited the accounts of the Company since May 2002. The Board considers it desirable to continue the services of PricewaterhouseCoopers LLP.

The fees billed or expected to be billed by PricewaterhouseCoopers LLP for professional services rendered to the Company during 2011 and 2010 are set forth below. The Audit Committee has concluded that the provision to the Company of the non-audit services by PricewaterhouseCoopers LLP described below did not and does not impair or compromise their independence. All such services were pre-approved by the Audit Committee in accordance with the pre-approval policy described on page 63.

**PricewaterhouseCoopers LLP Fees**

(in millions)

	<b>2011</b>	<b>2010</b>
Audit Fees	\$ 11.1	\$ 10.3
Audit-Related Fees	0.2	0.2
Tax Fees	4.5	4.1
All Other Fees		
<b>Total</b>	<b>\$ 15.8</b>	<b>\$ 14.6</b>

***Audit Fees***

These amounts represent fees billed or expected to be billed by PricewaterhouseCoopers LLP for professional services rendered for the audits of the Company's annual financial statements for the years ended December 31, 2011 and 2010 and the effectiveness of its internal control over financial reporting as of December 31, 2011 and 2010, the reviews of the financial statements included in the Company's Quarterly Reports on Form 10-Q, and services related to statutory and regulatory filings and engagements for such fiscal years.

***Audit-Related Fees***

These amounts represent fees billed or expected to be billed by PricewaterhouseCoopers LLP for professional services rendered that were reasonably related to the performance of the audits or the reviews of the Company's financial statements in 2011 and 2010 (but which are not included under "Audit Fees" above). Audit-Related fees consist primarily of certain agreed-upon procedures engagements.

***Tax Fees***

These amounts represent fees billed or expected to be billed by PricewaterhouseCoopers LLP for professional services rendered relating to tax compliance, tax advice and tax planning in various tax jurisdictions around the world. This category includes fees of \$2.6 million for each of the years ended December 31, 2011 and 2010 related to tax compliance services for the Company's expatriate employee programs. The remaining fees were associated with assistance in tax return filings, tax audits and refund claims, as well as advice on interpretation of and compliance with tax laws and tax valuation services (aggregating \$1.9 million and \$1.5 million in the years ended December 31, 2011 and 2010, respectively).

***All Other Fees***

None.

***Audit Committee Pre-Approval Policy***

The Audit Committee has adopted a policy for the pre-approval of all audit and permitted non-audit services that may be performed by the Company's independent registered public accounting firm. Under this policy, each year, at the time it engages the independent registered public accounting firm, the Audit Committee pre-approves the audit engagement terms and fees and may also pre-approve detailed types of audit-related and permitted tax services, subject to certain dollar limits, to be performed during the year. All other permitted non-audit services are required to be pre-approved by the Audit Committee on an engagement-by-engagement basis. The Audit Committee may delegate its authority to pre-approve services to one or more of its members, whose activities are reported to the Audit Committee at each regularly scheduled meeting.

Representatives of PricewaterhouseCoopers LLP are expected to be present at the Annual Meeting. They will have the opportunity to make a statement and will be available to respond to appropriate questions.

**The Board of Directors recommends a vote FOR the ratification of the selection of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for 2012.**

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**PROPOSAL 3: ADVISORY VOTE ON EXECUTIVE COMPENSATION**

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The Company asks that you indicate your support for the executive compensation, as described in this Proxy Statement, of the executive officers of the Company named in the Summary Compensation Table appearing on page 35. The Company is providing stockholders with this vote pursuant to Section 14A of the Securities Exchange Act of 1934, as amended. The Company currently intends to submit the executive compensation to an advisory vote annually, consistent with the advisory vote of the stockholders at the Company's 2011 Annual Meeting of Stockholders.

The Board of Directors is asking you to cast a non-binding advisory vote on the following resolution:

RESOLVED, that the stockholders of Colgate-Palmolive Company (the "Company") approve the compensation of the

Company's executive officers named in the Summary Compensation Table, as disclosed in the proxy statement for the 2012 Annual Meeting of the Company's stockholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission (which disclosure includes the Compensation Discussion and Analysis, the executive compensation tables and the related footnotes and narrative accompanying the tables).

The Compensation Discussion and Analysis, beginning on page 22, describes the Company's executive compensation programs and the compensation decisions made by the Personnel and Organization Committee

and the Board of Directors in 2011 with respect to the Chief Executive Officer and the other officers named in the Summary Compensation Table (referred to as the Named Officers ). As described in detail in the Compensation Discussion and Analysis and highlighted in the section captioned Executive Summary, the key principle underlying the Personnel and Organization Committee's compensation philosophy is pay for performance and, in 2011, 70-90% of total compensation paid to Colgate's Named Officers was performance-based, with incentive award payouts varying based on the Company's business performance and, in the case of stock options, the performance of the Company's common stock. This direct link between incentive payments and achievement of business goals and shareholder value has helped drive the Company's strong and consistent performance year after year.

For these reasons, the Board is asking you to support this proposal. Because your vote is advisory, it will not be binding on the Board. However, the Board and the Personnel and Organization Committee will review the voting results in their entirety and take them into consideration when making future decisions regarding executive compensation.

**The Board of Directors recommends a vote FOR the executive compensation of the Company's Named Officers, as described in this Proxy Statement.**

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#### **PROPOSAL 4: STOCKHOLDER PROPOSAL**

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John Chevedden, 2215 Nelson Avenue, No. 205, Redondo Beach, California 90278, owner of at least 50 shares of Common Stock, has informed the Company in writing that he intends to offer the following resolution for consideration at the Annual Meeting.

##### **Proposal 4 Independent Board Chairman**

RESOLVED: Shareholders request that our board of directors adopt a policy that, whenever possible, the chairman of our board of directors shall be an independent director (by the standard of the New York Stock Exchange), who has not previously served as an executive officer of our Company. This policy should be implemented so as not to violate any contractual obligations in effect when this resolution is adopted. The policy should also specify how to select a new independent chairman if a current chairman ceases to be independent between annual shareholder meetings.

To foster flexibility, this proposal gives the option of being phased in and implemented when our next CEO is chosen.

When a CEO serves as our board chairman, this arrangement may hinder our board's ability to monitor our CEO's performance. Many companies have an independent Chairman. An independent Chairman is the prevailing practice in the United Kingdom and many international markets. Transition to an independent chairman is particularly important at our company because we did not even have a Lead Director.

An independent Chairman can enhance investor confidence in our Company and strengthen the integrity of our Board. This proposal topic won 50%-plus support at four companies in 2011.

The merit of this Independent Board Chairman proposal should also be considered in the context of the opportunity for additional improvement in our company's 2011 reported corporate governance status in order to more fully realize our company's potential:

The Corporate Library [www.thecorporatelibrary.com](http://www.thecorporatelibrary.com), an independent investment research firm rated our company High Concern in executive pay \$15 million for our CEO Ian Cook. Mr. Cook received 355,000 stock options valued at \$3.9 million in 2010 while also realizing nearly \$5.3 million on the exercise of 176,000 options.

Our company had not implemented clawback provisions to recoup unearned executive incentive pay awards. A

significant portion of long-term equity given to our Named Executive Officers consisted of stock options that simply vested after time.

Equity awards should have performance-vesting features in order to assure full alignment with shareholder interests. Market-priced stock options can give our executives rewards due to a rising market alone, regardless of executive performance. These facts suggested that executive pay practices were not aligned with shareholder interest.

Directors with 15 to 23 years tenure held four seats on our key board committees: Richard Kogan and Ellen Hancock. As tenure increases director independence declines. This included Mr. Kogan's chairmanship of our Executive Pay Committee.

Our newest directors, Helene Gayle and Joseph Jimenez, did not serve on any other significant boards. However Mr. Jimenez had failed attendance at a board that he retired from, Blue Nile (NILE).

On the other hand, an independent Chairman policy can further enhance investor confidence in our Company and strengthen the integrity of our Board. Please encourage our board to respond positively to this proposal for an Independent Board Chairman Yes on 4.

### Company Response

Your Board of Directors recommends a vote AGAINST this stockholder proposal for the following reasons:

**The Board is truly independent and has an independent lead director with the authority to ensure proper checks and balances.**

With the exception of Ian Cook, the Chairman, President and CEO, the Board is composed entirely of independent directors. The independent directors meet at each regularly scheduled Board meeting in separate executive sessions without Mr. Cook present. These sessions are led by an independent lead director, who is selected by and from the independent directors for a one-year term. Colgate has long been committed to having an independent lead director, having established the role of Presiding Director in 2003 and expanded the role in 2006 and again in 2012 when it changed the title to Lead Director. The role of the Lead Director is clearly delineated in the Company's corporate governance guidelines, entitled Board Guidelines on Significant Corporate Governance Issues and available on Colgate's website, [www.colgatepalmolive.com](http://www.colgatepalmolive.com). The duties of the Lead Director are to:

Preside at all meetings of the Board at which the Chairman is not present (including the executive sessions of independent directors);

Establish agendas for the executive sessions in consultation with the other directors;

Review proposed Board meeting agendas;

Serve as liaison between the independent directors and the Chairman (although all independent directors are encouraged to communicate freely with the Chairman);

Review, at his or her discretion, the information to be sent to the Board;

Review meeting schedules to ensure there is sufficient time for discussion of all agenda items;

Call meetings of the independent directors, as appropriate; and

Be available (as deemed appropriate by the Board) for consultation and direct communication with stockholders.

Stephen Sadove, who currently serves as Lead Director, has five years of experience on Colgate's Board and has experience serving on other public company boards, serving as Chairman of the Board of Saks Incorporated since May 2007 and as a director of Ruby Tuesday Inc. since 2002.

One of the Company's longstanding governance practices is that all of the members (including the chairs) of the Audit Committee, the Nominating and Corporate Governance Committee and the Board's compensation committee (known as the Personnel and Organization Committee) are independent directors, nominated to the committees by the

Nominating and Corporate Governance Committee. This, when coupled with the independent composition of the Board as described above, ensures that independent directors guide all critical matters, such as the integrity of the Company's financial statements, Chief Executive Officer and senior management compensation, Board evaluation and selection of directors. In addition, the Board has long had established governance guidelines, which, as noted above, are available on Colgate's website.

**The Board and the Company are committed to the highest standards of corporate governance.**

Colgate's corporate governance practices and policies are described in the section of this Proxy Statement entitled, Governance of the Company. As discussed in that section, Colgate has had a longstanding commitment to good corporate governance and has been recognized by governance rating

agency GovernanceMetrics International, among others, for its good corporate governance, earning a rating of 10.0 out of 10.0 in March 2012.

Reflecting the Board's commitment to continuous improvement, the Board reviews its governance practices on an ongoing basis to ensure that they promote shareholder value. As a result of this review, the Board has made a number of enhancements in recent years. For example, the Board voluntarily provided stockholders an advisory vote on executive compensation at the 2010 Annual Meeting of Stockholders, a year before the Company was required to do so by law. During 2011, the Board adopted a hedging policy that prohibits Colgate's directors, officers and employees who receive stock-based compensation from engaging in transactions to hedge against declines in the value of Colgate's stock. In addition, in the first quarter of 2012, the Board adopted a clawback policy that would permit recoupment of incentive awards made to executive officers if the financial results on which such awards were based were subsequently restated and the executive officer's intentional misconduct contributed to the restatement.

**An absolute rule to separate the Chairman and CEO roles is not in the best interests of stockholders.**

Stockholders are best served if the Board retains flexibility to decide what leadership structure works best for the Company based on the facts and circumstances existing from time to time. In fact, Colgate has adapted its approach over time. During the transition of the position of Chief Executive Officer from Reuben Mark to Ian Cook during the second half of 2007 and 2008, Mr. Mark served as Chairman of the Board while Mr. Cook served as Chief Executive Officer. Currently, Mr. Cook serves as Chairman of the Board and Chief Executive Officer. Colgate's small, independent Board, with its proactive Lead Director and independent committee chairs, ensures that the Board, and not the Chairman alone, determines the Board's focus. The Chairman is guided by these strong independent leaders and having the Chief Executive Officer serve as the Chairman presents a bridge to management that helps provide the Board with the management support it needs. Based on these considerations, the Board believes that this remains the best leadership structure for the Company at this time and that, operating under this structure, the Board is very effective in guiding the Company and representing the interests of the stockholders. The Board believes that retaining the flexibility to determine the best Board leadership structure based on the circumstances in effect from time to time best protects the interests of the stockholders.

**For these reasons, the Board of Directors recommends a vote AGAINST this proposal.**

## **OTHER INFORMATION**

### **Future Stockholder Proposals**

Under the rules of the SEC, if you wish us to include a proposal in the Proxy Statement for next year's Annual Meeting, we must receive it no later than November 28, 2012.

Under the Company's by-laws, if you wish to submit a proposal for consideration at next year's Annual Meeting, the Secretary of the Company must receive your proposal at least 60 days but not more than 90 days prior to the date of the meeting. Generally, the Company holds its Annual Meeting during the first or second week of May. Your proposal also must comply with certain information requirements set forth in the Company's by-laws. You may obtain a copy of the Company's by-laws from the Secretary. These requirements apply to any matter that a stockholder wishes to raise at the Annual Meeting other than pursuant to the procedures set forth in Rule 14a-8 under the Exchange Act. The deadline under the Company's by-laws for receiving proposals for consideration at this year's Annual Meeting was March 12, 2012.

### **Nominations for Director**

Nominations for directors of the Company may be made at a stockholders' meeting by the Board or by any stockholder of the Company who complies with the information and timely notice requirements of the Company's by-laws. In addition, the Nominating and Corporate Governance Committee will consider director nominees recommended by stockholders in writing if such candidates meet Colgate's criteria for Board membership, as described in the Nominating and Corporate Governance Committee Report. The deadlines for nominations for this year's and next year's Annual Meetings are the same as those described above under Future Stockholder Proposals.

### **Cost and Methods of Soliciting Proxies**

We pay the cost of soliciting proxies for the meeting. Proxies may be solicited in person by our employees, or by mail, courier, telephone, facsimile or e-mail. In addition, we have retained D.F. King & Co. Inc. to solicit proxies by mail, courier, telephone, facsimile and e-mail. We will pay a fee of approximately \$23,000 to D.F. King & Co. plus expenses for these services.

### **Information Regarding Householding**

Unless they have previously requested electronic delivery of proxy materials, we have sent to certain of our registered stockholders who have the same address and last name a single copy of this Proxy Statement and the 2011 Annual Report and one proxy card for each stockholder and, to all other such stockholders, a single envelope containing one Notice of Internet Availability for each stockholder that includes that stockholder's unique control number, which he or she will use to vote his or her shares, as described under Voting Procedures above. This procedure helps Colgate reduce printing and postage costs associated with the distribution of its proxy materials as well as helping to preserve the earth's valuable resources.

If, in the future, you do not wish to participate in householding and prefer to receive separate copies of the Proxy Statement and Annual Report or your Notice of Internet Availability in a separate envelope, please call us at (800) 850-2654 or (212) 310-2575 or inform us in writing at: Colgate- Palmolive Company, Attention: Investor Relations, 300 Park Avenue, New York, New York 10022. Or, if you are currently receiving separate copies of the Proxy Statement and Annual Report or Notice of Internet Availability at one address and would like to receive a single copy, please contact us at the phone numbers or mailing address listed in the previous sentence. We will respond promptly to such requests.

If your shares are held in the name of a bank, broker or other holder of record, you can request information about householding from such holder of record.

**Available Information**

The Company's website address is [www.colgatepalmolive.com](http://www.colgatepalmolive.com). The information contained on the Company's website is not included as a part of, or incorporated by reference into, this Proxy Statement. The Company makes available, free of charge on its internet website, its annual reports on Form 10-K, its quarterly reports on Form 10-Q, its current reports on Form 8-K and amendments to such reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after the Company has electronically filed such material with, or furnished it to, the SEC. Also available on the

Company's website are the Company's Code of Conduct and Corporate Governance Guidelines, the charters of the Committees of the Board and reports under Section 16(a) of the Exchange Act of transactions in Company stock by the Company's directors and executive officers. Hard copies of these materials are also available free of charge from the Company's Investor Relations department by calling (800) 850-2654 or (212) 310-2575.

**Other Business**

As of the date of this Proxy Statement's printing, we do not intend to submit any matters to the meeting other than those set forth herein, and we know of no additional matters that will be presented by others. However, if any other business should come before the meeting and you have voted by proxy, the members of the Proxy Committee have discretionary authority to vote your shares with respect to such matters in accordance with their best judgment.

By order of the Board of Directors.

Andrew D. Hendry  
Chief Legal Officer and Secretary

**Reconciliation of Non-GAAP Financial Measures**

	2008	2009	2010	2011
<b>Diluted Earnings Per Share As Reported GAAP</b>	<b>\$ 3.66</b>	<b>\$ 4.37</b>	<b>\$ 4.31</b>	<b>\$ 4.94</b>
Restructuring	(0.21 )			
Venezuela Hyperinflationary			(0.53 )	
Termination Benefits			(0.12 )	
Gain on Sale of Non-Core Product Lines			0.06	
Tax Initiatives			0.06	
Gain on Sale of Colombia Detergent Business				0.27
Business Realignment Initiatives				(0.30 )
Mexico Land Sale				(0.02 )
French Competition Law Matter				(0.04 )
<b>Diluted As Adjusted Earnings Per Share Non-GAAP</b>	<b>\$ 3.87</b>	<b>\$ 4.37</b>	<b>\$ 4.84</b>	<b>\$ 5.03</b>

A-1

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**NOTICE OF ANNUAL MEETING  
OF STOCKHOLDERS AND PROXY STATEMENT**

Printed on Recycled Paper

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**300 PARK AVENUE  
NEW YORK, NY 10022-7499**

**YOUR VOTE IS IMPORTANT  
VOTE BY INTERNET / TELEPHONE / MAIL  
24 HOURS A DAY, 7 DAYS A WEEK**

**VOTE BY INTERNET - [www.proxyvote.com](http://www.proxyvote.com)**

Use the internet to vote up until 11:59 p.m. Eastern Daylight Time on May 10, 2012. Have your proxy card in hand when you access the website and follow the instructions.

**VOTE BY PHONE - 1-800-690-6903**

Use any touch-tone telephone to vote up until 11:59 p.m. Eastern Daylight Time on May 10, 2012. Have your proxy card in hand when you call and follow the instructions.

**VOTE BY MAIL**

Detach the below proxy card. Mark, sign and date your proxy card. Return it in the postage-paid envelope enclosed or mail it to Colgate-Palmolive Company, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717, so we receive it by 11:59 p.m. Eastern Daylight Time on May 10, 2012.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

M42224-Z57279-Z57280 KEEP THIS PORTION FOR YOUR RECORDS

DETACH AND RETURN THIS PORTION ONLY

**THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.**

**The Board of Directors  
recommends a vote  
FOR each of the nominees  
for director.**

1.

FOR AGAINST ABSTAIN

FOR AGAINST ABSTAIN

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Election of directors

**The Board of Directors recommends  
a vote FOR proposals 2 and 3.**

Nominees:

1a. Nikesh Arora	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<b>2. Ratify selection of PricewaterhouseCoopers LLP as Colgate's independent registered public accounting firm.</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
1b. John T. Cahill	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		<b>3. Advisory Vote on Executive Compensation.</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
1c. Ian Cook	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>					
1d. Helene D. Gayle	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>					
1e. Ellen M. Hancock	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<b>The Board of Directors recommends a vote AGAINST proposal 4.</b>	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>	
1f. Joseph Jimenez	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>					<b>4. Stockholder Proposal on Independent Board Chair.</b>
1g. Richard J. Kogan	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>					
1h. Delano E. Lewis	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	This proxy when properly executed will be voted in the manner directed herein. If no direction is made, this proxy will be voted in accordance with the Board of Directors' recommendations as specified above. In its discretion, the Proxy Committee is authorized to vote upon such other business as may properly come before the meeting.				
1i. J. Pedro Reinhard	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>					
1j. Stephen I. Sadove	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>					

NOTE: Please sign within the box below exactly as name appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such. When signing as corporate officer, please give full corporate name and officer's title.

Signature [PLEASE SIGN Date  
WITHIN BOX]

Signature (Joint Owners) Date

**ANNUAL MEETING  
OF  
COLGATE-PALMOLIVE COMPANY STOCKHOLDERS**

**Friday, May 11, 2012  
Marriott Marquis Hotel  
10:00 a.m.  
Broadway Ballroom  
1535 Broadway  
(Between 45th and 46th Streets)  
New York, NY 10036**

Your vote is important to us. You may vote your proxy by internet, telephone or mail. Please vote your proxy at your earliest convenience even if you plan to attend the meeting. Voting instructions appear on the reverse side of this card. Your vote is held in confidence by our outside tabulator, Broadridge Financial Solutions, Inc.

If you plan to attend the meeting, please fill out and mail separately the enclosed ticket request.

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:** The Notice of Annual Meeting of Stockholders and Proxy Statement and Annual Report are available at [www.proxyvote.com](http://www.proxyvote.com).

M42225-Z57279-Z57280

**COLGATE-PALMOLIVE COMPANY**

**Proxy Solicited by the Board of Directors  
for Annual Meeting on May 11, 2012**

The undersigned hereby appoints as proxies, with full power of substitution to each, IAN COOK, ELLEN M. HANCOCK and DELANO E. LEWIS (the Proxy Committee) to vote as designated on the reverse side all shares that the undersigned would be entitled to vote at the Annual Meeting of Stockholders of the Company to be held in New York, New York on May 11, 2012 or at any adjournments thereof. Action hereunder may be taken by a majority of said proxies or their substitutes who are present, or if only one be present, then by that one.

You are encouraged to specify your choices by marking the appropriate boxes, SEE REVERSE SIDE. If no direction is made, this proxy will be voted in accordance with the Board of Directors' recommendations as set forth on the reverse side of this card. The Proxy Committee cannot vote the shares unless you sign and return this card or vote by internet or telephone in accordance with the applicable instructions.

(Continued and to be signed on the reverse side.)

