

ECOLAB INC.
Form DEF 14A
March 15, 2019
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under §240.14a-12

ECOLAB INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

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(1) Title of each class of securities to which transaction applies:

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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~~(3)~~ Filing Party:

~~(4)~~ Date Filed:

Notice of 2019 Annual Meeting and
Proxy Statement

Annual Meeting to be Held on May 2, 2019

March 18, 2019

DEAR FELLOW STOCKHOLDER:

You are cordially invited to join us for our Annual Meeting of Stockholders, to be held at 9:30 a.m. on Thursday, May 2, 2019, at the Ecolab Global Headquarters, 1 Ecolab Place, Saint Paul, Minnesota 55102. The Notice of Annual Meeting and the Proxy Statement that follow describe the business to be conducted at our Annual Meeting. We urge you to read both carefully.

We hope you plan to attend our Annual Meeting. However, if you will not be able to join us, we encourage you to exercise your right as a stockholder and vote. Please sign, date and promptly return the accompanying proxy card, or make use of either our telephone or Internet voting services. Stockholders not in attendance may listen to a broadcast of the meeting on the Internet. Webcast instructions will be available on-line at www.investor.ecolab.com.

Sincerely,

Douglas
M. Baker,
Jr.
Chairman
of the
Board
and Chief
Executive
Officer

**YOUR VOTE IS IMPORTANT!
PLEASE SUBMIT YOUR PROXY TODAY.**

Your vote is a valuable part of the investment made in our Company and is the best way to influence corporate governance and decision-making. Please take time to read the enclosed materials and vote!

Whether or not you plan to attend the meeting, please complete the accompanying proxy and return it in the enclosed envelope. Alternatively, you may vote by telephone or the Internet. If you attend the meeting, you may vote your shares in person even though you have previously returned your proxy by mail, telephone or the Internet.

PLEASE REFER TO THE ACCOMPANYING MATERIALS FOR VOTING INSTRUCTIONS.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To the Stockholders of Ecolab Inc.:

The Annual Meeting of Stockholders of Ecolab Inc. will be held on Thursday, May 2, 2019, at 9:30 a.m., at the Ecolab Global Headquarters, 1 Ecolab Place, Saint Paul, Minnesota 55102, for the following purposes (which are more fully explained in the Proxy Statement):

1. To elect as directors to a one-year term ending in 2020 the 13 nominees named in the Proxy Statement;
2. To ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the current year ending December 31, 2019;
3. To approve, on an advisory basis, the compensation of executives disclosed in the Proxy Statement;
4. To consider and vote on a stockholder proposal requesting an independent board chair, if properly presented; and
5. To transact such other business as may properly come before our Annual Meeting and any adjournment or postponement thereof.

Our Board of Directors has fixed the close of business on March 5, 2019 as the record date for the determination of stockholders entitled to notice of, and to vote at, the meeting.

By Order of
the Board of
Directors

Michael C.
McCormick
Executive
Vice
President,
General
Counsel
and
Secretary
March 18,
2019

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PROXY STATEMENT

SUMMARY

This proxy summary is intended to provide a broad overview of the items that you will find elsewhere in this Proxy Statement. This summary does not contain all of the information that you should consider, and we encourage you to read the entire Proxy Statement carefully before voting. We are first mailing this Proxy Statement and accompanying form of proxy to our stockholders on or about March 18, 2019.

References made below to “Ecolab,” “the Company,” “we,” “our,” or “us” are to Ecolab Inc.

Annual Meeting of Stockholders

Date and Time: Thursday, May 2, 2019, at 9:30 a.m.

Location: Ecolab Global Headquarters, 1 Ecolab Place, Saint Paul, Minnesota 55102

Record Date: March 5, 2019

Meeting Agenda and Items of Business

| Proposal | Board’s Voting Recommendation | Page Reference |
|--|-------------------------------|----------------|
| 1. Elect as directors to a one-year term ending in 2020 the 13 nominees named in this Proxy Statement | FOR | 3 |
| 2. Ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the current year ending December 31, 2019 | FOR | 23 |
| 3. Approve, on an advisory basis, the compensation of executives disclosed in the Proxy Statement | FOR | 26 |

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4. Consider and vote on a stockholder proposal requesting an independent board chair, if properly presented AGAINST 60

Election of Directors

| Name of Director Nominee | Age | Years of Service | Occupation |
|---------------------------|-----|------------------|--|
| Non-Independent Directors | | | |
| Douglas M. Baker, Jr. | 60 | 15 | Chairman of the Board and Chief Executive Officer, Ecolab Inc. |
| Shari L. Ballard | 52 | (1) | Advisor, Best Buy Co., Inc. Chief Executive Officer, Learning Care Group, Inc. |
| Barbara J. Beck | 58 | 11 | Chief Executive Officer, Harborview Capital |
| Leslie S. Biller | 71 | 21 | Retired Chairman and Chief Executive Officer, Hormel Foods Corporation |
| Jeffrey M. Ettinger | 60 | 4 | President and Chief Executive Officer, Assertio Therapeutics, Inc. |
| Arthur J. Higgins | 63 | 9 | Chief investment officer to William H. Gates III |
| Michael Larson | 59 | 7 | Chairman and Chief Executive |
| David W. MacLennan | 59 | 4 | |

| | | | |
|-----------------------|----|-----|--|
| Tracy B. McKibben | 49 | 4 | Officer, Cargill, Incorporated Founder and Chief Executive Officer, MAC Energy Advisors LLC Former Senior Vice President and Treasurer, PepsiCo, Inc. Former Senior Vice President and Chief Financial Officer, Essendant Inc. President, Kilovolt Consulting Inc. Retired President and Chief Executive Officer, Univar Inc. |
| Lionel L. Nowell, III | 64 | (1) | |
| Victoria J. Reich | 61 | 9 | |
| Suzanne M. Vautrinot | 59 | 5 | |
| John J. Zillmer | 63 | 13 | |

(1) Ms. Ballard and Mr. Nowell started serving on the Board effective December 4, 2018.

The Board of Directors of Ecolab Inc. is asking you to elect 13 director nominees. The table above provides summary information about the director nominees. A nominee will only be elected if the number of votes cast for the nominee's election is greater than the number of votes cast against the nominee. For more information, see page 3.

Ratification of Independent Accountants

The Board of Directors is asking you to ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm to audit our consolidated financial statements for the year ending December 31, 2019. For more information, see page 23.

Advisory Vote to Approve Executive Compensation

The Board of Directors is asking you to approve, on an advisory basis, the compensation of our named executive officers as disclosed in this Proxy Statement. For more information, see page 26.

Stockholder Proposal Requesting an Independent Board Chair

The Board of Directors recommends that you vote AGAINST a stockholder proposal requesting an independent board chair, if properly presented. For more information, see page 60.

Summary of Compensation Practices

| | |
|------------------------------|---|
| How did we perform? | <p>New product introductions, new business wins and improved operating efficiency drove higher adjusted sales and earnings growth</p> <p>Increased pricing to offset higher delivered product costs</p> <p>Raised goal for its efficiency initiative to simplify and automate processes and tasks, reduce complexity and management layers, consolidate facilities and focus on key long- term growth areas by leveraging technology and structural improvements</p> |
| What did we change for 2018? | <p>More than 92% of shareholders voted in favor of our Say-on-Pay, so the Compensation Committee took this favorable support into account in deciding to retain the overall structure of the current program</p> <p>In connection with tax law changes, the Compensation Committee granted 2018 annual cash incentives under an incentive plan not designed to satisfy historical 162(m) performance exception requirements</p> |
| How do we determine pay? | <p>Our executive compensation program is designed to be market-competitive in order to attract, motivate and retain our executives in a manner that is in the best interests of our stockholders</p> <p>Our executive compensation program is further designed to reinforce and complement ethical and sustainable management practices, promote sound risk management and align management interests (such as sustainable long-term growth) with those of our stockholders</p> <p>Our philosophy is to position base salary, annual cash incentives, and long-term equity incentives in the median range of our competitive market, adjusted for the Company's size</p> |
| How did we pay our NEOs? | <p>Fiscal year 2018 base salaries and annual incentives for the NEOs relative to the 20-company Comparison Group aligned with relative Company performance</p> <p>Base salaries for fiscal year 2018 were increased between 2.8% and 6.5% and reflect each NEO's competitive market, scope of responsibility, individual performance, and time in position</p> <p>2018 annual cash incentive payout for the CEO was 119% of target, and ranged from 111% to 134% of target for the other NEOs based on achievement of Company and business unit performance</p> <p>2016 to 2018 performance-based restricted stock units ("PBRsUs") paid out at 100% of target (maximum payout) based on achievement of Company performance</p> |

Long-term equity incentives granted at target levels using a portfolio of stock options and PBRsUs
PBRsUs vest based on average annual adjusted ROIC goals over a three-year performance period
No excessive perquisites for any of our NEOs

For more information on our compensation practices, see page 30.

Corporate Governance Highlights

How do we address risk and governance? Provide an appropriate balance of short- and long-term compensation, with payouts based on the Company's achievement of certain financial metrics and specific business area objectives
Follow practices that promote good governance and serve the interests of our stockholders, with maximum payout caps for annual cash incentives and long-term performance awards, and policies on clawbacks, anti-pledging, anti-hedging, insider trading, and stock ownership
Solicit "say-on-pay" shareholder vote annually at shareholder meeting

For more information on our corporate governance, see page 8.

PROPOSAL 1: ELECTION OF DIRECTORS

PROPOSAL 1: ELECTION OF DIRECTORS

Our Board of Directors currently consists of 14 members. Mr. Chazen will be retiring from the Board as of the 2019 Annual Meeting. Accordingly, the Board has taken action to reduce the size of the Board to 13 members effective immediately prior to the time of the 2019 Annual Meeting. The 13 nominees, if elected, will serve a one-year term ending as of the 2020 Annual Meeting expected to be held on May 7, 2020.

Pursuant to the recommendation of the Governance Committee, Mses. Ballard, Beck, McKibben, Reich and Vautrinot and Messrs. Baker, Biller, Ettinger, Higgins, Larson, MacLennan, Nowell and Zillmer were nominated for election as Directors. The Board of Directors has no reason to believe that any of the named nominees is not available or will not serve if elected.

Board of Directors' Recommendation – The Board of Directors recommends a vote FOR the election of the 13 nominees named in this Proxy Statement. Unless a contrary choice is specified, proxies solicited by our Board of Directors will be voted FOR each of the nominees named in this Proxy Statement.

The following information with regard to business experience, qualifications and directorships has been furnished by the respective director nominees or obtained from our records.

Nominees for Election to the Board of Directors (Term Ending in May 2020)

DOUGLAS M. BAKER, JR.

| | |
|--|---|
| <p>Years of Service: 15 Age: 60</p> | <p>Chairman of the Board in May 2006. Mr. Baker relinquished the office of President in December 2011 upon completion of the Nalco merger. Prior to joining Ecolab in 1989, Mr. Baker was employed by The Procter & Gamble Company in various marketing and management positions.</p> |
| <p>Board Committees:</p> <p>Safety, Health and Environment Biography</p> <p>Chairman of the Board and Chief Executive Officer of Ecolab. Director of Ecolab since 2004. Member of the Safety, Health and Environment Committee.</p> <p>Since joining Ecolab in 1989, Mr. Baker has</p> | <p>Qualifications</p> <p>Mr. Baker has more than 25 years of Ecolab marketing, sales and general management experience, including leadership roles in Ecolab's Institutional, Europe and Kay businesses before becoming Ecolab's Chief Operating Officer in 2002 and Chief Executive Officer in 2004. He has deep and direct knowledge of Ecolab's businesses and operations. In addition, his experience at The Procter & Gamble Company included various marketing and management positions, including in the institutional market in which Ecolab operates. As a director of other public companies, Mr. Baker also has extensive corporate governance experience.</p> <p>Other directorships held during the past five years</p> <p>Lead Director of Target Corporation. Formerly a director of U.S. Bancorp.</p> |

held various leadership positions within our Institutional, Europe and Kay operations. Mr. Baker was named Ecolab's President and Chief Operating Officer in August 2002, was promoted to President and Chief Executive Officer in July 2004, and added the position of

SHARI L. BALLARD

| | |
|---|---|
| <p>Years of Service: 4 months Age: 52</p> | <p>at Best Buy, Ms. Ballard also held roles as President, U.S. Retail from 2014 to 2017; Chief Human Resources Officer from 2013 to 2016; President – International from 2012 to 2014, with responsibility for business in Canada, China, Europe and Mexico; and President – Americas from 2010 to 2012, with responsibility for business in the U.S. and Mexico.</p> |
|---|---|

| | |
|--------------------------|------------------------------|
| <p>Board Committees:</p> | <p>Qualifications</p> |
|--------------------------|------------------------------|

Audit

Safety, Health and Environment
Biography

Ms. Ballard is a seasoned executive with deep retail experience. She brings significant business group management and e-commerce experience, as well as extensive talent management experience for large scale, geographically distributed organizations. In addition to her corporate functional experience in human resources, call centers and real estate, she has held several international roles, which included responsibility for transformation efforts in Canada, China, Europe and Mexico. Her roles at Best Buy have also given her extensive background and practical skills in change management during a remarkable turnaround period at Best Buy.

Advisor to Best Buy Co., Inc., a consumer electronics products and services retailer. Director of Ecolab since 2018. Member of the Audit and Safety, Health and Environment Committees.

Other directorships held during the past five years

Formerly a director of Delhaize Group, a Belgium-based food retailer, from 2012 until its 2015 merger with Ahold to form Ahold Delhaize.

Ms. Ballard currently is an Advisor at Best Buy Co., Inc. after recently transitioning from her position as Senior Executive Vice President and President, Multi-Channel Retail that she held from March 2017 to July 2018, with responsibility for all U.S. Best Buy stores, e-commerce, customer call centers, Best Buy Mexico and real estate strategy. During her 25-year career

PROPOSAL 1: ELECTION OF DIRECTORS

BARBARA J. BECK

| | |
|--|--|
| <p>Years of Service: 11 Age: 58</p> | <p>France), the Middle East and Africa. She previously served as Executive Vice President of Manpower’s U.S. and Canada business unit from 2002 to 2005. Prior to joining Manpower, Ms. Beck was an executive of Sprint, a global communications company, serving in various operating and leadership roles for 15 years.</p> |
| <p>Board Committees:</p> | <p>Qualifications</p> |
| <p>Safety, Health and Environment Governance Biography</p> | <p>Ms. Beck has extensive North American and European general management and operational experience, including as a current CEO, allowing her to contribute to Ecolab’s strategic vision particularly as it relates to Europe, the Middle East and Africa. With her Manpower knowledge of the impact of labor market trends on global and local economies combined with her knowledge of employment services, which tends to be a leading economic indicator, she provides timely insight into near-term projections of general economic activity. As an executive at Sprint, Ms. Beck obtained experience in the information technology field which is relevant to Ecolab’s development of its ERP systems as well as field automation tools.</p> |
| <p>Chief Executive Officer, Learning Care Group, Inc., a leading for-profit early education/child care provider in North America. Director of Ecolab since 2008. Chair of the Safety, Health and Environment Committee and member of the Governance Committee.</p> | <p>Other directorships held during the past five years</p> <p>None.</p> |
| <p>Prior to joining Learning Care Group in 2011 as Chief Executive Officer, Ms. Beck spent nine years as an executive of Manpower Inc., a world leader in the employment services industry. From 2006 to</p> | |

2011, Ms. Beck was President of Manpower's EMEA operations, overseeing Europe (excluding

LESLIE S. BILLER

Years of Service: 21
Age: 71
Corporation from February 1997 until its merger with Wells Fargo & Company in November 1998. Mr. Biller retired as Vice Chairman and Chief Operating Officer of Wells Fargo & Company in October 2002. He became Chairman of Sterling Financial Corporation in 2010 and served in that capacity until its merger with Umpqua Corporation in April 2014.

Board Committees: Qualifications

Finance Throughout his career in banking, including as Vice Chair and Chief Operating Officer of Wells Fargo, Mr. Biller gained extensive public company senior management and board experience.

Compensation Biography Having spent a significant part of his career in international assignments in Europe, he is familiar with operating businesses in that region, which allows him to provide advice and guidance relevant to our significant European operations. He has extensive knowledge and experience in banking, treasury and finance, which enables him to provide insight and advice on financing, treasury and enterprise risk management areas. As a chemical engineer, he is familiar with chemicals manufacturing and distribution, which allows him to relate well to our operations.

Chief Executive Officer of Harborview Capital, a private investment and consultive company. Other directorships held during the past five years

Director of Ecolab since 1997. Chair of the Finance Committee and member of the Compensation Committee. Formerly a director of Sterling Financial Corporation.

After holding various positions with Citicorp and Bank of America, Mr. Biller joined Norwest Corporation in 1987 as Executive Vice President in charge of

strategic planning and acquisitions for Norwest Banking. He was appointed Executive Vice President in charge of South Central Community Banking in 1990. Mr. Biller served as President and Chief Operating Officer of Norwest

JEFFREY M. ETTINGER

| | |
|---|--|
| <p>Years of Service: 4 Age: 60</p> | <p>from 2004 to 2015. Prior to being named President of Hormel Foods, Mr. served as President of Jennie-O Turkey Store, the largest subsidiary of Hormel Foods, and in various other positions including Treasurer, Product Manager for Hormel® chili products, and corporate and senior attorney.</p> |
| <p>Lead Director</p> | <p>Qualifications</p> |
| <p>Board Committees:</p> | <p>With more than 25 years of experience with Hormel Foods, a public food products company with global operations, Mr. Ettinger brings directly relevant operational experience in one of Ecolab’s major end-markets. From his experience as Chairman and Chief Executive Officer of a Fortune 500 public company with global operations, Mr. Ettinger possesses executive leadership attributes and provides relevant insight and guidance with respect to numerous issues important to Ecolab, including public company governance, mergers and acquisitions and regulatory matters.</p> |
| <p>Governance</p> | |
| <p>Compensation Biography</p> | |
| <p>Retired Chairman of the Board and Chief Executive Officer of Hormel Foods Corporation, a processor and marketer of meat and food products.</p> | <p>Other directorships held during the past five years</p> |
| <p>Director of Ecolab since 2015. Lead Director, Chair of the Governance Committee and member of the</p> | <p>Director of The Toro Company. Formerly a director of Hormel Foods Corporation.</p> |

Compensation
Committee.

During his
28-year career at
Hormel, Mr.
Ettinger held the
offices of
Chairman from
2006 to 2017,
Chief Executive
Officer from
2006 to 2016 and
President

PROPOSAL 1: ELECTION OF DIRECTORS

ARTHUR J. HIGGINS

| | |
|---|--|
| <p>Years of Service: 9 Age: 63</p> | <p>including serving as President of the Pharmaceutical Products Division from 1998 to 2001. He is a past member of the Board of Directors of the Pharmaceutical Research and Manufacturers of America (PhRMA), of the Council of the International Federation of Pharmaceutical Manufacturers and Associations (IFPMA) and President of the European Federation of Pharmaceutical Industries and Associations (EFPIA).</p> |
| <p>Board Committees:</p> | <p>Qualifications</p> |
| <p>Safety, Health and Environment</p> | <p>Mr. Higgins has extensive leadership experience in the global healthcare market. Through leadership positions with large healthcare developers and manufacturers in both the United States and Europe, Mr. Higgins has gained deep knowledge of the healthcare market and the strategies for developing and marketing products in this highly regulated area. This knowledge and industry background allows him to provide valuable insight to Ecolab's growing Healthcare business, which is developing in both the U.S. and Europe. In addition, his global perspective from years of operating global businesses and his background in working with high growth companies fits well with Ecolab's ambitions for global growth and provide him experiences from which to draw to advise Ecolab on strategies for sustainable growth. In his role as Chief Executive Officer of Bayer HealthCare, he gained significant exposure to enterprise risk management as well as quality and operating risk management necessary in a highly regulated industry such as healthcare.</p> |
| <p>Compensation Biography</p> | <p>Other directorships held during the past five years</p> |
| <p>President and Chief Executive Officer and member of the Board of Directors of Assertio Therapeutics, Inc. (formerly Depomed Inc.), a specialty pharmaceutical company.</p> | <p>Director of Assertio Therapeutics, Inc. and Zimmer Biomet Holdings, Inc. Formerly a director of Endo International plc and Resverlogix Corp.</p> |
| <p>Director of Ecolab since 2010. Vice Chair of the Safety, Health and Environment Committee and member of the Compensation Committee.</p> | |
| <p>Prior to joining Assertio Therapeutics in March 2017, Mr. Higgins served as Senior Advisor to Blackstone Healthcare Partners, the</p> | |

dedicated healthcare team of The Blackstone Group from May 2010 to March 2017. He previously served at Bayer HealthCare AG as Chairman of the Board of Management from January 2006 to May 2010 and Chairman of the Executive Committee from July 2004 to May 2010. Prior to that time, Mr. Higgins held the offices of Chairman, President and Chief Executive Officer of Enzon Pharmaceuticals, Inc. from 2001 until 2004. Prior to joining Enzon Pharmaceuticals, Mr. Higgins spent 14 years with Abbott Laboratories, holding several executive leadership positions,

MICHAEL LARSON

Years of Service: 7
Age: 59

Mr. Gates' non-Microsoft investments as well as the investment assets of the Bill & Melinda Gates Foundation Trust. Previously, Mr. Larson was at Harris Investment Management, Putnam Management Company and ARCO.

Board Committees:

Qualifications

Finance

With more than 30 years of portfolio management experience, Mr. Larson has deep investment expertise and broad understanding of the capital markets, business cycles and capital efficiency and allocation practices. He also has served on several other public company boards providing

Safety, Health and Environment him relevant corporate governance experience. In addition, as a professional investor and as the investment officer of Ecolab's largest shareholder, Mr. Larson brings a long-term shareholder perspective to the Board.

Other directorships held during the past five years

Biography

Chief investment officer to William H. Gates III. Director of Ecolab since 2012. Vice Chair of the Finance Committee and member of the Safety, Health and Environment Committee. Director of Republic Services, Inc. and Fomento Economico Mexicano, S.A.B. de C.V. In addition, he is Chairman of the Board of Trustees of two funds in the Western Asset Management fund complex. Formerly a director of AutoNation, Inc. and Grupo Televisa, S.A.B.

Mr. Larson has been chief investment officer for Mr. Gates and the Business Manager of Cascade Investment, L.L.C. since 1994. He is responsible for

DAVID W. MACLENNAN

Years of Service: 4 Age: 59 Board Committees: Mr. MacLennan has served as Chairman of the Board of Cargill since 2015 and as Chief Executive Officer since 2013. He held the offices of Chief Operating and President from 2011 until his appointment as Chief Executive Officer in 2013. Prior to these roles, Mr. MacLennan held several other positions with Cargill, including Chief Financial Officer, President of Cargill Energy and Managing Director of the Value Investment Group. He has also held various management positions with US Bancorp Piper Jaffray and Goldberg Securities.

Audit Qualifications

Governance With more than 25 years of leadership experience at Cargill, Mr. MacLennan has developed significant leadership and strategic planning skills, as well as extensive knowledge and insight in corporate governance, risk management, financial management and global business practices.

Biography

Other directorships held during the past five years

Chairman and Chief Executive Director of Cargill, Incorporated. Formerly a director of C.H. Robinson Worldwide, Inc.

Officer of
Cargill,
Incorporated, a
privately held
company and
world-leading
producer and
marketer of
food,
agricultural,
financial, and
industrial
products and
services.

Director of
Ecolab since
2015. Vice
Chair of the
Audit
Committee and
member of the
Governance
Committee.

PROPOSAL 1: ELECTION OF DIRECTORS

TRACY B. MCKIBBEN

| | |
|---|--|
| <p>Years of Service: 4 Age: 49</p> | <p>Affairs and EU Relations and as Acting Senior Director for European Affairs. Before joining the National Security Council, she served in various senior advisory roles in the U.S. Department of Commerce from March 2001 to July 2003.</p> |
| <p>Board Committees:</p> | <p>Qualifications</p> |
| <p>Audit</p> | <p>Ms. McKibben has more than 15 years of experience in the energy sector, with a focus on alternative energy, water and infrastructure. In this role and in her prior role at Citigroup, Ms. McKibben developed considerable strategic and financial experience advising energy companies and multinational corporations on strategic investments, M&A, and energy policy. In addition to her experience in the energy and financial sectors, Ms. McKibben has gained extensive public sector and international experience working at the U.S. Department of Commerce and within the National Security Council at The White House where she advised the President of the United States, Cabinet Secretaries and other senior officials on political, security, commercial and international trade issues.</p> |
| <p>Finance</p> | |
| <p>Biography</p> | |
| <p>Founder and Chief Executive Officer of MAC Energy Advisors LLC, an investment consulting company that provides integrated and innovative energy solutions to help clients utilize capital strategically around the globe. Director of Ecolab since 2015. Member of the Audit and Finance Committees.</p> | |
| <p>Other directorships held during the past five years</p> | <p>Director of Huntington Ingalls Industries, Inc. Formerly a director of GlassBridge Enterprises, Inc. and ROI Acquisition Corp. II.</p> |
| <p>Ms. McKibben has been the head of MAC Energy Advisors since its founding in 2010. From September 2007 to August 2009, she served as</p> | |

Managing
 Director and
 Head of
 Environmental
 Banking
 Strategy at
 Citigroup
 Global Markets.
 Prior to joining
 Citigroup, Ms.
 McKibben
 served in the
 National
 Security
 Council at the
 White House
 from July 2003
 to August 2007
 as Director of
 European
 Economic

LIONEL L. NOWELL, III

Years of Service: 4 months
 Age: 64

served as Senior Vice President, Strategy and Business Development at RJR Nabisco, Inc. and held various senior financial roles at the Pillsbury division of Diageo plc, including Chief Financial Officer of its Pillsbury North America, Pillsbury Foodservice and Häagen-Dazs divisions.

Qualifications

Board Committees:

Audit

Finance

Biography

Mr. Nowell is a highly experienced board member, with extensive financial expertise and understanding of various regulatory environments through his service on the boards of several multinational corporations. With his more than 30 years of operational and financial management experience in the consumer products industry, including his service as the senior vice president and treasurer of a multi-national food and beverage company, Mr. Nowell brings to the Board strong leadership skills and extensive knowledge in the areas of strategy development and execution, corporate finance, credit and treasury, financial analysis and reporting, accounting and controls, capital markets, acquisition/divestiture negotiations, international business ventures, strategic planning and risk management.

Former Senior Vice President and Treasurer of PepsiCo, Inc., a food and beverage company. Director of Ecolab since 2018. Member of the Audit and Finance

Other directorships held during the past five years

Director of American Electric Power Company and Bank of America Corporation. Formerly a director of British American Tobacco plc, Darden Restaurants, Inc., HD Supply Holdings, Inc. and Reynolds American Inc.

Committees.

Mr. Nowell currently serves on the board of American Electric Power Company since July 2004, where he is Chair of the Audit Committee and member of the Committee on Directors & Corporate Governance, the Executive Committee, the Finance Committee and the Policy Committee; and Bank of America Corporation since January 2013, as a member of the Audit and Corporate Governance Committees. Mr. Nowell retired in 2009 as Senior Vice President and Treasurer of PepsiCo, Inc. He was also formerly Chief Financial Officer of The Pepsi Bottling Group and Controller of PepsiCo, Inc. Prior to PepsiCo, he

VICTORIA J. REICH

Years of Service: 9
Age: 61

executive with Brunswick Corporation, last serving as President - Brunswick European Group, and previously as Senior Vice President and Chief Financial Officer. Before joining Brunswick, Ms. Reich was employed for 17 years at General Electric Company in various financial management positions.

Board Committees: Qualifications

Audit
Safety, Health and Environment
Biography

As a former Chief Financial Officer of a public company, Ms. Reich possesses relevant financial leadership experience with respect to all financial management disciplines relevant to Ecolab, including public reporting, strategic planning, treasury, IT and financial analysis. Her financial management background at Essendant, Brunswick and General Electric, combined with her experience in European general management at Brunswick, enables her to provide strategic input as well as financial discipline. Essendant operates a cleaning supplies distribution business which provided Ms. Reich familiarity with the institutional market, one of our largest end-markets.

Former Senior Vice President and Chief Financial Officer of Essendant Inc. (formerly United Stationers Inc.), a broad line wholesale distributor of business products.

Other directorships held during the past five years

Director of H&R Block, Inc. and Ingredion Incorporated.

Director of Ecolab since 2009. Chair of the Audit Committee and member of the Safety, Health and Environment Committee.

From 2007 to 2011 Ms. Reich was Senior Vice President and Chief Financial Officer of Essendant. Prior to joining Essendant, Ms. Reich spent ten years as an

PROPOSAL 1: ELECTION OF DIRECTORS

SUZANNE M. VAUTRINOT

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| <p>Years of Service: 5 Age: 59</p> | <p>where she was responsible for cyber defense operations. Prior to that, General Vautrinot was the Director of Plans and Policy, U.S. Cyber Command and the Special Assistant to the Vice Chief of Staff of the U.S. Air Force. On multiple occasions, she was selected by military leaders and White House officials to spearhead high-profile engagements. General Vautrinot is the recipient of the Symantec Cyber Award, Women in Aerospace Leadership Award, Aerospace Citation of Honor and the Presidential Award for Training. During her career, she has also been awarded numerous medals and commendations, including the Distinguished Service Medal. She was inducted into the National Academy of Engineering in 2017.</p> |
| <p>Board Committees:</p> | |
| <p>Compensation</p> | |
| <p>Finance</p> | <p>Qualifications</p> |
| <p>Biography</p> | <p>General Vautrinot brings a unique perspective to the Board with her 31-year military career. Having led large and complex organizations, she provides insights into the challenges facing large global organizations. As an expert in cyber security, she can advise Ecolab on appropriate protections for its networks. In addition, General Vautrinot has significant experience in strategic planning, organizational design and change management, which allows her to provide advice and insight to Ecolab as its business grows and develops.</p> |
| <p>President of Kilovolt Consulting, Inc., a cyber security strategy and technology consulting firm. Retired Major General of the U.S. Air Force. Director of Ecolab since 2014. Member of the Compensation and Finance Committees.</p> | <p>Other directorships held during the past five years</p> <p>Director of Symantec Corporation and Wells Fargo & Company.</p> |
| <p>General Vautrinot retired from the Air Force in 2013. During her 31-year career in the Air Force, she served in various assignments, including cyber operations, plans and policy, strategic security</p> | |

and space operations. General Vautrinot commanded at the squadron, group, wing and numbered Air Force levels, as well as the Air Force Recruiting Service. She has served on the Joint Staff, the staffs at major command headquarters and Air Force headquarters. From 2011 to 2013, she was Commander, 24th Air Force and Commander, Air Forces Cyber,

JOHN J. ZILLMER

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| <p>Years of Service: 13 Age: 63 Board Committees:</p> | <p>Waste, Mr. Zillmer spent 30 years in the managed services industry, most recently as Executive Vice President of ARAMARK Corporation, a provider of food, uniform and support services. During his eighteen-year career with ARAMARK, Mr. Zillmer served as President of ARAMARK's Business Services division, the International division and the Food and Support Services group. Prior to joining ARAMARK, Mr. Zillmer was employed by Szabo Food Services until Szabo was acquired by ARAMARK in 1986.</p> |
| <p>Compensation</p> | <p>Qualifications</p> |
| <p>Governance</p> | <p>As the former Chief Executive Officer of Univar and previously Allied Waste, Mr. Zillmer has experience leading both public and large private companies. With Univar, he became intimately familiar with the chemical market, including with respect to chemicals that Ecolab uses to manufacture its products. He also has extensive knowledge of the environmental aspects of chemicals manufacturing and distribution. His experience leading various ARAMARK operations has given him deep knowledge of the institutional market, particularly the contract catering segment, which is a large market for Ecolab. His roles on the boards of Reynolds American, Allied Waste and CSX Corporation have provided him with significant public company board experience.</p> |
| <p>Biography</p> <p>Retired President and Chief Executive Officer of Univar Inc., a global distributor of industrial chemicals and</p> | <p>Other directorships held during the past five years</p> |

related specialty services. Director of Ecolab since 2006. Chair of the Compensation Committee and member of the Governance Committee. Director of Veritiv Corp., Performance Food Group Company and CSX Corporation. Formerly a director of Reynolds American Inc.

Mr. Zillmer joined Univar in 2009 as President and Chief Executive Officer. In 2012, he stepped down as President and CEO and became Executive Chairman until December 2012 when he retired from Univar. Prior to joining Univar, Mr. Zillmer served as Chairman and Chief Executive Officer of Allied Waste Industries, a solid waste management business, from 2005 until the merger of Allied Waste with Republic Services, Inc. in December 2008. Before Allied

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

Corporate Governance Materials and Code of Conduct

Our Company is managed under the overall direction of our Board of Directors for the benefit of all stockholders. Written materials concerning policies of our Board of Directors, corporate governance principles and corporate ethics practices, including our Code of Conduct as last amended in 2012, are available on our website at www.investor.ecolab.com/corporate-governance.

We intend to promptly disclose on our website should there be any amendments to, or waivers by the Board of Directors of, the Code of Conduct.

Board Structure

Under our Corporate Governance Principles, the preferable size of the Board is between 11 and 15 members, in order to facilitate effective discussion and decision-making, adequate staffing of Board Committees, and a desired mix of diversified experience and background. Our Board of Directors currently consists of 14 members. As described on page 3 under Proposal 1: Election of Directors, 13 nominees, if elected, will serve a one-year term ending as of the 2020 Annual Meeting expected to be held on May 7, 2020.

BOARD DIVERSITY

Independent Other Women Men Diverse Other
AVERAGE BOARD TENURE: 7.3 YEARS

0-4 years: 5 5-9 years: 5 10+ years: 4

Board Leadership Structure

Our Board of Directors is led by Douglas M. Baker, Jr., our Chairman, who is also our Chief Executive Officer. Mr. Baker has served as our Chief Executive Officer and as a director since 2004, and he was elected Chairman in 2006.

As stated in our Corporate Governance Principles, the Board believes that it is best not to have a fixed policy on whether the offices of Chairman and Chief Executive Officer are to be held by one person or two. In May 2018, the Board determined that its current board leadership structure remains appropriate and best serves the interests of stockholders at this time. In making that annual determination, the Board considered numerous factors, including the benefits to the decision-making process with a leader who is both Chairman and Chief Executive Officer; the significant operating experience and qualifications of Mr. Baker; the importance of deep Ecolab knowledge in exercising business judgment in leading the Board; the size and complexity of our business; the significant business experience and tenure of our directors; and the qualifications and role of our Lead Director.

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In accordance with our Corporate Governance Principles, the independent directors, after recommendation of the Governance Committee, re-appointed Jeffrey M. Ettinger as Lead Director in May 2018. As detailed in Mr. Ettinger's biography and qualifications on page 4, Mr. Ettinger has extensive public company board experience. Mr. Ettinger also is independent and has considerable knowledge of our business. Specific responsibilities of the Lead Director, as enumerated in our Corporate Governance Principles, include:

- presiding over meetings of the Board at which the Chairman is not present, including executive sessions of the independent directors;
- acting as a liaison between the Chairman and the independent directors;
- reviewing and approving information sent to the Board;
- reviewing and approving meeting agendas for the Board;
- reviewing and approving meeting schedules to assure that there is sufficient time for discussion of all agenda items;
- at the discretion of the Lead Director, calling meetings of the independent directors; and
- if requested by significant stockholders, ensuring that he or she is available for consultation and direct communication.

Mr. Baker works closely with Mr. Ettinger to ensure the smooth and effective operation of the Board.

Board Committees

Our By-Laws permit the Board of Directors to designate Committees, each comprised of three or more directors, to assist the Board in carrying out its duties. The Board annually reviews its Committee structure as well as the Charter and composition of each Committee and makes modifications as necessary. The Charters for the Board's five standing Committees - Audit, Compensation, Finance, Governance and Safety, Health and Environment - were reviewed and approved by the Board in May 2018. The Charters of each of our Committees are available on our website at www.investor.ecolab.com/corporate-governance. The separately designated standing Audit Committee meets the requirements of Section 3(a)(58)(A) of the Exchange Act. The members of the Audit, Compensation and Governance Committees meet the "independence" and other requirements established by the rules and regulations of the SEC, the Internal Revenue Code of 1986, as amended (the "IRS Code"), the New York Stock Exchange and our Board, as applicable.

- **Audit Committee** – The Audit Committee members are Mses. Ballard, McKibben and Reich (Chair) and Messrs. Chazen, MacLennan (Vice Chair) and Nowell. The Committee met six times during 2018. In addition, either the full Audit Committee or the Committee Chair, as representative of the Committee (and at their election the other members of the Audit Committee), discussed the interim financial information contained in each quarterly earnings announcement for the first three calendar quarters of 2018 with our Chief Financial Officer and Controller and with our independent registered public accounting firm, prior to each of our quarterly earnings announcements. The Committee met to discuss the financial information contained in the fourth quarter and full year 2018 earnings announcement prior to dissemination of that press release and it being furnished to the SEC on a Form 8-K in February 2019. The Form 10-K for the year ended December 31, 2018, was also discussed by the Committee at its February 2019 meeting.

The Committee fulfills, and assists the Board of Directors' oversight of, its responsibilities to monitor: (i) the quality and integrity of our consolidated financial statements and management's financial control of operations; (ii) the qualifications, independence and performance of the independent accountants; (iii) the role and performance of the internal audit function; (iv) our compliance with legal and regulatory requirements; and (v) our cybersecurity program and related risks. The Committee meets regularly and privately with our management and internal auditors and with our independent registered public accounting firm, PricewaterhouseCoopers LLP.

A report of the Audit Committee is found under the heading "Audit Committee Report" at page 24.

The Board of Directors has determined that each member of the Audit Committee is “independent” and meets the independence and other requirements of Sections 303A.02 and 303A.07 of the listing standards of the New York Stock Exchange, and Rule 10A-3 under the Exchange Act, as well as of our Board. The Board has determined that each of Ms. McKibben and Reich and Messrs. MacLennan and Nowell is an “audit committee financial expert” under the SEC’s rules and should be so designated. Further, the Board has determined, in its business judgment, that each of Ms. McKibben and Reich and Messrs. MacLennan and Nowell has “accounting and related financial management expertise” and that each member of the Audit Committee is “financially literate” under the New York Stock Exchange’s listing standards.

CORPORATE GOVERNANCE

· Compensation Committee – The Compensation Committee members are Ms. Vautrinot and Messrs. Biller (Vice Chair), Ettinger, Higgins and Zillmer (Chair). The Committee met five times during 2018. The principal functions of this Committee are to: (i) review and approve or recommend to the Board, as applicable, with respect to the establishment, amendment and administration of any compensation plans, benefits plans, severance arrangements and long-term incentives for directors and any executive officers (including the CEO); (ii) review and approve our overall compensation policy and annual executive salary plan, including CEO compensation; and (iii) administer our director stock option and deferred compensation plans, executive and employee stock incentive plans, stock purchase plans, cash incentive programs and stock retention and ownership guidelines. The Committee may not delegate its primary responsibilities with respect to overseeing executive officer compensation. In accordance with the terms of our 2010 Stock Incentive Plan, the Committee has delegated to the CEO (in his capacity as a director) the authority to grant long-term incentives to employees who are not officers or directors, subject to specified thresholds and applicable law. A report by the Committee is located on page 27 of this Proxy Statement.

To assist the Committee in the design and review of the executive and director compensation programs, the Committee has selected and retained Frederic W. Cook & Co., Inc. (“FW Cook”), an independent compensation consulting firm, which reports directly to the Committee. As requested from time to time on behalf of the Committee, FW Cook provides the Committee with market data regarding various components of executive and director compensation, reviews the methodology on which compensation is based and designed, and informs the Committee of market trends in executive and director compensation. FW Cook performs no services for us other than those performed on behalf of the Committee.

The Committee has considered the independence of FW Cook in light of SEC rules and New York Stock Exchange listing standards. In connection with this process, the Committee has reviewed, among other items, a letter from FW Cook addressing the independence of FW Cook and the members of the consulting team serving the Committee, including the following factors: (i) other services provided to us by FW Cook; (ii) fees paid by us as a percentage of FW Cook’s total revenue; (iii) policies or procedures of FW Cook that are designed to prevent conflicts of interest; (iv) any business or personal relationships between the senior advisor of the consulting team and any member of the Committee; (v) any Ecolab stock owned by the senior advisor; and (vi) any business or personal relationships between our executive officers and the senior advisor. The Committee discussed these considerations and concluded that the work performed by FW Cook and its senior advisor involved in the engagement did not raise any conflict of interest.

The Board of Directors has determined that each member of the Compensation Committee meets the independence requirements of the SEC (including Rule 16b-3), the New York Stock Exchange, and Section 162(m) of the IRS Code and of our Board.

· Finance Committee – The current Finance Committee members are Mses. McKibben and Vautrinot and Messrs. Biller (Chair), Chazen, Larson (Vice Chair) and Nowell. The Committee met five times during 2018. The principal functions of this Committee are to review and make recommendations to the Board concerning: (i) management’s financial and tax policies and standards; (ii) our financing requirements, including the evaluation of management’s proposals concerning funding to meet such requirements; (iii) share repurchases and dividends; (iv) our capital expenditure budget; (v) adequacy of insurance coverage; and (vi) our use of derivatives to limit financial risk. The Committee also evaluates specific acquisition, divestiture and capital expenditure projects from a financial standpoint and reviews the financial impact of our significant retirement plans.

· Governance Committee – The Governance Committee members are Mses. Beck and Reich and Messrs. Ettinger (Chair), MacLennan and Zillmer. The Committee met six times during 2018. Certain functions of the Governance Committee are described starting on page 13 of this Proxy Statement under the heading “Director Nomination Process.” In addition, the principal functions of this Committee include: (i) lead the annual review of Board performance and effectiveness; (ii) review the Board’s organizational structure and operations (including appointing a lead director for executive sessions of non-management directors) and its relationship to senior management;

(iii) review issues of senior management succession; (iv) lead the annual Chief Executive Officer performance review and oversee the evaluation process for senior management; (v) review Certificate of Incorporation, By-Law or stockholder rights plan issues or changes in fundamental corporate charter provisions; (vi) review various corporate governance matters (including any necessary modifications to the Corporate Governance Principles); (vii) review and recommend to the Board with respect to director independence determinations and review, approve or ratify reportable related-person transactions; (viii) receive reports from management with regard to relevant social responsibility issues and report to the Board as appropriate; (ix) review our

CORPORATE GOVERNANCE

Company's efforts to achieve its affirmative action and diversity goals; (x) review director orientation, training and continuing education; (xi) review our political contributions policy as well as our corporate contributions; and (xii) undertake special projects which do not fall within the jurisdiction of other committees of the Board.

The Board of Directors has determined that each member of the Governance Committee meets the "independence" requirements of the SEC, the New York Stock Exchange and of our Board.

· Safety, Health and Environment Committee – The members of the Safety, Health and Environment Committee are Mses. Ballard and Beck (Chair) and Messrs. Baker, Higgins (Vice Chair) and Larson. The Committee met four times during 2018. This Committee monitors compliance with applicable safety, health and environmental ("SHE") laws and regulations. The principle functions of this Committee include: (i) review SHE policies, programs and practices, SHE risks, SHE statistics, pending SHE matters, security risks and industry best practices; (ii) review regulatory, environmental and health and safety trends, issues and concerns which affect or could affect our SHE practices; (iii) review the implementation of our SHE practices and related compliance with applicable policies; and (iv) review our Sustainability Report.

Board's Role in Risk Oversight

The Board of Directors, in exercising its overall responsibility to direct the business and affairs of the Company, has established various processes and procedures with respect to risk management. First, annually as a core agenda item of the full Board, management presents to the Board a comprehensive and detailed risk assessment of the Company after following a vigorous enterprise risk review and analysis. Pursuant to the risk assessment, the Company has categorized the most relevant risks as follows: strategic, operating, reporting and compliance. As part of the annual risk assessment, the Board determines whether any of the Company's overall risk management processes or control procedures requires modification or enhancement.

Strategic risk, which relates to the Company properly defining and achieving its high-level goals and mission, and operating risk, which relates to the effective and efficient use of resources and pursuit of opportunities, are regularly monitored and managed by the full Board through the Board's regular and consistent review of the Company's operating performance and strategic plan. For example, at each of the Board's five regularly scheduled meetings throughout the year, management provided the Board presentations on the Company's various business units as well as the Company's performance as a whole. Agenda items were included for significant developments as appropriate, for example, significant acquisitions, important market developments and senior management succession. Pursuant to the Board's established monitoring procedures, Board approval is required for the Company's strategic plan and annual plan which are reported on by management at each Board meeting. Similarly, significant transactions, such as acquisitions and financings, are brought to the Board for approval.

Reporting risk, which relates to the reliability of the Company's financial reporting, and compliance risk, which relates to the Company's compliance with applicable laws and regulations, are primarily overseen by the Audit Committee. The Audit Committee meets at least six times per year and, pursuant to its charter and core agendas, receives input directly from management as well as from the Company's independent registered public accounting firm, PricewaterhouseCoopers LLP, regarding the Company's financial reporting process, internal controls and public filings. The Committee also receives regular updates from the Company's General Counsel and the Chief Compliance Officer regarding any Code of Conduct issues or legal compliance concerns and annually receives a summary of all Code of Conduct incidents during the preceding year from the Chief Compliance Officer. See "Board Committees – Audit Committee" on page 9 for further information on how the Audit Committee monitors, and assists the Board of Directors' oversight of, reporting and compliance risks.

The Company believes that its leadership structure, discussed in detail above, supports the risk oversight function of the Board. While the Company has a combined Chairman of the Board and Chief Executive Officer, our Lead Director has substantial and clearly delineated authority pursuant to our Corporate Governance Principles, strong

directors chair the various Board Committees involved in risk oversight, there is open communication between management and directors, and all directors are actively involved in the risk oversight function.

CORPORATE GOVERNANCE

Communications with Directors

Our stakeholders and other interested parties, including our stockholders and employees, can send substantive communications to our Board using the following methods published on our website at www.investor.ecolab.com/corporate-governance:

- to correspond with the Board's Lead Director, please complete and submit the on-line "Contact Lead Director" form;
- to report potential issues regarding accounting, internal controls and other auditing matters to the Board's Audit Committee, please complete and submit the on-line "Contact Audit Committee" form; or
- to make a stockholder recommendation for a potential candidate for nomination to the Board, please submit an e-mail to the Board's Governance Committee, in care of our Corporate Secretary, at investor.info@ecolab.com.

All substantive communications regarding governance matters or potential accounting, control, compliance or auditing irregularities are promptly relayed or brought to the attention of the Lead Director or Chair of the Audit Committee following review by our management. Communications not requiring the substantive attention of our Board, such as employment inquiries, sales solicitations, questions about our products and other such matters, are handled directly by our management. In such instances, we respond to the communicating party on behalf of the Board. Nonetheless, our management periodically updates the Board on all of the on-line communications received, whether or not our management believes they are substantive. In addition to on-line communications, interested parties may direct correspondence to our Board of Directors, our Board Committees or to individual directors at our headquarters address, referenced on page 1 of this Proxy Statement.

Future Stockholder Proposals and Director Nomination Process

Any stockholder proposal, other than those for director nominations, must comply with advance notice procedures set forth in Article II, Section 4 of our By-Laws. As described in more detail below, stockholder proposals for director nominations must comply with Article II, Section 3 and Section 15 of our By-Laws. Under our By-Laws, to be in proper written form, the stockholder's notice to our Corporate Secretary must set forth as to each matter such stockholder proposes to bring before the Annual Meeting a brief description of the business desired to be brought before the Annual Meeting and the reasons for conducting such business at the Annual Meeting and, as to the stockholder giving the notice and any Stockholder Associated Person (i.e., any person acting in concert, directly or indirectly, with such stockholder and any person controlling, controlled by or under common control with such stockholder): (i) the name and record address of such person, (ii) the class or series and the number of shares beneficially owned by the stockholder, (iii) the nominee holder for, and number of, shares owned beneficially but not of record by such person, (iv) whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of, or any other agreement or arrangement has been made, the effect or intent of which is to mitigate loss to or manage risk or benefit of share price changes for, or to increase or decrease the voting power of, such person with respect to any share of stock of the Company, (v) to the extent known, the name and address of any other stockholder supporting the proposal, (vi) a description of all arrangements or understandings between or among such persons in connection with the proposal and any material interest in such proposal, and (vii) a representation by the stockholder that he or she intends to appear at the Annual Meeting to present the business. Any ownership information shall be supplemented by the stockholder giving the notice not later than ten (10) days after the record date for the meeting as of the record date. This summary is qualified in its entirety by reference to the full text of our By-Laws, which can be found on our website at www.investor.ecolab.com/corporate-governance. If the presiding Chairperson of the Annual Meeting of Stockholders determines that business, or a nomination, was not brought before the meeting in accordance with the By-Law provisions, that business will not be transacted or the defective nomination will not be accepted.

- **Deadline for Inclusion in the Proxy Statement** – All proposals, other than with respect to director nominees (as discussed below), to be considered by the Board for inclusion in the Proxy Statement and form of proxy for next

year's Annual Meeting of Stockholders expected to be held on May 7, 2020, must be received by the Corporate Secretary at our headquarters address, referenced on page 1 of this Proxy Statement, no later than November 19, 2019.

- **Deadline for Consideration** – Stockholder proposals not included in a Company proxy statement for an annual meeting as well as proposed stockholder nominations for the election of directors for inclusion in the Company's proxy statement and form of proxy at an annual meeting must each comply with advance notice procedures set forth in our By-Laws in order to be properly brought before that annual meeting of stockholders. In general, written notice of a stockholder proposal or a director nomination must be received by the Corporate Secretary not less than 120 days nor more than 150 days prior to the anniversary date of the preceding annual meeting of stockholders. With regard to next year's Annual Meeting of Stockholders, expected to be held on May 7, 2020, the written notice must be received between December 4, 2019 and January 3, 2020, inclusive.

CORPORATE GOVERNANCE

- Director Nomination Process – Our Board’s Governance Committee has, under its Charter, responsibility for director nominee functions, including review of any director nominee candidates recommended by stockholders. The Governance Committee has the following duties and authority:
 - Review and recommend to the Board of Directors policies for the composition of the Board, including such criteria as:
 - § size of the Board;
 - § diversity of gender, race, ethnicity, experience, employment, background and other relevant factors of Board members;
 - § the proportion of the Board to be comprised of non-management directors;
 - § qualifications for new or continued membership on the Board, including experience, employment, background and other relevant considerations; and
 - § director retirement requirements or standards.
 - Review any director nominee candidates recommended by stockholders.
 - Identify, interview and evaluate director nominee candidates and have sole authority to:
 - § retain and terminate any search firm to be used to assist the Committee in identifying director candidates; and
 - § approve the search firm’s fees and other retention terms.
 - Recommend to the Board:
 - § the slate of director nominees to be presented by the Board for election at the Annual Meeting of Stockholders;
 - § the director nominees to fill vacancies on the Board; and
 - § the members of each Board Committee.
- Director Nominations – Any stockholder nomination for directors must comply with the advance notice procedures set forth in Article II, Section 3 and Section 15 of our By-Laws. Under our By-Laws, to be in proper written form, the stockholder’s notice to our Corporate Secretary must set forth as to each person whom the stockholder proposes to nominate for election as a director:
 - (i) the name, age, business address, residence address and record address of such person,
 - (ii) the principal occupation or employment of such person,
 - (iii) the following information regarding such person:
 - (A) the class or series and number of shares of capital stock of the Company which are owned beneficially or of record by such person,
 - (B) any option, warrant, convertible security, stock appreciation right, or similar derivative instrument related to any class or series of shares of the Company that is directly or indirectly owned beneficially by such person;
 - (C) any proxy, contract, agreement, arrangement, understanding, or relationship pursuant to which such person has a right to vote any shares of any security of the Company;
 - (D) any “short interest” in any security of the Company;
 - (E) any rights to dividends on the shares of the Company owned beneficially by such person that are separated or separable from the underlying shares of the Company;
 - (F) any proportionate interest in shares of the Company or derivative instruments held, directly or indirectly, by a general or limited partnership in which such person is a general partner or, directly or indirectly, beneficially owns an interest in a general partner; and
 - (G) any performance-related fees (other than an asset-based fee) to which such person is entitled based on any increase or decrease in the value of shares of the Company or any derivative instruments, if any, as of the date of such notice, including, without limitation, any such interests held by members of such person’s immediate family sharing the same household,

CORPORATE GOVERNANCE

- (iv) any information relating to such person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the rules and regulations promulgated thereunder,
- (v) the nominee holder for, and number of, shares owned beneficially but not of record by such person,
- (vi) to the extent known by the stockholder giving the notice, the name and address of any other stockholder supporting the nominee for election or reelection as a director on the date of such stockholder’s notice,
- (vii) a description of all arrangements or understandings between or among such persons pursuant to which the nomination(s) are to be made by the stockholder, and
- (viii) a representation that such stockholder intends to appear in person or by proxy at the meeting to nominate the persons named in its notice.

In addition to the information required pursuant to Section 3, our By-Laws provide that the Company may require any proposed nominee to furnish such other information:

- (i) as may reasonably be required by the Company to determine the eligibility of such proposed nominee to serve as an independent director under the rules and listing standards of the principal United States securities exchanges upon which the Common Stock of the Company is listed or traded, any applicable rules of the U.S. Securities and Exchange Commission or any publicly disclosed standards used by the Board of Directors in determining and disclosing the independence of the Company’s directors,
- (ii) that could be material to a reasonable stockholder’s understanding of the independence, or lack thereof, of such nominee, or
- (iii) that may reasonably be requested by the Company to determine the eligibility of such nominee to serve as a director of the Company.

Any ownership information shall be supplemented by the stockholder giving the notice not later than ten (10) days after the record date for the meeting as of the record date. The notice must be accompanied by a written consent of the proposed nominee to being named as a nominee and to serve as a director if elected. No person shall be eligible for election as a director of the Company unless nominated in accordance with the foregoing procedures. This summary is qualified in its entirety by reference to the full text of our By-Laws, which can be found on our website at www.investor.ecolab.com/corporate-governance.

· Proxy Access – Under our By-Laws, a stockholder or a group of up to 20 stockholders owning 3% or more of the Company’s outstanding shares continuously for at least three years may nominate and include in our proxy materials director candidates constituting up to the greater of two individuals or 20% of the Board, provided that the stockholder(s) and the nominee(s) satisfy the requirements specified in our By-Laws. Our proxy access by-law limits the number of stockholders that may aggregate their shares to satisfy the 3% test to 20 stockholders. For purposes of the 20 stockholder limit, certain related funds are counted as one stockholder.

In terms of our principles for composition of the Board generally, and qualifications for director nominees specifically, we refer you to our Corporate Governance Principles, which can be found on our website at www.investor.ecolab.com/corporate-governance. Under these provisions, for example:

- No more than three Board members will be from current management. These management members normally would be the Chief Executive Officer, the Chairman (if an employee of the Company and not the CEO) and the President (if an employee of the Company and not the CEO) but may be any other officer deemed appropriate by the Board;
- It is desired that the members of the Board represent a geographical dispersion and variety of business disciplines so as to bring to the work of the Board a diversity of experience and background, with the predominance of members being chief or executive officers from different industries; and
- A continuing effort is made to seek well-qualified women and minority group members for the Board, but these persons must be sought out and evaluated as individuals rather than as representatives of specific groups. The Board

of Directors is committed to actively seeking out highly-qualified women and minority candidates for each search the Board undertakes.

CORPORATE GOVERNANCE

In identifying, evaluating and recommending director nominee candidates, the Committee will consider diversity of gender and ethnicity within the Board, the criteria set forth in the section above entitled “Director Nomination Process,” and such other factors as the Committee deems appropriate. The Board conducts a periodic review of its efforts to achieve such diversity among its members.

- All directors are encouraged to submit to the Governance Committee the name of any person deemed qualified to serve on the Board, together with information on the candidate’s qualifications. The Governance Committee screens and submits to the full Board the names and biographical information of those persons considered by the Committee to be viable candidates for election as directors. The same evaluation process and criteria are used by the Committee: (i) for recommendations for director candidates submitted by stockholders in accordance with our Restated Certificate of Incorporation and By-Laws, and (ii) for recommendations submitted by any other source, such as a director or a third-party search firm.

Other criteria relevant to service as a director of our Company are also set forth in our Corporate Governance Principles.

New Director Selection Process

With the resignation of Mr. Carl M. Casale in August 2018 and the resignation of Mr. Stephen I. Chazen effective in May 2019 in accordance with our Corporate Governance Principles upon reaching age 72, the Governance Committee considered the nomination of new candidates to serve on our Board of Directors. As provided in our Corporate Governance Principles, the Governance Committee focuses on candidates with significant organizational leadership experience, including individuals who were chief executive officers or otherwise led large and complex organizations, as well as qualified candidates with diverse backgrounds and experience relevant to our business. Ms. Shari L. Ballard was identified by a third-party search firm, and Mr. Lionel L. Nowell, III was identified by one of the independent directors. Both Ms. Ballard and Mr. Nowell were interviewed by our Chairman and Chief Executive Officer, the Lead Director and Governance Committee Chair and other members of the Board of Directors. Following this process and after a review by the Governance Committee and the Board of Directors of their qualifications, Ms. Ballard and Mr. Nowell were appointed to the Board in December 2018 for a term expiring at this year’s Annual Meeting. Ms. Ballard and Mr. Nowell were also included by the Board of Directors on the slate of nominees for election for a term expiring at the 2020 Annual Meeting, and, as such, they are included in the group of nominees for election at this Annual Meeting. See Ms. Ballard’s and Mr. Nowell’s biographies on pages 3 and 6, respectively.

Compensation Risk Analysis

The Compensation Committee has established an annual process and criteria for assessing risk in our compensation programs and has directed management to apply that process and criteria to all compensation plans and practices that have the potential to give rise to behavior that creates risks that are reasonably likely to have a material adverse effect on the Company and to report the results to the Compensation Committee. As part of the process in 2018, the Company took the following steps to complete the assessment: (1) we agreed on a materiality framework for determining which compensation plans and practices to review; (2) we inventoried plans and practices that fell within the materiality framework; (3) we reviewed the identified plans and practices against our evaluation framework established in consultation with the Compensation Committee’s independent compensation consultant, FW Cook; (4) we identified factors, processes or procedures in place which may mitigate any risks in identified plans and practices; and (5) the Compensation Committee reviewed the results of the analysis with FW Cook. Our risk assessment revealed that our compensation programs do not create risks that are reasonably likely to have a material adverse effect on the Company. In making this determination, we took into account the compensation mix for our employees as well as various risk control and mitigation features of our programs, including varied and balanced performance targets, review procedures for incentive pay calculations, appropriate incentive payout caps, the Company’s rights to cancel incentive awards for employee misconduct, discretionary authority of the Compensation Committee to reduce

award pay-outs, internal controls around customer and distributor pricing and contract terms, our stock ownership guidelines, prohibition on hedging Company stock and our compensation recovery (“clawback”) policy.

Director Attendance

There were six meetings of the Board of Directors during the year ended December 31, 2018. Each incumbent director attended at least 93% of all Board meetings and meetings held by all Committees on which he or she served. Overall attendance at Board and Committee meetings was 99%. Directors are expected, but are not required, to attend our Annual Meeting of Stockholders. All of the directors then serving who were continuing to serve following the meeting attended last year’s Annual Meeting.

CORPORATE GOVERNANCE

Compensation Committee Interlocks and Insider Participation

The Compensation Committee is comprised of five non-employee, independent directors: Ms. Vautrinot and Messrs. Biller (Vice Chair), Ettinger, Higgins, and Zillmer (Chair). No member of the Compensation Committee is or was formerly an officer or an employee of the Company or had any related person transaction required to be disclosed in which the Company was a participant during the last fiscal year. In addition, no executive officer of the Company serves on the compensation committee or board of directors of a company for which any of the Company's directors serves as an executive officer.

DIRECTOR COMPENSATION FOR 2018

Director Compensation Table

The following table summarizes the compensation that our non-employee directors received during 2018.

| Name | Fees Earned or Paid in | | | Total (\$) |
|--------------------------|---------------------------------|----------------------------|-----------------------------|---------------|
| | Cash(1) (\$) | Stock Awards(2) (\$) | Option Awards(3) (\$) | |
| Shari L. Ballard(4) | 9,130 | 8,750 | 0 | 17,880 |
| Barbara J. Beck | 125,000 | 115,000 | 62,676 | 302,676 |
| Leslie S. Biller | 125,000 | 115,000 | 62,676 | 302,676 |
| Carl M. Casale(5) | 70,760 | 67,812 | 62,676 | 201,248 |
| Stephen I. Chazen | 114,375 | 115,000 | 62,676 | 292,051 |
| Jeffrey M. Ettinger | 150,000 | 115,000 | 62,676 | 327,676 |
| Arthur J. Higgins | 110,000 | 115,000 | 62,676 | 287,676 |
| Michael Larson | 110,000 | 115,000 | 62,676 | 287,676 |
| David W. MacLennan | 120,000 | 115,000 | 62,676 | 297,676 |
| Tracy B. McKibben | 120,000 | 115,000 | 62,676 | 297,676 |
| Lionel L. Nowell, III(4) | 9,130 | 8,750 | 0 | 17,880 |
| Victoria J. Reich | 130,000 | 115,000 | 62,676 | 307,676 |
| Suzanne M. Vautrinot | 115,625 | 115,000 | 62,676 | 293,301 |
| John J. Zillmer | 130,000 | 115,000 | 62,676 | 307,676 |

(1) Represents annual retainer of \$110,000 (or a pro rata portion thereof) earned during 2018, plus additional fees paid to the Lead Director, the respective Chairs of Board Committees and the members of the Audit Committee; includes retainer and fees, if any, deferred at the election of directors pursuant to the 2001 Non-Employee Director Stock Option and Deferred Compensation Plan (the "2001 Plan"). The features of the 2001 Plan are described in the

Summary below. The dollar amount of retainer and fees deferred by applicable directors during 2018 is as follows: Ms. Beck, \$125,000; Mr. Biller \$125,000; Mr. Chazen, \$60,000; and Mr. Higgins, \$110,000.

(2) Represents the crediting by the Company of \$115,000 (or a pro rata portion thereof) to a deferred stock unit account under the 2001 Plan during 2018, which also represents the full grant date fair value of each stock unit award under FASB ASC Topic 718. The features of the deferred stock unit account are described under the Summary below. The aggregate number of stock units held by each non-employee director is set forth under footnote (3) to the “Security Ownership – Executive Officers and Directors” table at page 21.

(3) Represents the full grant date fair value of each option award, computed in accordance with FASB ASC Topic 718. The value has been determined by application of the lattice (binomial)-pricing model, based upon the terms of the option grant to directors. Director stock options granted in May 2018 to directors have a ten-year contractual exercise term and vest 25% at the end of each three-month period following the date of grant. Key assumptions include: risk-free rate of return, expected life of the option, expected stock price volatility and expected dividend yield. The specific assumptions used in the valuation of these options are summarized in the table below:

| Grant Date | Risk Free Rate | Expected Life | Expected Volatility | Expected Dividend Yield |
|------------|----------------|---------------|---------------------|-------------------------|
| 05/03/2018 | 2.83% | 6.15 years | 23.12% | 1.14% |

As of December 31, 2018, the aggregate number of stock options held by each director named in the table above is as follows: Ms. Ballard, 0; Ms. Beck, 17,700; Mr. Biller, 31,600; Mr. Casale, 10,350; Mr. Chazen, 13,900; Mr. Ettinger, 8,300; Mr. Higgins, 17,700; Mr. Larson, 18,400; Mr. MacLennan, 7,100; Ms. McKibben, 8,700; Mr. Nowell, 0; Ms. Reich, 21,900; Ms. Vautrinot, 11,200; and Mr. Zillmer, 31,600.

(4) Ms. Ballard and Mr. Nowell were each appointed to the Board effective December 4, 2018, and received a pro-rated portion of compensation for 2018.

(5) Mr. Casale retired from the Board effective August 2, 2018, and received a pro-rated portion of compensation for 2018.

DIRECTOR COMPENSATION FOR 2018

Summary

During 2018, members of the Board of Directors who are not employees of the Company were entitled to receive base annual compensation valued at \$280,000 as follows:

- An annual retainer of \$110,000;
- \$115,000 annually in the form of stock units (which are described below); and
- Stock options having a grant date fair value of approximately \$55,000.

We also paid the following supplemental retainers to the Lead Director, committee chairs and members of the Audit Committee:

| Director Role | Amount (\$) |
|--|-------------|
| Lead Director | 25,000 |
| Audit Committee Chair | 20,000 |
| Compensation Committee Chair | 20,000 |
| Finance Committee Chair | 15,000 |
| Governance Committee Chair | 15,000 |
| Safety, Health and Environment Committee Chair | 15,000 |
| Audit Committee Member | 10,000 |

The base annual compensation of \$280,000 per year, excluding committee retainers, is within the median range of our competitive market, as is the total equity compensation of \$170,000 comprising a portion of such base. For director compensation, we define our competitive market as a group of 20 comparison companies for compensation benchmarking and the median range as within 10% of the median for total annual director compensation. The companies comprising our comparison group are the same as the executive compensation comparison group and are set forth under the heading “Compensation Benchmarking” found under the Compensation Discussion and Analysis of this Proxy Statement at page 34.

All reasonable travel and other expenses incurred by directors on behalf of Ecolab were reimbursed.

The features of the 2001 Plan are as follows:

- Non-employee directors may elect to defer some, or all, of the cash portion of their annual retainer and additional fees in a cash account or a deferred stock unit account until cessation of Board service. Amounts deferred in the cash account earn interest at market rates and amounts deferred in the stock unit account are credited with dividend equivalents. Upon cessation of Board service, deferred amounts are paid in a lump sum or in equal installments over a maximum of ten years as elected by the director, with payments from the interest-bearing account made in cash and payments from the stock unit account made in shares of our Common Stock.
- Director stock option grants are made on the date of the Annual Meeting of Stockholders and have an exercise price which is the average of the high and low market price on the date of grant. We believe that the use of the average of the high and low market price on the date of the grant removes same-day stock volatility. Director stock options vest 25% at the end of each three-month period following the grant date and will terminate 10 years after the grant date. If a non-employee director ceases to serve as a director of the Company for any reason, then each of his or her stock options will, to the extent it was already exercisable, remain exercisable for the shorter of the remaining term of the stock option or five years after the date service as a director ceased. The stock options granted to directors under the 2001 Plan may be transferred to defined family members or legal entities established for their benefit. We do not have a program, plan or practice to time stock option grants to directors in coordination with the release of material non-public information.

- The 2001 Plan is the only plan or arrangement under which share-based compensation is provided to our non-employee directors.

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DIRECTOR COMPENSATION FOR 2018

- The aggregate grant date fair value of 2001 Plan awards denominated in shares that may be made to any non-employee director of the Company during any calendar year may not exceed \$800,000, excluding such awards made at the election of a director to defer the receipt of cash compensation otherwise payable for services as a director.

Stock Retention and Ownership Guidelines

We have in place stock retention and ownership guidelines to encourage our directors to accumulate a significant ownership stake so they are vested in maximizing long-term stockholder returns. Our guidelines provide that our directors own Company stock with a market value of at least five times the annual retainer. Until the stock ownership guideline is met, the director is expected to retain 100% of all after-tax profit shares from stock option exercises. For purposes of complying with our guidelines, stock is not considered owned if subject to an unexercised stock option. Shares owned outright, legally or beneficially, by a director or his or her immediate family members residing in the same household and deferred stock units in the director's deferral plan count towards meeting the guidelines. Our directors may not pledge shares or enter into any risk hedging arrangements with respect to Company stock. Our directors are in compliance with our guidelines by either having achieved the ownership guideline or, if the guideline is not yet achieved, by retaining 100% of all after-tax profit shares from any stock option exercises.

DIRECTOR INDEPENDENCE STANDARDS AND DETERMINATIONS

“Independence” Standards

Pursuant to the Board of Directors' policy, a director is not independent if:

- The director is, or has been within the last three years, an employee of the Company, or an immediate family member is, or has been within the last three years, an executive officer, of the Company.
- The director has received, or has an immediate family member who has received, during any twelve-month period within the last three years, more than \$120,000 in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service).
- (A) The director is a current partner or employee of a firm that is the Company's internal or external auditor; (B) the director has an immediate family member who is a current partner of such a firm; (C) the director has an immediate family member who is a current employee of such a firm and personally works on the Company's audit; or (D) the director or an immediate family member was within the last three years a partner or employee of such a firm and personally worked on the Company's audit within that time.
- The director or an immediate family member is, or has been within the last three years, employed as an executive officer of another company where any of the Company's present executive officers at the same time serves or served on that company's compensation committee.
- The director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues.

The Board of Directors' independence policy is also available on our website at www.investor.ecolab.com/corporate-governance.

“Independence” Determinations

In February 2019, the Governance Committee undertook a review of director independence by examining the nature and magnitude of transactions and relationships during 2018, 2017 and 2016 between each director serving during 2018 or director nominee, as the case may be (or any member of his or her immediate family or the company he or she is employed by and its subsidiaries and affiliates), and the Company, its subsidiaries and affiliates. Appropriate scrutiny is given to any situation which could be reasonably considered a material relationship. Both the existence and nature of the relationship are considered. The relationships include, among others, commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships. The Company also endeavors to identify, quantify and evaluate ordinary course

DIRECTOR INDEPENDENCE STANDARDS AND DETERMINATIONS

commercial transactions between the Company and any company that employs a director or director nominee, including subsidiaries and affiliates of the company. In this regard, the Board's Governance Committee has reviewed the following transactions and determined that the transactions do not exceed the Board's categorical "independence" standards described above or adversely affect the director for "independence" status as the combined impact of the transactions is immaterial to the Company and the respective organizations.

· Mr. MacLennan serves as Chairman and Chief Executive Officer of Cargill, Incorporated. During 2018, Ecolab's sales to Cargill and its affiliates were approximately \$26.4 million, or less than 0.09% of Cargill's revenues, and Ecolab's purchases from Cargill and its affiliates were approximately \$6.2 million, or less than 0.02% of Cargill's revenues. Ecolab believes all sales to Cargill were made in the ordinary course, at arm's length, and at prices and on terms customarily available. Further, Ecolab believes Mr. MacLennan had no personal interest in, or received any personal benefit from, such commercial transactions.

Based on the review of the Governance Committee, the Board of Directors has determined that the following directors, including those on the slate of nominees for election to the Board at this year's Annual Meeting (other than Mr. Baker), are, and have been since January 1, 2018, or the date which they became a director of the Company if later than January 1, 2018, independent in accordance with the listing standards of the New York Stock Exchange, the rules and regulations of the SEC, applicable law, and the Board's "independence" policy: Shari L. Ballard, Barbara J. Beck, Leslie S. Biller, Carl M. Casale, Stephen I. Chazen, Jeffrey M. Ettinger, Arthur J. Higgins, Michael Larson, David W. MacLennan, Tracy B. McKibben, Lionel L. Nowell, III, Victoria J. Reich, Suzanne M. Vautrinot and John J. Zillmer.

The Board determined that Douglas M. Baker, Jr. is not "independent," due to his status as the current Chief Executive Officer.

RELATED-PERSON TRANSACTIONS

The Governance Committee of the Board of Directors is responsible for reviewing, approving or ratifying transactions in excess of \$120,000 with the Company's executive officers or directors, including their immediate family members, or any greater than 5% stockholder known to us. Our practices and procedures for identifying transactions with related persons are located in the charter of the Governance Committee. The Governance Committee considers the related person's relationship to the Company and interest in the transaction; the material facts of the transaction, including the proposed aggregate value of such transaction; the benefits to the Company of the proposed related-person transaction; if applicable, the availability of other sources of comparable products or services; an assessment of whether the proposed related-person transaction is on terms that are comparable to the terms available to an unrelated third party or to employees; and such other factors and information as the Governance Committee may deem appropriate. The Governance Committee determined that there were no such transactions with related persons during 2018, nor any currently anticipated transactions.

SECURITY OWNERSHIP

SECURITY OWNERSHIP

Certain Beneficial Owners

The following table sets forth information as to entities which have reported to the Securities and Exchange Commission (“SEC”) or have advised us that they are a “beneficial owner,” as defined by the SEC’s rules and regulations, of more than 5% of our outstanding Common Stock.

| Title of Class | Name and Address of Beneficial Owner | Amount and Nature of Beneficial Ownership | Percent of Class (1) |
|----------------|--|---|----------------------|
| Common | William H. Gates III One Microsoft Way Redmond, WA 98052 | 35,051,980(2) | 12.2% |
| Common | The Vanguard Group 100 Vanguard Blvd. Malvern, PA 19355 | 22,310,036(3) | 7.7% |
| Common | BlackRock, Inc. 55 East 52nd Street New York, NY 10022 | 16,641,721(4) | 5.8% |

- (1) The percent of class is based on the number of voting shares outstanding as of March 5, 2019.
- (2) This information is based on Amendment No. 6 to the Schedule 13D filed jointly with the SEC on March 9, 2018 by Cascade Investment, L.L.C., which we refer to as Cascade, William H. Gates III, whom we refer to as Mr. Gates, the Bill and Melinda Gates Foundation Trust, which we refer to as the Trust, and Melinda French Gates, whom we refer to as Mrs. Gates, and a Form 4 relating to Mr. Gates filed with the SEC on March 16, 2018. Mr. Gates reports that he has sole power to vote or direct the vote, and to dispose or to direct the disposition, of 30,685,554 shares of Ecolab Common Stock beneficially owned by Cascade, as the sole member of such entity. Additionally, Amendment No. 6 to the Schedule 13D reports that Mr. Gates and Mrs. Gates share the power to vote or direct the vote, and to dispose or to direct the disposition of, 4,366,426 shares of Ecolab Common Stock beneficially owned by the Trust, as co-trustees of such entity.
- (3) This information is based on Amendment No. 6 to the Schedule 13G filed on February 11, 2019 by The Vanguard Group, Inc., which we refer to as Vanguard. Vanguard reports that, as of December 31, 2018, they have sole power to vote or direct the vote of 304,544 shares, shared power to vote or direct the vote of 77,911 shares, sole power to dispose or to direct the disposition of 21,934,725 shares and shared power to dispose or direct the disposition of 375,311 shares of Ecolab Common Stock.
- (4) This information is based on Amendment No. 4 to the Schedule 13G filed on February 4, 2019 by BlackRock, Inc. (“BlackRock”). BlackRock reports that, as of December 31, 2018, they have sole power to vote or direct the vote of 14,161,659 shares, and sole power to dispose or to direct the disposition of 16,641,721 shares of Ecolab Common Stock.

SECURITY OWNERSHIP

Executive Officers and Directors

In general, “beneficial ownership” includes those shares of our Common Stock which a director or executive officer has the power to vote or transfer, as well as stock options that are exercisable currently or within 60 days and stock underlying stock units that may be acquired within 60 days. On March 5, 2019, our current executive officers and directors beneficially owned, in the aggregate, 4,440,917 shares of Common Stock constituting approximately 1.5% of our shares outstanding. As required by SEC disclosure rules, “shares outstanding” for this purpose includes options exercisable within 60 days and stock underlying stock units that may be acquired within 60 days by such executive officers and directors. The detail of beneficial ownership is set forth in the following table.

| Name of Beneficial Owner | Amount and Nature of Beneficial Ownership | | Percentage of Outstanding Shares Beneficially Owned |
|---|---|---------------|---|
| Named Executive Officers | | | |
| Douglas M. Baker, Jr. (Chief Executive Officer) | 1,787,762 | (1)(2)(4) | * |
| Daniel J. Schmechel (Chief Financial Officer) | 349,459 | (1)(2) | * |
| Thomas W. Handley | 400,149 | (1)(2)(4) | * |
| Darrell R. Brown | 74,266 | (2) | * |
| Timothy P. Mulhere | 188,690 | (1)(2) | * |
| Directors | | | |
| Shari L. Ballard | 60 | (3) | * |
| Barbara J. Beck | 41,828 | (2)(3) | * |
| Leslie S. Biller | 85,263 | (2)(3) | * |
| Stephen I. Chazen | 26,264 | (2)(3) | * |
| Jeffrey M. Ettinger | 20,315 | (2)(3) | * |
| Arthur J. Higgins | 35,402 | (2)(3) | * |
| Michael Larson | 23,991 | (2)(3)(5) | *(5) |
| David W. MacLennan | 17,055 | (2)(3)(4) | * |
| Tracy B. McKibben | 11,925 | (2)(3) | * |
| Lionel L. Nowell, III | 60 | (3) | * |
| Victoria J. Reich | 41,168 | (2)(3) | * |
| Suzanne M. Vautrinot | 15,149 | (2)(3) | * |
| John J. Zillmer | 55,636 | (2)(3) | * |
| Directors and Executive Officers as a Group (29 persons) | 4,440,917 | (4)(5) | 1.52% (4)(5) |

* Indicates beneficial ownership of less than 1% of our outstanding Common Stock.

- (1) Includes the following shares held by officers in the Ecolab Savings Plan and ESOP for Traditional Benefit Employees or Ecolab Savings Plan and ESOP as of the last Plan report: Mr. Baker, 10,281; Mr. Schmechel, 5,283; Mr. Handley, 1,045; and Mr. Mulhere, 3,408.
- (2) Includes the following shares which could be purchased under Company-granted stock options within 60 days from March 5, 2019 including, in the case of retirement-eligible officers, options vesting upon retirement from the Company: Mr. Baker, 1,044,046; Mr. Schmechel, 182,936; Mr. Handley, 248,747; Mr. Brown, 63,925; Mr.

Mulhere, 160,524; Ms. Beck, 17,700; Mr. Biller, 26,400; Mr. Chazen, 13,900; Mr. Ettinger, 8,300; Mr. Higgins, 17,700; Mr. Larson, 18,400; Mr. MacLennan, 7,100; Ms. McKibben, 8,700; Ms. Reich, 21,900; Ms. Vautrinot, 11,200; and Mr. Zillmer, 26,400.

- (3) Includes the following interests in stock units under our 2001 Non-Employee Director Stock Option and Deferred Compensation Plan: Ms. Ballard, 60; Ms. Beck, 24,128; Mr. Biller, 37,037; Mr. Chazen, 7,364; Mr. Ettinger, 5,615; Mr. Higgins, 17,702; Mr. Larson, 5,591; Mr. MacLennan, 2,520; Ms. McKibben, 3,225; Mr. Nowell, 60; Ms. Reich, 18,268; Ms. Vautrinot, 3,949; and Mr. Zillmer, 10,736. The stock units are Common Stock equivalents which may not be voted or transferred. They are included in the table because in certain circumstances they will be paid in the form of Common Stock within 60 days after a director leaves the Board.
- (4) Beneficial ownership includes 7,050 shares held by or on behalf of family members of certain directors or executive officers; 10,000 shares of Mr. Baker, indirectly held in a foundation in which he has no economic interest but has voting authority and/or power of disposition; 145,350 shares of Mr. Baker, 14,806 shares of Mr. Handley, and 7,435 shares of Mr. MacLennan held in trusts over which they or an immediate family member have voting authority and/or power of disposition; 35,114 shares held for executive officers in Company-sponsored employee benefit plans as of the last plan reports; and 2,989,435 shares to which these persons have the right to acquire beneficial ownership within 60 days of March 5, 2019, including, in the case of retirement-eligible officers, options vesting upon retirement from the Company.
- (5) Mr. Larson is the Business Manager of Cascade Investment, L.L.C. (“Cascade”), an entity owned by William H. Gates III, and the chief investment officer for Mr. Gates. As the Business Manager of Cascade, Mr. Larson may be deemed to have shared voting and investment power with respect to 30,685,554 shares of Ecolab Common Stock held by Cascade, and as the chief investment officer for Mr. Gates, he may be deemed to have voting and investment power with respect to 4,366,426 shares of Ecolab Common Stock held by the Bill & Melinda Gates Foundation Trust (the “Trust”). Mr. Larson disclaims beneficial ownership of any shares held by Cascade or the Trust.

SECURITY OWNERSHIP

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires the Company's executive officers and directors, and persons who own more than ten percent of a registered class of the Company's equity securities, to file with the SEC reports on ownership of Company securities and changes in reported ownership. As a practical matter, Company personnel assist executive officers and directors by monitoring transactions and completing and filing Section 16 reports (SEC Forms 3, 4 and 5) on their behalf based upon company records and information provided to us.

Based solely on a review of Section 16 reports and on written representations from reporting persons, the Company believes that during the fiscal year ended December 31, 2018 the Company's executive officers, directors and greater than ten percent owners timely filed all reports they were required to file under Section 16(a), except that with respect to Mr. Baker, one gift was not reported on a Form 4 or a Form 5. This transaction was subsequently reported for Mr. Baker promptly upon discovery of the omission.

PROPOSAL 2: RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

PROPOSAL 2: RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of the Board of Directors has appointed PricewaterhouseCoopers LLP (“PwC”) as our independent registered public accounting firm to audit our consolidated financial statements for the year ending December 31, 2019 and to perform other appropriate services. Representatives of PwC are expected to be present at our Annual Meeting of Stockholders. They will have an opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

PwC has provided professional services to the Company in 2018, the aggregate fees and expenses of which are reported at page 25.

Board of Directors’ Recommendation – The Board of Directors recommends that the stockholders vote FOR the ratification of the appointment of PwC as our independent registered public accounting firm for the year ending December 31, 2019. Under the laws of the State of Delaware, stockholder ratification of the appointment of our independent registered public accounting firm is not required. However, the Board deems it advisable to submit the appointment of PwC for stockholder consideration and ratification. If the appointment of PwC is not ratified, the Audit Committee will reconsider the matter, but will not be required to change its decision to appoint PwC as independent registered public accounting firm. Unless a contrary choice is specified, proxies solicited by our Board of Directors will be voted FOR ratification of the appointment of PricewaterhouseCoopers LLP.

AUDIT COMMITTEE REPORT