

Lloyds Banking Group plc
 Form 424B5
 July 01, 2013

The information in this preliminary pricing supplement is not complete and may be changed. A registration statement relating to the securities has been filed with the Securities and Exchange Commission. This preliminary pricing supplement is not an offer to sell these securities and is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale of securities is not permitted.

Subject to Completion, dated July 1, 2013
 Preliminary Pricing Supplement No. 105
 (To Prospectus Supplement dated June 7, 2013
 and Prospectus dated June 7, 2013)

Filed Pursuant to Rule 424(b)(5)
 Registration Nos. 333-189150 and 333-189150-01
 July 1, 2013

CUSIP/ ISIN	Aggregate Principal Amount	Price to Public(1)	Selling Agent's Commission(2)	Net Proceeds	Interest Type	Interest Rate	Interest Payment Frequency	Day Count Fraction	Business Day Convention	Mat D
53944XEM3/ US53944XEM39	\$	Per \$1,000.00	\$12.50	\$987.50	Fixed	3.25%	Semi-annually	30/360	Following, unadjusted, New York and London	7/1
	Note: Total:	\$	\$	\$		per annum				

Redemption Information: Non-Callable

Selling Agent: Barclays Capital Inc.

(1) The proceeds you might expect to receive if you were able to resell the Notes on the Issue Date are expected to be less than the issue price. This is because the issue price includes the selling agent's commission set forth above and also reflects certain hedging costs associated with the Notes. For additional information, see "Risk Factors — The issue price of the notes has certain built-in costs, including the selling agent's commission and our cost of hedging, both of which are expected to be reflected in secondary market prices" on page S-3 of the accompanying prospectus supplement. The issue price also does not include fees that you may be charged if you buy the Notes through your registered investment advisers for managed fee-based accounts.

(2) The Selling Agent may retain all or a portion of this commission or use all or a portion of this commission to pay selling concessions or fees to other dealers. See "Supplemental Plan of Distribution" starting on page S-29 of the accompanying prospectus supplement.

Lloyds TSB Bank plc	Offering Dates:	July 1, 2013 through July 15, 2013	Notes:	Retail Notes, Series B
fully and unconditionally guaranteed by	Trade Date:	July 15, 2013	Issuer:	Lloyds TSB Bank plc ("Lloyds Bank")
	Issue Date:	July 18, 2013	Guarantor:	Lloyds Banking Group plc ("LBG")

Lloyds Banking Group plc Minimum Denomination/Increments: \$1,000/\$1,000

Retail Notes, Series B Settlement and Clearance: DTC; Book-Entry
 Listing: The Notes will not be listed or displayed on any securities exchange or quotation system.

Survivor's Option Payment Date: Subject to limitations, each February 15 and August 15 of each calendar year. See "Risk Factors — Any Survivor's Option may be limited in amount, and any repayments made with respect to the exercise of a Survivor's Option will not be

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made immediately” and “Description of the Survivor’s Option” starting on page S-6 and page S-20, respectively, in the accompanying prospectus supplement.

Interest Payment Dates: Interest on the Notes will be paid semi-annually in arrears on the 18th day of each January and July (each an “Interest Payment Date”) beginning on (and including) January 18, 2014 and ending on the Maturity Date or the Survivor’s Option Payment Date, if applicable. For additional information see “Description of the Notes and the Guarantees — Payment of Principal, Interest and Other Amounts Due” starting on page S-13 in the accompanying prospectus supplement.

If an Interest Payment Date, the Maturity Date or the Survivor’s Option Payment Date, if applicable, for any Note is not a business day (as defined in the accompanying prospectus supplement), principal, premium, if any, and interest for that Note will be paid on the next business day, and no additional interest will accrue in respect of such payments made on the next business day.

Any payments due on the Notes, including any repayment of principal, will be subject to the creditworthiness of Lloyds Bank, as the Issuer, and LBG, as the Guarantor of the Issuer’s obligations under the Notes.

LBG and Lloyds Bank have filed a registration statement with the SEC for the offering to which this pricing supplement relates. Before you invest, you should read this pricing supplement together with the prospectus dated June 7, 2013 (the “prospectus”) in that registration statement and other documents, including the more detailed information contained in the prospectus supplement dated June 7, 2013 (the “prospectus supplement”), that LBG and Lloyds Bank have filed with the SEC for more complete information about LBG and Lloyds Bank and this offering. You may access these documents on the SEC website at www.sec.gov. LBG’s Central Index Key, or CIK, on the SEC website is 1160106 and Lloyds Bank’s CIK on the SEC website is 1167831. The prospectus supplement and the prospectus may be accessed as follows (or if such address has changed, by reviewing LBG’s and Lloyds Bank’s filings for the relevant date on the SEC website):

- prospectus supplement dated June 7, 2013 and prospectus dated June 7, 2013

http://www.sec.gov/Archives/edgar/data/1160106/000095010313003584/dp38362_4242-retailnotes

You may revoke your offer to purchase the Notes at any time prior to the time at which your offer is accepted on the Trade Date by notifying the Selling Agent. Lloyds Bank has the right to change the terms of, or reject any offer to purchase the Notes in whole or in part. The Selling Agent also has the right to reject any offer it solicited to purchase the Notes. In the event of any changes to the terms of the Notes, Lloyds Bank or the Selling Agent will notify you and you will be asked to accept such changes in connection with your purchase. You may also choose to reject such changes in which case your offer to purchase the Notes may be rejected.

Investing in the Notes involves significant risks. See “Risk Factors” beginning on page S-3 of the accompanying prospectus supplement.

The Notes are not bank deposits and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency.

None of the Securities and Exchange Commission, any state securities commission and any other regulatory body has approved or disapproved of these Notes or passed upon the adequacy or accuracy of this pricing supplement, the accompanying prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

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Estimated Future

Payouts Under

Equity

All

Estimated Future Payouts Under

Incentive Plan

Other

Non-Equity Incentive Plan Awards

Awards (1, 3)

Stock

All Other

Awards:

Option

Closing

Number

Awards:

Market

of

Number

Exercise

Price of

Grant Date

Shares

of

or Base

Stock

Fair Value of

of Stock

Securities

Price of

on

Stock and

Thresh-

Max-

or

Underlying

Option

Grant

Option

Grant

Threshold

Target

Maximum

old

Target

imum

Units

Options(2, 3)

Awards(4)

Date(4)

Awards (5)

Name

Date

(\$)

(\$)

(\$)

(#)

(#)

(#)

(#)

(#)

(\$/Sh)

(\$/Sh)

(\$)

Douglas M. Baker, Jr. (PEO)

MPIP(6)

N/A

684,300

1,710,600

3,421,100

0

0

0

0

0

0

0

0

2010 Stock Incentive Plan

12/02/2015

0

0

0

0

0

0

0

173,036

119.12

118.64

4,453,947

2010 Stock Incentive Plan

12/02/2015

0

0

0

15,227

38,068

38,068

0

0

0

0

4,355,360

Daniel J. Schmechel (PFO)

MPIP(6)

N/A

166,000

415,000

830,000

0

0

0

0

0

0

0

0

2010 Stock Incentive Plan

12/02/2015

0

0

0

0

0

0

0

32,685

119.12

118.64

841,312

2010 Stock Incentive Plan

12/02/2015

0

0

0

2,876

7,191

7,191

0

0

0

0

822,722

Thomas W. Handley

MPIP(6)

N/A

221,400

553,500

1,107,000

0

0

0

0

0

0

0

0

2010 Stock Incentive Plan

12/02/2015

0

0

0

0

0

0

0

38,452

119.12

118.64

989,754

2010 Stock Incentive Plan

12/02/2015

0

0

0

3,384

8,460

8,460

0

0

0

0

967,909

Michael A. Hickey

MPIP(6)

N/A

152,700

381,600

763,200

0

0

0

0

0

0

0

0

2010 Stock Incentive Plan

12/02/2015

0

0

0

0

0

0

0

23,071

119.12

118.64

593,848

2010 Stock Incentive Plan

12/02/2015

0

0

0

2,030

5,076

5,076

0

0

0

0

580,745

Christophe Beck

MPIP(6)

N/A

159,100

397,600

795,100

0

0

0

0

0

0

0

0

2010 Stock Incentive Plan

12/02/2015

0

0

0

0

0

0

0

23,071

119.12

118.64

593,848

2010 Stock Incentive Plan

12/02/2015

0

0

0

2,030

5,076

5,076

0

0

0

0

580,745

- (1) Amounts reflect the threshold, target and maximum number of shares of Company Common Stock that may be earned pursuant to performance-based restricted stock unit (PBR SU) awards granted in 2015. No PBR SUs may be earned if adjusted ROIC is below the threshold goal, and no more than 100% of the PBR SUs may be earned if adjusted ROIC is above the target goal; accordingly, target and maximum are equal. Dividend equivalents are not paid or accrued during the performance period. See the discussion under the heading “Performance-Based Restricted Stock Units” in the Compensation Discussion and Analysis for more information on these awards, including with respect to the target and maximum performance goals.
- (2) Options granted in 2015 have a ten-year contractual exercise term and vest (or will be exercisable) over three years, on a cumulative basis, as to one third of the option shares on the first and second anniversaries of the date

of grant and as to the remaining option shares on the third anniversary.

- (3) If a holder terminates employment at or after age 55 with five or more years of continuous employment, stock options held at least six months will become immediately exercisable in full and the service-based vesting conditions on PBRSU awards held at least six months will be deemed satisfied but vesting will remain subject to attainment of the performance goals; all unvested restricted stock unit awards will terminate and be forfeited. A discussion of the consequences of a change in control on outstanding options, PBRSU awards and restricted stock awards is at page 54 under the heading “Change in Control.”
- (4) Each of the stock options granted to our named executive officers during the year ended December 31, 2015 and reported in the table above were granted on the same date as our Compensation Committee approval date 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 potential same-day stock volatility.
- (5) Represents the grant date fair value of each equity award, computed in accordance with FASB ASC Topic 718. With respect to stock options, the value has been determined by application of the lattice (binomial)-pricing model, based upon the terms of the option grant and Ecolab’s stock price performance history as of the date of the 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 located in footnote (3) to the Summary Compensation Table at page 42. With respect to PBRsUs, the value has been determined based on the maximum award payout, consistent with the estimate of aggregate compensation cost to be recognized over the three-year vesting period of the award. See footnote (1) above for a description of the performance goals and performance period.
- (6) The Company maintains annual cash incentive programs for executives referred to as the Management Incentive Plan, or MIP, and Management Performance Incentive Plan, or MPIP, which are discussed in the Compensation Discussion and Analysis under the headings “Annual Cash Incentives” and “Regulatory Considerations,” including detail regarding the MPIP and MIP performance goals. In the case of the named executive officer participants, the potential payouts that could be earned under the MIP for 2015 and that would be used to guide the Committee’s discretion under the MPIP are noted in the MPIP row of the above table. Actual payouts to each of the named executive officers with respect to 2015 are included under the Non-Equity Incentive Plan Compensation column in the Summary Compensation Table at page 42. Each award is subject to and interpreted in accordance with the terms and conditions of the MPIP or MIP, as applicable, and no amount will be paid under the MPIP or the MIP unless and until the Committee has determined the extent to which the applicable performance goal has been met, the corresponding amount of the award earned by the participant and the degree to which the Committee chooses to exercise its permitted discretion under the MPIP.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END FOR 2015

Name	Option Awards				Stock Awards			Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Rights That Have Not Vested
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested	Equity Incentive Plan Awards: Number of Shares, Units or Rights That Have Not Vested(2)	
Douglas M. Baker, Jr. (PEO)	210,500	0	0	35.6300	12/03/18	0	0	0
	156,400	0	0	45.6650	02/02/19	0	0	0
	160,100	0	0	48.0550	01/01/20	0	0	0
	192,100	0	0	55.5950	01/01/21	0	0	0
	195,800	0	0	71.5400	05/05/22	0	0	0
	100,433	50,217	0	103.2650	04/04/23	0	33,144	3,791,011
	54,379	108,760	0	107.6850	03/03/24	0	35,891	4,105,213
	0	173,036	0	119.1200	02/02/25	0	38,068	4,354,218
Daniel J. Schmechel (PFO)	21,500	0	0	49.4200	12/05/17	0	0	0
	34,400	0	0	35.6300	02/03/18	0	0	0
	14,500	0	0	45.6650	02/02/19	0	0	0
	14,500	0	0	48.0550	01/01/20	0	0	0
	15,400	0	0	55.5950	01/01/21	0	0	0
	22,800	0	0	71.5400	05/05/22	0	0	0
	18,653	9,327	0	103.2650	04/04/23	0	6,155	704,009
	10,876	21,752	0	107.6850	03/03/24	0	7,178	821,020
	0	32,685	0	119.1200	02/02/25	0	7,191	822,507
Thomas W. Handley	20,000	0	0	35.6300	02/03/18	0	0	0
	31,400	0	0	45.6650	02/02/19	0	0	0
	34,700	0	0	48.0550	01/01/20	0	0	0
	42,300	0	0	55.5950	01/01/21	0	0	0
	52,200	0	0	71.5400	05/05/22	0	0	0
	28,693	14,347	0	103.2650	04/04/23	0	9,470	1,083,179
	13,595	27,190	0	107.6850	03/03/24	0	8,973	1,026,332
	0	38,452	0	119.1200	02/02/25	0	8,460	967,655

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Michael A. Hickey	21,500	0	0	49.420000	05/17	0	0	0	0
	30,300	0	0	35.630000	03/18	0	0	0	0
	13,700	0	0	45.665000	02/19	0	0	0	0
	19,300	0	0	48.055000	01/20	0	0	0	0
	25,000	0	0	55.595000	01/21	0	0	0	0
	32,600	0	0	71.540000	05/22	0	0	0	0
	17,220	8,610	0	103.265000	04/23	0	0	5,682	649,907
	8,157	16,314	0	107.685000	03/24	0	0	5,384	615,822
	0	23,071	0	119.120000	02/25	0	0	5,076	580,593
Christophe Beck	14,800	0	0	35.630000	03/18	0	0	0	0
	23,500	0	0	45.665000	02/19	0	0	0	0
	25,100	0	0	48.055000	01/20	0	0	0	0
	30,700	0	0	55.595000	01/21	0	0	0	0
	32,600	0	0	71.540000	05/22	0	0	0	0
	17,220	8,610	0	103.265000	04/23	0	0	5,682	649,907
	8,157	16,314	0	107.685000	03/24	0	0	5,384	615,822
	0	23,071	0	119.120000	02/25	0	0	5,076	580,593

(1) Stock options have a ten-year contractual exercise term and vest ratably on the first three anniversaries of the date of grant, subject to the post-termination and change-in-control provisions generally described below under the heading "Potential Payments Upon Termination or Change in Control."

The vesting dates of the respective stock options held at December 31, 2015 that were unexercisable are summarized in the table below:

Name	Option Grant Date	Securities vesting December 2016	Securities vesting December 2017	Securities vesting December 2018	Option Expiration Date
Douglas M. Baker, Jr. (PEO)	12/04/13	50,217	0	0	12/04/23
	12/03/14	54,380	54,380	0	12/03/24
	12/02/15	57,678	57,679	57,679	12/02/25
Daniel J. Schmechel (PFO)	12/04/13	9,327	0	0	12/04/23
	12/03/14	10,876	10,876	0	12/03/24
	12/02/15	10,895	10,895	10,895	12/02/25
Thomas W. Handley	12/04/13	14,347	0	0	12/04/23
	12/03/14	13,595	13,595	0	12/03/24
	12/02/15	12,817	12,817	12,818	12/02/25
Michael A. Hickey	12/04/13	8,610	0	0	12/04/23
	12/03/14	8,157	8,157	0	12/03/24
	12/02/15	7,690	7,690	7,691	12/02/25
Christophe Beck	12/04/13	8,610	0	0	12/04/23
	12/03/14	8,157	8,157	0	12/03/24
	12/02/15	7,690	7,690	7,691	12/02/25

(2) Represents performance-based restricted stock unit (PBRSU) awards which cliff-vest after three years, subject to attainment of performance goals over a three-year performance period, and assuming attainment of target (which also represents maximum) performance, as the performance over the prior three-year period has exceeded threshold. In order from top to bottom, the PBRsUs have performance periods of 2014-2016, 2015-2017 and 2016-2018 and will vest on December 31, 2016, December 31, 2017 and December 31, 2018, respectively, and, subject to certification of results by the Compensation Committee, will be paid out in shares of Common Stock no later than March 15 following each vesting date. The awards are subject to the post-termination and change-in-control provisions generally described at pages 52 through 56 under the heading "Potential Payments Upon Termination or Change in Control." The reported market value is based on the closing market price of the Company's Common Stock on December 31, 2015 of \$114.38 per share.

OPTION EXERCISES AND STOCK VESTED FOR 2015

Name	Option Awards	Value Realized on Exercise (\$ (1))	Stock Awards	Value Realized on Vesting (\$)
	Number of Shares Acquired on Exercise (#) (1)		Number of Shares Acquired on Vesting (#)	
Douglas M. Baker, Jr. (PEO)	210,500	17,566,225	43,072	4,926,347
Daniel J. Schmechel (PFO)	0	0	5,032	525,331
Thomas W. Handley	80,000	5,914,800	11,402	1,314,226
Michael A. Hickey	20,900	1,593,312	7,182	821,248
Christophe Beck	41,250	3,003,250	7,182	821,248

- (1) Represents the aggregate number of shares and dollar amount realized by the named executive officer upon exercise of one or more stock options during 2015. The dollar amount realized on exercise represents the difference between the fair market value of our Common Stock on the exercise date and the exercise price of the option.
- (2) Represents the performance-based restricted stock unit (PBRSU) shares earned for the 2013-2015 performance period that ended on December 31, 2015 because performance targets were met. The value shown as realized is based on the number of shares earned for the 2013-2015 performance period using the per-share closing market price of our Common Stock of \$114.38 on December 31, 2015, although shares were not issued until Compensation Committee certification of results on February 24, 2016.

PENSION BENEFITS FOR 2015

Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefit (\$)	Payments During Last Fiscal Year (\$)
Douglas M. Baker, Jr. (PEO)	Pension Plan	26.0	946,833	0
	Mirror Pension Plan	26.0	15,390,233	0
	Supplemental Executive Retirement Plan	26.0	4,820,725	0
Daniel J. Schmechel (PFO)	Pension Plan	20.0	703,503	0
	Mirror Pension Plan	20.0	2,076,689	0
	Supplemental Executive Retirement Plan	21.35	936,811	0
Thomas W. Handley	Pension Plan	12.0	162,432	0
	Mirror Pension Plan	12.0	438,531	0
	Supplemental Executive Retirement Plan	26.10	4,189,806	0
Michael A. Hickey	Pension Plan	30.0	973,602	0
	Mirror Pension Plan	30.0	3,433,855	0
	Supplemental Executive Retirement Plan	30.0	1,415,498	0
Christophe Beck	Pension Plan	8.0	47,724	0
	Mirror Pension Plan	8.0	109,634	0
	Supplemental Executive Retirement Plan	13.10	936,051	0

The Company maintains the following non-contributory defined benefit plans for its executives: (i) a U.S. tax-qualified plan (Pension Plan); (ii) a non-qualified excess plan (Mirror Pension); and (iii) a supplemental executive retirement plan (SERP).

The preceding table shows the actuarial present value of the accumulated benefit for each executive officer under the Pension Plan, the Mirror Pension and the SERP as of December 31, 2015, using the same assumptions as are used by the Company for financial reporting purposes under generally accepted accounting principles, except that retirement age is assumed to be age 62, the earliest retirement age at which a participant may retire under the plans without any benefit reduction due to age. The current accrued benefit for U.S. executives is allocated between the tax-qualified Pension Plan and the related supplemental non-qualified plans based on the Internal Revenue Code limitations applicable to tax-qualified plans as of December 31, 2015. The present value is determined by using a discount rate of 4.56% for the Pension Plan and 3.57% for the Mirror Pension Plan and SERP for 2015 and assuming that the executive officer: (i) terminated employment on December 31, 2015 with vested benefits; and (ii) commenced a retirement benefit at age 62 as a single life annuity or lump sum, if available. The present value of the Pension Plan single life annuity assumed mortality rates from the RP 2014 Healthy Annuitant Mortality table, projected back to 2006 with mortality improvement scale MP 2014, and projected forward with scale MP 2015. Mirror Pension and SERP annuities were converted to lump sums, where available, using an interest rate of 2.59% and the mortality rates defined in the Mirror Pension and SERP plans as prescribed in Revenue Ruling 2001-62. Cash balance benefits were valued assuming future interest credits of 2.26% for periods after December 31, 2015. The cash balance annuity conversion for the SERP offset used the interest rate and mortality assumptions prescribed by the IRS under Internal Revenue Code Section 417(e) for 2016 pension lump sum calculations.

The Pension Plan is a tax-qualified defined benefit plan covering most U.S. employees of the Company and its U.S. affiliates. It is intended to provide long-service employees a foundation for retirement benefits in the form of regular income. Participants hired prior to January 1, 2003, including Messrs. Baker, Schmechel and Hickey, earn monthly pension benefits under the following formula (“traditional formula”): 1/12 of the sum of: (a) years of credited service

times 1% of “final average compensation” plus (b) years of credited service (not exceeding 35) times 0.45% of “final average compensation” minus “covered compensation.” “Final average compensation” is the average of the participant’s annual compensation for the five consecutive calendar years that produce the highest average, counting the participant’s base salary and annual cash incentive compensation for a plan year, excluding any long-term and non-cash incentive bonuses and amounts above the IRS compensation limits for qualified plans. “Covered compensation” is the average Social Security taxable wage base over a 35 year period ending at a participant’s Social Security retirement age.

Participants hired after 2002, including Mr. Handley and Mr. Beck, accrue an account credit at the end of each year equal to a fixed percentage of the participant’s compensation for that year plus an interest credit applied to the participant’s account balance on the first day of that year (“cash balance formula”). The fixed percentage is either 5% or 3% depending on a participant’s date of entry into the Pension Plan. Mr. Handley’s and Mr. Beck’s cash balance formulas are based on 5% and 3% of compensation, respectively. Compensation used in determining the credits is the participant’s base salary and annual

PENSION BENEFITS FOR 2015

cash incentive compensation for a plan year, excluding any long-term and non-cash incentive bonuses and amounts above the IRS limits for qualified plans.

Participants become entitled to a non-forfeitable (“vested”) right to their Pension Plan benefit upon completing three years of continuous service with the Company. Normal retirement date is the date on which the participant attains age 65 and has completed at least three years of continuous service. Traditional formula participants who have terminated employment with the Company may begin to receive benefit payments as early as age 55, reducing the benefit by 1/280 for each month by which payment begins before age 62. Unreduced benefits may begin after attaining age 62. The normal form of benefit is a single life only annuity for participants who are not married and a joint and 50% survivor annuity for married participants. Subject to a spousal consent requirement for married participants, participants may select an actuarially equivalent benefit in one of the following forms: single life only annuity; joint and 75% or 100% survivor annuity (married participants only); life and five-year certain annuity; and life and ten-year certain annuity. If a participant dies after benefit commencement, payments to a beneficiary, if any, are made according to the payment option selected by the participant. If a participant with a vested traditional formula benefit dies before benefit payments commence, the participant’s beneficiary is entitled to a death benefit. If the beneficiary is the participant’s surviving spouse, the benefit is a life annuity beginning after the participant would have attained age 55. Other beneficiaries receive a five- or ten-year annuity benefit.

Cash balance formula participants with at least three years of continuous service may commence benefit payment at any time after termination. The payment will be the actuarial equivalent value of their account balance, determined using the mortality and interest factors prescribed by the IRS. The normal form of benefit for cash balance formula participants is a single life only annuity for participants who are not married and a joint and 50% survivor annuity for married participants. Optional forms of payment for cash balance formula participants are lump-sum payment, single life annuity, and, for married participants only, joint and 75% or 100% survivor annuity. The beneficiary of a cash balance formula participant who dies before commencing benefits will receive a death benefit actuarially equivalent to the participant’s account balance.

The Mirror Pension Plan is a non-qualified plan intended to restore benefits under the tax-qualified Pension Plan for those employees whose benefits are reduced by Internal Revenue Code limits. The Mirror Pension has generally the same terms as the Pension Plan except: (i) compensation is determined without regard to the IRS limits for qualified plans; (ii) vesting is accelerated upon a change in control; (iii) benefits may be forfeited for certain serious misconduct; and (iv) the optional forms of benefits available to participants with respect to benefits accrued and vested as of December 31, 2004 (“Grandfathered Mirror Pension Benefits”) include a lump sum payment. Benefits accrued or vested after December 31, 2004 are subject to Internal Revenue Code Section 409A (“409A Mirror Pension Benefits”) and are not linked to the Pension Plan. The normal form of 409A Mirror Pension Benefits is a 10-year annual installment payout commencing upon the later of attainment of age 55 or separation from service for traditional formula participants, or upon separation from service for cash balance formula participants, provided that payment to a “specified employee” (corporate officers, including each of the named executive officers) may not commence earlier than six months after separation from service. Optional forms of benefits available to participants include 5-year annual installments, lump sum or an annuity option (single life, life and 5-year certain, life and 10-year certain, and for married participants, joint and 50%, 75% or 100% survivor). Participants were permitted to make a transition election as to an optional form of benefit for their 409A Mirror Pension Benefits before the end of 2008 as permitted under 409A regulations. Any subsequent change in optional form by a participant is subject to the “1-year/5-year rule” which requires that the change be made 12 months before separation from service and must not become effective for 12 months after the election is made (the 1-year rule), and the payment commencement date must be delayed for five years after the date the amounts would otherwise have been paid (the 5-year rule). A participant who elects an annuity option may choose among the various types of annuity forms at any time before benefit commencement. Despite the plan’s normal form of benefit or a participant’s election of an optional form of benefit, the Company will cash out the participant’s Grandfathered Mirror Pension Benefit and/or the participant’s 409A Mirror Pension Benefit in a lump sum

if the present value of such portion of the benefit at the time of distribution does not exceed \$25,000.

The SERP is a non-qualified supplemental executive retirement plan intended to ensure a pension benefit that replaces a significant portion of the income of certain executives. The maximum SERP benefit equals 2% of final average compensation multiplied by years of credited service (up to 30 years), reduced by the benefits payable under the Pension Plan, the Mirror Pension and 50% of the age 65 Primary Social Security benefit. A participant age 65 with 30 years of service would receive benefits from all three defined benefit plans equal to 60% of final average compensation (less 50% of the age 65 Social Security benefit). For certain executives hired by the Company after age 35 and therefore unable to earn the maximum benefit at age 65, the SERP provides an additional “past service benefit.” The annual past service benefit equals 1% of the difference between final average compensation and annualized earnings at the time of joining the Company (“first year earnings”) multiplied by the

PENSION BENEFITS FOR 2015

difference between the executive's age at date of hire and 35. Material terms of the SERP are similar to those of the Pension Plan except: (i) compensation is determined without regard to the IRS limits for qualified plans; (ii) the SERP benefit vests upon attainment of age 55 and completion of ten years of service or attainment of age 65; (iii) vesting is accelerated upon a change in control; (iv) benefits may be forfeited for certain serious misconduct; and (v) participants hired after age 35 are credited with additional "past service credit" equal to one year for each year by which the executive's age at date of hire exceeded 35. In addition, the normal form of benefit with respect to SERP benefits accrued and vested as of December 31, 2004 ("Grandfathered SERP Benefits") is a 15-year certain monthly annuity commencing at age 65, and participants may elect to receive an actuarially equivalent benefit in any of the optional forms of payment available under the Pension Plan or in a lump sum. SERP benefits accrued or vested after December 31, 2004 are subject to Internal Revenue Code Section 409A ("409A SERP Benefits"). The normal form of benefit, election of optional forms of benefit and time of commencement of the 409A SERP Benefits are linked to the Mirror Pension. Despite the normal form of benefit or a participant's optional form of benefit election, the Company will cash out the participant's grandfathered SERP Benefits and/or the participant's 409A SERP Benefits in a lump sum if the present value of such portion of the benefit at the time of distribution does not exceed \$25,000.

Messrs. Schmechel, Handley and Beck were hired by the Company after age 35 and will benefit from the past service benefit and past service credits under the SERP. The SERP benefit in the above table includes past service benefits for Mr. Schmechel totaling \$93,571 for 1.35 years of past service credit, Mr. Handley totaling \$1,509,942 for 14.10 years of past service credit and Mr. Beck totaling \$180,835 for 5.10 years of past service credit.

In 2010, the SERP was amended to eliminate further benefit accruals after December 31, 2020.

Messrs. Baker, Schmechel and Handley are the only named executive officers eligible for early retirement under the Pension Plan, Mirror Pension and SERP as of December 31, 2015. As cash balance formula participants, Mr. Handley and Mr. Beck would be eligible to receive their vested benefits under the Pension Plan and Mirror Pension upon separation from service.

The Company does not grant extra years of credited service under the Pension Plan or the Mirror Pension Plan except as approved by its Board of Directors. Prior service credits have been approved by the Board in limited circumstances in connection with a business acquisition or merger, entry into plan participation by employees formerly participating in a union plan while employed with the Company and for employment with the Company before the Pension Plan was adopted in 1972. None of the named executive officers has been granted extra years of service under these plans. The SERP grants extra years of credited service for certain executive officers hired by the Company after age 35. Messrs. Schmechel, Handley and Beck have been granted extra years as noted above in the discussion of the SERP.

NON-QUALIFIED DEFERRED COMPENSATION FOR 2015

Name	Executive Contributions in Last FY (1)(2) (\$)	Registrant Contributions in Last FY (1)(2) (\$)	Aggregate Earnings in Last FY (\$)	Aggregate Withdrawals/ Distributions (\$)	Aggregate Balance at Last FYE (3) (\$)
Douglas M. Baker, Jr. (PEO)	43,767	35,014	(3,449)	0	3,908,352
Daniel J. Schmechel (PFO)	43,813	15,130	(10,593)	0	871,108
Thomas W. Handley	25,030	20,024	9,945	0	1,949,149
Michael A. Hickey	34,318	27,454	(8,344)	0	607,779
Christophe Beck	44,808	33,606	(10,204)	0	569,926

- (1) Contributions credited in 2015 include deferrals and match on base salary earned in 2015 and annual cash incentive earned in respect of 2015.
- (2) Amounts reported for executive contributions and included in the aggregate balance at year end include the following amounts which were reported as salary in 2015 in the Summary Compensation Table at page 42 and which were deferred by each named executive officer: Mr. Baker, \$43,767; Mr. Schmechel, \$12,688; Mr. Handley, \$17,500; Mr. Hickey, \$12,188; and Mr. Beck, \$21,200. Amounts reported for executive contributions include the following amounts reported as annual incentive bonus in the Summary Compensation Table at page 42 and which were deferred by each of the following named executive officers: Mr. Schmechel, \$31,125; Mr. Handley, \$7,530; Mr. Hickey, \$22,130; and Mr. Beck, \$23,608. Amounts reported for registrant contributions are described in more detail in part (ii) of footnote 6(d) to the Summary Compensation Table at Page 43.
- (3) Amounts reported in the aggregate balance at last fiscal year end include the following amounts which were reported as compensation to the named executive officer in the Summary Compensation Table in 2007-2015: Mr. Baker, \$2,226,868; Mr. Schmechel, \$177,495 (Mr. Schmechel became a named executive officer in 2012); Mr. Handley, \$799,570 (Mr. Handley became a named executive officer in 2007); and Mr. Hickey, \$132,980 (Mr. Hickey was a named executive officer in 2012 and 2014).

The Mirror Savings Plan is a non-qualified mirror 401(k) deferred compensation excess plan which enables executives to obtain the benefits of a tax-deferred savings and investment program without regard to limits on compensation and benefits imposed by the Internal Revenue Code on the Company's tax-qualified deferred compensation plans. The plan is unfunded and does not protect the executive from insolvency of the Company. Effective January 1, 2013, we made changes to the Company's U.S. qualified and non-qualified retirement plans to provide for a unified platform of retirement benefits for eligible employees of the Company. In that regard, the Mirror Savings Plan was amended as of January 1, 2013, to provide an enhanced matching contribution for individuals who became participants in the Pension Plan after January 1, 2007.

In 2015, participants were permitted to defer a specified percentage of base salary in excess of the Internal Revenue Code compensation limit for tax-qualified plans. For participants entitled to a final average pay benefit or 5% cash balance benefit in the Pension Plan, this percentage was 5%; for participants entitled to a 3% cash balance benefit in the Pension Plan the specified percentage was 8%. Participants were also permitted to defer up to 100% of their annual cash incentive compensation for the calendar year. The Company credits a matching contribution for each of the named executive officers participating in the plan. Participants who are entitled to a final average pay benefit or 5% cash balance benefit in the Pension Plan, including Messrs. Baker, Schmechel, Handley, and Hickey, receive a matching contribution credit equal to: (i) 100% of the amount of the executive's deferrals that do not exceed 3% of covered compensation plus (ii) 50% of the executive's deferrals that exceed 3% but do not exceed 5% of the executive's covered compensation. Participants in the Pension Plan who are eligible to accrue a 3% cash balance benefit in the Pension Plan, including Mr. Beck, receive a matching contribution credit equal to: (i) 100% of the amount of the

executive's deferrals that do not exceed 4% of covered compensation plus (ii) 50% of the executive's deferrals that exceed 4% but do not exceed 8% of the executive's covered compensation.

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NON-QUALIFIED DEFERRED COMPENSATION FOR 2015

An account is maintained on the Company's books in the name of each participating executive. The account is credited with phantom earnings at the same rate as earnings on externally managed investment funds available to participants in the Company's tax-qualified deferred compensation plans. An executive is allowed to elect the investment fund or funds that will apply and may change the election at any time; provided that (i) an executive officer is not permitted to elect the Company stock fund, and (ii) effective January 1, 2006, the Company discontinued making its matching contributions to the Company stock fund. The earnings rate applicable to each such investment fund for 2015 is as set forth in the following table:

Fund Name	2015 Earnings Rate
Managed Income Portfolio II – Class 3	1.6%
Fidelity Institutional Money Market Government Portfolio – Institutional Class	0.0%
Spartan U.S. Bond Index Fund – Fidelity Advantage Institutional Class	0.6%
Western Asset Core Plus Bond Fund Class IS	1.3%
SSgA Target Retirement Income Non-Lending Series Fund – Class K	(1.3%)
SSgA Target Retirement 2015 Non-Lending Series Fund – Class K	(1.5%)
SSgA Target Retirement 2020 Non-Lending Series Fund – Class K	(1.8%)
SSgA Target Retirement 2025 Non-Lending Series Fund – Class K	(2.0%)
SSgA Target Retirement 2030 Non-Lending Series Fund – Class K	(2.0%)
SSgA Target Retirement 2035 Non-Lending Series Fund – Class K	(2.1%)
SSgA Target Retirement 2040 Non-Lending Series Fund – Class K	(2.3%)
SSgA Target Retirement 2045 Non-Lending Series Fund – Class K	(2.4%)
SSgA Target Retirement 2050 Non-Lending Series Fund – Class K	(2.4%)
SSgA Target Retirement 2055 Non-Lending Series Fund – Class K	(2.4%)
SSgA Target Retirement 2060 Non-Lending Series Fund – Class K	3.5%
Janus Triton Fund – Class N	1.4%
Spartan® 500 Index Fund – Fidelity Advantage Institutional Class	1.3%
Harbor Capital Appreciation Fund – Institutional Class	10.9%
Dodge & Cox Stock Fund	(4.4%)
Vanguard Extended Market Index Fund – Institutional Plus Shares	(3.2%)
CRM Small/Mid Cap Value Fund – Institutional Class	(7.4%)
Dodge & Cox International Stock Fund	(11.5%)
Vanguard FTSE All-World Ex-U.S. Index Fund – Admiral Shares	(4.6%)
Ecolab Stock Fund	10.6%

Participants are always 100% vested in their deferred compensation account and are entitled to receive a distribution in cash upon termination, death or disability. The normal form of distribution with respect to the portion of the account attributable to contributions made before 2005 (“Grandfathered Mirror Savings Benefit”) is a single lump sum, but an executive may elect to receive such portion of the account in the form of annual installments over a period not to exceed ten years. The portion of the executive's account attributable to contributions made after 2004 is subject to Internal Revenue Code Section 409A (“409A Mirror Savings Benefit”). The normal form of 409A Mirror Savings Benefit is a 10-Year Annual Installment payout commencing upon separation from service, provided that payment to a “specified employee” (corporate officers, including each of the named executive officers) may not commence earlier than six months after separation from service. Optional forms of benefits available to participants include 5-year annual installments or lump sum. Participants were permitted to make a transition election as to an optional form of benefit for their 409A Mirror Savings Benefit before the end of 2008 as permitted under 409A regulations and new participants may make such an election at the time of initial enrollment. Any subsequent change in optional form by a participant is subject to the “1-year/5-year rule” which requires that the change be made 12 months before separation

from service and must not become effective for 12 months after the election is made (the 1-year rule), and the payment commencement date must be delayed for five years after it would otherwise be paid (the 5-year rule). Despite the plan's normal form of benefit or a participant's election of an optional form of benefit, the Company will cash out the participant's Grandfathered Mirror Savings Benefit and/or the participant's 409A Mirror Savings Benefit in a lump sum if the present value of such portion of the benefit at the time of distribution does not exceed \$25,000. Deferrals may be withdrawn during employment only upon an unforeseeable emergency and are limited to the amount needed to satisfy such emergency. Company matching amounts are not available for such in-service withdrawal and are subject to forfeiture for certain serious misconduct.

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

The Company maintains certain plans, policies and practices covering named executive officers that will require it to provide incremental compensation upon certain types of terminations, including termination due to a change in control of the Company.

Overview – The following discussion describes additional amounts that the Company would pay or provide to a named executive officer or his or her beneficiaries as a result of termination of employment in each of the following situations: voluntary resignation, discharge for cause, discharge without cause, resignation due to constructive discharge, death or disability and change in control of the Company. For purposes of this discussion, estimated benefits are calculated as if the termination and/or change in control occurred on December 31, 2015, PBR SU awards are valued based on the value of a share of the Company’s stock of \$114.38, the closing price on December 31, 2015, the last trading day of 2015, and option awards are valued based on the difference between \$114.38 and the per share exercise price of the respective awards.

As permitted by SEC rules, the following discussion and amounts do not include the payments and benefits that are not enhanced by the termination of employment or change in control. These payments and benefits are referred to hereafter in this discussion as “vested benefits” and include:

- benefits accrued under the Company’s Pension Plan, tax-qualified deferred compensation 401(k) and profit-sharing plan, in which all eligible employees participate;
- benefits provided under a retiree health, and except as specified, a death benefits program, in which all eligible employees participate;
- accrued vacation pay, health and life insurance plan continuation and other similar amounts payable when employment terminates under programs applicable to the Company’s salaried employees generally;
- payment of earned annual cash incentive payable if employed through the end of the year described at page 35;
- benefits accrued under the Mirror Savings Plan described in connection with the Non-Qualified Deferred Compensation table at page 50;
- benefits accrued that have vested under the SERP described in connection with the Pension Benefits table at page 47;
- stock options that have vested and become exercisable as described at page 38;
- PBR SU awards that have vested upon completion of the relevant service period and whose payout are subject to the attainment of the relevant performance goals as described at page 38; and
- shares of restricted stock or restricted stock units that have vested as described at page 39.

Voluntary Resignation – The Company is not obligated to pay any amounts in addition to the named executive officer’s vested benefits in the event of a voluntary termination of employment, unless the executive’s age and years of service qualify for special provisions applicable for retirement under the plans described below.

- Annual Cash Incentive – If termination is after age 55 and completion of at least three years of service, the executive would receive payment of a portion of the annual cash incentive under the Company’s annual cash incentive program (Management Performance Incentive Plan or “MPIP” and Management Incentive Plan or “MIP”), which is described in the Compensation Discussion and Analysis beginning at page 35 and as part of the table entitled “Grants of Plan-Based Awards for 2015” at page 44, earned for the year that is proportionate to the portion of the performance period under the Plan that was completed prior to the termination of employment. The earned annual cash incentive payable to such an eligible executive officer for termination on December 31, 2015 would be the full amount of the actual annual cash incentive earned as reported in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table at page 42.
- Retiree Life Insurance – Certain elected corporate officers who terminate employment at or after: (i) attaining age 55 and completing at least ten years of service or (ii) attaining age 65 are covered by an executive life insurance policy.

Under the program, the beneficiary of the retired executive is entitled to a death benefit equal to the lesser of: (i) 200% of the

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POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

executive's average compensation for the five consecutive years of employment preceding retirement which yields the highest average compensation, or (ii) \$750,000.

- Options – If termination is after: (i) age 55 and (ii) completion of at least five years of service, the executive would be entitled to accelerated vesting for options held at least six months and an extended, post-retirement exercise period of five years (or the remaining term of the options, if shorter).
- PBRsUs – If termination is after: (i) age 55 and (ii) completion of at least five years of service, service-vesting conditions with respect to PBRsU awards held at least six months will be deemed satisfied, but vesting remains subject to the attainment of performance goals.

Messrs. Baker, Schmechel and Handley are the only named executive officers who would have been entitled to some or all of such special retirement provisions as of December 31, 2015, as follows:

Mr. Baker's retirement benefits would include: \$750,000 retiree life insurance coverage; 158,977 accelerated option shares at \$1,286,310 value; and 69,035 PBRsUs at \$7,896,223 value.

Mr. Schmechel's retirement benefits would include: \$124,500 annual cash incentive; \$750,000 retiree life insurance coverage; 31,079 accelerated option shares at \$249,299 value; and 13,333 PBRsUs at \$1,525,029 value.

Mr. Handley's retirement benefits would include: \$150,600 annual cash incentive; \$750,000 retiree life insurance coverage; 41,537 accelerated option shares at \$341,504 value; and 18,443 PBRsUs at \$2,109,510 value.

Discharge for Cause – The Company is not obligated to pay any amounts in addition to the named executive officer's vested benefits in the event of a termination of employment for cause. The executive's right to exercise vested options expires and unvested PBRsU and restricted stock unit awards are forfeited upon discharge for cause. Cause under the Company's stock incentive plans includes: (a) deliberate injury or attempted injury related to the Company or any subsidiary, including dishonesty, fraud, misrepresentation, or embezzlement; (b) any unlawful or criminal activity of a serious nature; (c) any intentional and deliberate material breach of duty; or (d) material breach of any confidentiality or non-compete agreement.

An elected corporate officer with qualifying age and years of service would receive coverage under the retiree life insurance program described in the above section entitled "Voluntary Resignation."

Death or Disability – In the event of a termination as a result of death or disability, the named executive officer or his or her beneficiaries would be entitled to the following benefits in addition to his or her vested benefits.

- Executive Long-Term Disability Benefits – Certain executives who become "disabled" will, following a 180-day elimination period, receive payments from the Company equal to 60% of his or her base salary and annual cash incentive, reduced by the benefit paid under the Company's insured long-term disability plan available to all full-time employees (which is limited to \$15,000 per month). Total disability benefits are limited to \$35,000 per month. An executive is "disabled" during the first 18 months if he or she cannot earn at least 80% of his or her pre-disability compensation at his or her own occupation. After 18 months, the executive is "disabled" if he or she cannot earn at least 80% of his or her pre-disability compensation at any occupation for which he or she is qualified by training, education or experience. Benefits may continue until the executive reaches Social Security Normal Retirement Age, subject to certain minimum lengths of payment. Benefits are limited to 24 months if disability is a result of mental illness that results from any cause, any condition that may result from mental illness, alcoholism which is under treatment, or the non-medical use of narcotics, sedatives, stimulants, hallucinogens or any other such substance.
- Executive Life Insurance – If an executive covered by executive life insurance dies, his beneficiary will receive an insured basic executive death benefit equal to three times the executive's annual compensation for the year preceding the death, subject to a maximum benefit of \$9,000,000. The death benefit which would have been payable to the beneficiaries of each of the named executive officers for a death as of December 31, 2015 would be as follows: Mr.

Baker, \$9,000,000; Mr. Schmechel, \$3,010,500; Mr. Handley, \$4,118,400; Mr. Hickey, \$2,757,450; and Mr. Beck, \$2,901,600. If an executive's death is accidental, the beneficiary would receive an additional accidental death benefit amount equal to the executive death benefit, subject to a maximum of \$6,000,000. If an executive's death occurs during travel on Company business, the benefit would be increased by three times the executive's annual compensation for the year preceding the death, subject to a maximum business travel benefit of \$6,000,000.

- Annual Cash Incentive – Payment of the annual cash incentive under the Company's annual cash incentive program (Management Performance Incentive Plan or "MPIP" and Management Incentive Plan or "MIP"), which is described in the Compensation Discussion and Analysis beginning at page 35 and as part of the table entitled "Grants of Plan-Based Awards For 2015" at page 44, earned for the year that is proportionate to the portion of the performance period under the Plan that was completed prior to the termination of employment. The earned annual cash incentive payable to each

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

of the named executive officers for termination due to death or disability on December 31, 2015 would be the full amount of the actual annual cash incentive earned as reported in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table at page 42.

- Options – If employment terminates as a result of death or disability, the vesting of options is accelerated and the post-death/disability exercise period is extended to five years (or the remaining term of the options, if shorter). Accelerated vesting for each of the named executive officers would be as follows: Mr. Baker, 332,013 option shares at \$1,286,310 value; Mr. Schmechel, 63,764 option shares at \$249,299 value; Mr. Handley, 79,989 option shares at \$341,504 value; Mr. Hickey, 47,995 option shares at \$204,922 value; and Mr. Beck, 47,995 option shares at \$204,922 value.
 - PBRsUs – If employment terminates as a result of death or disability, service-based vesting conditions on PBRsUs will be deemed satisfied, but vesting remains subject to attainment of performance goals. Accelerated vesting for each of the named executive officers would be as follows, assuming full attainment of performance goals, payment after the end of the performance period and a stock price of \$114.38, the closing price on December 31, 2015: Mr. Baker, 107,103 units at \$12,250,441 value; Mr. Schmechel, 20,524 units at \$2,347,535 value; Mr. Handley, 26,903 units at \$3,077,165 value; Mr. Hickey, 16,142 units at \$1,846,322 value; and Mr. Beck, 16,142 units at \$1,846,322 value.
 - Restricted Stock Unit Awards – If employment terminates as a result of death or disability, the vesting of restricted stock unit awards is accelerated. None of the named executive officers holds any unvested restricted stock units.
- Discharge Not for Cause: Resignation Due to Constructive Discharge – The Company negotiates severance arrangements on a case-by-case basis if an executive’s employment is terminated involuntarily without cause or if the executive resigns as a result of a constructive discharge. Any such negotiated settlement would require the named executive officer to sign a general release and waiver of claims against the Company and would typically require compliance with confidentiality and non-compete restrictions. Payment of such severance will generally be made in equal installments over regular payroll periods. For purposes of this disclosure, such a negotiated severance is estimated to include payment of up to two years’ base salary and target annual cash incentive for each of the named executive officers listed, as follows: Mr. Baker, \$5,750,000; Mr. Schmechel, \$1,890,000; Mr. Handley, \$2,356,000; Mr. Hickey, \$1,802,600; and Mr. Beck, \$1,872,600.

At the discretion of the Compensation Committee, the vesting of options may be accelerated or extended and the exercise period extended. However, no option may remain exercisable or continue to vest for more than two years beyond the date such option would have terminated if not for the Compensation Committee’s action, or beyond its expiration date, whichever first occurs. In addition, the Compensation Committee may, at its discretion, accelerate the vesting of PBRsU and restricted stock unit awards. The PBRsU awards further provide that vesting of the service-based vesting conditions will be accelerated on a pro-rated basis in the event an executive’s employment is terminated without cause, with payment of the pro-rated award subject to satisfaction of applicable performance criteria. Accelerated vesting for our named executive officers would be as follows: Mr. Baker, 36,616 units at \$4,188,138 value; Mr. Schmechel, 7,182 units at \$821,477 value; Mr. Handley, 8,802 units at \$1,006,773 value; Mr. Hickey, 5,281 units at \$604,041 value; and Mr. Beck, 5,281 units at \$604,041 value.

In addition, if an executive’s position, age and years of service qualify at time of termination, the executive would receive benefits under the same special provisions applicable for retirement as are described in the section entitled voluntary resignation above. As noted in that section, Messrs. Baker, Schmechel and Handley are the only named executive officers who would have been entitled to such special retirement provisions as of December 31, 2015.

Change in Control – The Company maintains a Change-in-Control Severance Compensation Policy (the “Policy”) which applies to elected officers (other than assistant officers) of the Company, including each named executive officer listed in the Summary Compensation Table at page 42. The Policy excludes an officer who may otherwise be eligible for coverage but is covered by separate change-in-control or similar agreements with the Company or a subsidiary. The Board of Directors may terminate the Policy after two years’ advance notice, except that the Policy may not be

terminated within two years after a change in control has occurred.

The Policy entitles an officer to a severance payment if, within two years following a change in control, the officer's employment with the Company is terminated without Just Cause (as defined in the Policy) or the officer voluntarily terminates employment for Good Reason (as defined in the Policy). The severance payment is paid in a lump sum equal to the sum of: (i) two times the sum of the officer's base salary plus target annual cash incentive; plus (ii) a pro-rated portion of the target annual cash incentive for the year of termination. The officer also is entitled to payment of reasonable outplacement service fees up to 20% of base salary, and continuation, for up to 18 months, of medical and dental health coverage at the cost the officer paid prior to termination of employment. The Policy does not provide a gross-up for the 280G excise tax.

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However, the Policy does provide for a reduction of payments if the Policy results in higher after-tax income to the participant due to 280G excise tax. As a condition of the payment of such benefits, the officer must release the Company from employment-related claims.

The Company's non-qualified Mirror Pension Plan and Supplemental Executive Retirement Plan discussed under the section entitled Pension Benefits For 2015 at page 47 provide that the interests of participants shall vest and become non-forfeitable upon a change in control of the Company. Messrs. Baker, Schmechel, Handley, Hickey, and Beck each participate in the Mirror Pension Plan and the Supplemental Executive Retirement Plan, however Messrs. Baker, Schmechel and Handley are already vested in these benefits.

Upon a change in control, if any outstanding option, PBRSU award or restricted stock unit award is continued, assumed or replaced by the Company or the surviving or successor entity in connection with the change in control, and if within two years after the change in control an executive's employment or other service is terminated without Cause or is terminated by the executive for Good Reason, then: (i) each of the executive's outstanding options will become exercisable in full and remain exercisable for the remaining term of the option, (ii) each of the holder's unvested restricted stock unit awards and PBRSU awards will fully vest, and (iii) any performance goals applicable to the holder's PBRSU awards will be deemed to have been satisfied to the target level of performance. If any outstanding option, PBRSU award or restricted stock unit award is not continued, assumed or replaced in connection with the change in control, then the same consequences as specified in clauses (i) through (iii) of the previous sentence will occur in connection with a change in control unless and to the extent the Compensation Committee elects to terminate such options or awards in exchange for a payment with respect to each option or award in an amount equal to the excess, if any, between the fair market value of the shares subject to the option or award immediately prior to the effective date of such change in control (which may be the fair market value of the consideration to be received in the change-in-control transaction for the same number of shares) over the aggregate exercise price (if any) for the shares subject to such option or award (or, if there is not excess, such option or award may be terminated without payment).

For purposes of the Policy and stock incentive plans, the term "change in control" means the occurrence of any of the following events:

- a person or group acquires 25% or more of the Company's outstanding voting power;
- during any 24 consecutive month period, individuals who constitute the Board on the first day of the period or any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election relating to the election of directors) whose election or nomination for election by the Company's stockholders was approved or recommended by a vote of at least two-thirds of the directors then still in office who were directors on the first day of such period (or whose election or nomination were previously so approved) shall cease for any reason to constitute at least a majority of the Board of Directors;
- the Company engages in a merger or consolidation, other than a merger or consolidation in which the Company's voting securities immediately prior to the transaction continue to represent over 50% of the voting power of the Company or the surviving entity immediately after the transaction and in which no person or group acquires 50% or more of the voting power of the Company or surviving entity; or
- the consummation of a plan of complete liquidation or the Company sells all or substantially all of the Company's assets, other than to an entity with more than 50% of its voting power owned by the Company's stockholders in substantially the same proportion as their ownership of the Company immediately prior to the sale.

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The table below summarizes the maximum additional payments the Company would be obligated to make if a qualifying termination due to a change in control occurred on December 31, 2015.

Name	Severance Payments				(A) Total Severance Payments (\$)	Equity Awards (B)		(C) Accelerated Portion of PBRSU & RSU Awards	
	Cash Lump Sum (\$)	Accelerated Portion of Pension (\$) (1)	Outplacement Service Fees (\$)	Health Insurance Premiums (\$)		Accelerated Portion of Stock Options Number Value #(2) (\$)(3)	Number Value #	Value (\$)(4)	
Douglas M. Baker, Jr.	5,750,000	-	230,000	28,633	6,008,633	332,013	1,286,310	107,103	12,250,441
Daniel J. Schmechel	1,890,000	-	105,000	18,321	2,013,321	63,764	249,299	20,524	2,347,535
Thomas W. Handley	2,356,000	-	124,000	19,356	2,499,356	79,989	341,504	26,903	3,077,165
Michael A. Hickey	1,802,600	1,415,498	103,000	31,480	3,352,578	47,995	204,922	16,142	1,846,322
Christophe Beck	1,872,600	936,051	107,000	28,633	2,944,284	47,995	204,922	16,142	1,846,322

(1) Represents that portion of the actuarial present value of accumulated pension benefits reported in the Pension Benefits For 2015 table at page 47 which would become payable upon a change in control as a result of acceleration of vesting.

(2) Total number of unvested options as of December 31, 2015.

(3) Represents the difference between the closing price of our Common Stock as of December 31, 2015 (\$114.38) and the exercise price of each option that would be accelerated. All options may be exercised at any time during the three months (or five years if retirement eligible) after employment after the change in control, but not beyond the original ten-year term of the option.

(4) Represents the value of PBRSU and restricted stock unit awards as of December 31, 2015 (\$114.38) that would be accelerated.

(5) Represents the sum of amounts in Column (A) Total Severance Payments, (B) Accelerated Portion of Stock Options and (C) Accelerated Portion of PBRSU and Restricted Stock Unit Awards.

EQUITY COMPENSATION PLAN INFORMATION

The following table presents, as of December 31, 2015, compensation plans (including individual compensation arrangements) under which our equity securities are authorized for issuance.

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in

			column (a))
Equity compensation plans approved by security holders	14,063,845 (1)	\$67.87 (1)	15,888,937
Equity compensation plans not approved by security holders	286,786 (2)	\$55.60 (2)	0
Total	14,350,631	\$67.58	15,888,937

(1) Includes 254,835 Common Stock equivalents representing deferred compensation stock units earned by non-employee directors under our 2001 Non-Employee Director Stock Option and Deferred Compensation Plan, 1,949 Common Stock equivalents representing stock unit awards assumed by us in connection with the Nalco merger effective December 1, 2011, 1,444,189 Common Stock equivalents under our 2010 Stock Incentive Plan representing performance-based restricted stock units payable to employees, and 271,286 Common Stock equivalents under our 2010 Stock Incentive Plan representing restricted stock units payable to employees. All of the Common Stock equivalents described in this footnote (1) are not included in the calculation of weighted average exercise price of outstanding options, warrants and rights in column (b) of this table. The reported amount additionally includes 95,140 shares of Common Stock subject to stock options assumed by us in connection with the Nalco merger. Such options, which have a weighted-average exercise price of \$26.27, are included in the calculation of weighted average exercise price of outstanding options, warrants and rights in column (b) of this table.

(2) The reported amount represents shares of our Common Stock which were formerly reserved for future issuance under the Amended and Restated Nalco Holding Company 2004 Stock Incentive Plan (the “rollover shares”) and granted to legacy Nalco associates on December 1, 2011, February 22, 2012 and May 2, 2012 under the Ecolab Inc. 2010 Stock Incentive Plan in the form of stock options. These rollover shares are deemed exempt from shareholder approval under Rule 303A.08 of the New York Stock Exchange in accordance with our notice to the New York Stock Exchange dated December 16, 2011. The Nalco plan was amended to prohibit future grants.

AUDIT COMMITTEE REPORT

The Audit Committee operates under a written Charter and the functions of the Committee are described under the heading “Board Committees – Audit Committee” at page 14 hereof. The Audit Committee’s Charter recognizes that (i) it is the responsibility of management to prepare the Company’s financial statements in accordance with Accounting Principles Generally Accepted in the United States of America and to maintain an effective system of financial control; and (ii) it is the responsibility of the independent auditors to plan and conduct the annual audit and express their opinion on the consolidated financial statements in accordance with professional standards. As recognized in the Charter, the Committee’s responsibilities include overseeing the work of the participants in the financial reporting and control process.

In this context, the Audit Committee has (i) reviewed and discussed the audited consolidated financial statements of the Company as of December 31, 2015, and for the year then ended (the “Financial Statements”) with management which has represented that the Financial Statements were prepared in accordance with Accounting Principles Generally Accepted in the United States of America, (ii) discussed the Financial Statements with PricewaterhouseCoopers LLP (our independent registered public accounting firm), including the matters required to be discussed by Public Company Accounting Oversight Board AU Section 380, “Communications with Audit Committees,” and (iii) received the written disclosures and the letter from PricewaterhouseCoopers LLP required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant’s communications with the Audit Committee concerning independence and has discussed with PricewaterhouseCoopers LLP their independence. The Committee has also considered whether PricewaterhouseCoopers LLP’s provision of non-audit services as described below under the heading “Audit Fees” is compatible with maintaining PricewaterhouseCoopers LLP’s independence.

Based on the foregoing review and discussions, the Audit Committee recommended to the Board of Directors, and the Board has approved, that the Financial Statements be included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2015 for filing with the SEC.

Dated: February 25, 2016	Carl M. Casale	David W. MacLennan
	Stephen I. Chazen	Tracy B. McKibben
	Joel W. Johnson	Victoria J. Reich
	Robert L. Lumpkins	Suzanne M. Vautrinot

AUDIT FEES

The following table presents fees for professional services rendered by PricewaterhouseCoopers LLP (“PwC”) for the years ended December 31, 2015 and 2014.

Fee Category	2015	2014
Audit Fees(1)	\$ 12,015,000	\$ 12,885,000
Audit-related Fees(2)	\$ 90,000	\$ 140,000
Tax Fees(3)	\$ 3,580,000	\$ 3,775,000
All Other Fees(4)	\$ 0	\$ 0

- (1) Fees and expenses paid to PwC for: (i) annual audit (annual audit and quarterly reviews of the consolidated financial statements required to be performed in accordance with generally accepted auditing standards); (ii) 404 attestation services (attestation services relating to the report on the Company’s internal controls as specified in Section 404 of Sarbanes-Oxley Act); (iii) statutory audits (statutory audits or financial audits for subsidiaries or affiliates required to be performed in accordance with local regulations); (iv) regulatory financial filings (services associated with SEC registration statements, periodic reports and other documents filed with the SEC or other documents issued in connection with securities offerings (e.g., comfort letters, consents) and assistance in responding to SEC comment letters); (v) incremental audit procedures related to acquisitions or other transactions; and (vi) consultations on accounting and disclosure matters (consultations by the Company’s management as to the accounting or disclosure treatment of transactions or events and/or the actual or potential impact of final or proposed rules, standards or interpretations by the SEC, FASB or other regulatory or standard setting bodies).
- (2) Fees and expenses paid to PwC for: (i) agreed-upon procedures (agreed-upon or expanded audit procedures related to accounting records required to respond to or comply with financial, accounting or regulatory matters); (ii) attest services; and (iii) employee benefit plan audits (financial statement audits of pension and other employee benefit plans).
- (3) Fees and expenses paid to PwC for: (i) U.S. federal, state and local tax advice, \$225,000 (assistance with tax audits, technical interpretations, applicable laws and regulations, tax advice on mergers, acquisitions and restructurings); (ii) international non-U.S. tax compliance, \$1,780,000 (preparation and review of income, local, VAT, and GST tax returns or other tax filings, required disclosures, elections and filing positions available to the Company); (iii) international non-U.S. tax advice, \$465,000 (assistance with tax examinations (but not legal or other representation in tax courts or agencies), advice on various matters including foreign tax credit, foreign income tax, tax accounting, foreign earnings and profits, U.S. treatment of foreign subsidiary income, VAT, GST, excise tax or equivalent taxes in the jurisdiction, and tax advice on restructurings, mergers, and acquisitions); and (iv) transfer pricing, \$1,110,000 (advice and assistance with respect to transfer pricing matters, including preparation of reports used by the Company to comply with taxing authority documentation requirements regarding royalties and inter-company pricing and assistance with tax exemptions).
- (4) This category includes all fees paid to PwC that must be disclosed and are appropriately not included in the Audit, Audit-Related and Tax categories.

All of the professional services provided by PwC in 2015 and 2014 were approved or pre-approved in accordance with policies of the Audit Committee and the Company. The Audit Committee has pre-approved projects for certain permissible non-audit services. Under the policy, requests for pre-approvals of permissible non-audit services must be accompanied by detailed documentation regarding specific services to be provided. The policy specifies that:

- annual pre-approval of the audit engagement (including internal control attestation) is required;
- the independent auditor may not provide prohibited services;
- annual pre-approval is provided for employee benefit plan audits and special audits, as well as other attestation services;
- management and the independent auditors report to the Committee on all non-audit service projects and related fees;

- all services and fees are reviewed annually; and
- the Committee Chair has been delegated authority to approve specific permissible non-audit service projects and fees to ensure timely handling of unexpected matters.

Examples of permissible non-audit services under the policy include: (i) merger/acquisition due diligence services; (ii) attest services; (iii) tax compliance, filings and returns; and (iv) tax planning services, provided that such services are limited to projects having “known or accepted” outcomes.

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, 2016 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 2015, the aggregate fees and expenses of which are reported at page 58.

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, 2016. 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.

PROPOSAL 3: APPROVAL OF AN AMENDMENT TO THE ECOLAB INC. 2001 NON-EMPLOYEE DIRECTOR STOCK OPTION AND DEFERRED COMPENSATION PLAN

We are asking our stockholders to approve an amendment to our 2001 Non-Employee Director Stock Option and Deferred Compensation Plan, as amended and restated (the "2001 Plan"), that will place an \$800,000 cap on 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, excluding such awards made at the election of a director to defer the receipt of cash compensation otherwise payable for services as a director. No other changes are proposed for the 2001 Plan.

Under the 2001 Plan, each non-employee director of the Company may receive periodic grants of stock options and quarterly grants of share units in such amounts as is determined by our Board of Directors (these discretionary awards are referred to as "Options" and "Share Unit Compensation"), and is provided the opportunity to make annual elections to defer receipt of director cash compensation through credits to either an interest bearing account (the "Cash Account") or to an account (the "Share Unit Account") to which Share Unit Compensation is also credited. Share units credited to the Share Unit Account as the result of an election to defer cash compensation are referred to as "deferred share units" when necessary to distinguish them from share units associated with Share Unit Compensation. The cap that would be introduced by the proposed amendment to the 2001 Plan would apply to Options and Share Unit Compensation, but not to deferred share units (or any credits to the Cash Account).

The 2001 Plan is the only plan or arrangement under which share-based compensation is provided to our non-employee directors, and no shares have been added to the 2001 Plan since it was originally approved by our stockholders in 2001. As of December 31, 2015, there were 531,582 shares of our Common Stock remaining available for awards under the 2001 Plan.

Our Board approved the proposed amendment to the 2001 Plan on February 25, 2016, subject to stockholder approval at our annual meeting of stockholders on May 5, 2016. If approved by our stockholders, the proposed amendment, a copy of which is attached as an appendix to this proxy statement, will become effective on the date of such approval.

Summary of the Amended 2001 Plan

The major features of the 2001 Plan as proposed to be amended are summarized below, and references to the "2001 Plan" in the following discussion refer to the 2001 Plan as proposed to be amended. The summary is qualified in its entirety by reference to the full text of the 2001 Plan, a copy of which has been filed electronically with the Securities and Exchange Commission as an appendix to this proxy statement, and is available through the Commission's website at <http://www.sec.gov>.

Purpose of the 2001 Plan. The purpose of the 2001 Plan is to attract and retain the services of experienced and knowledgeable non-employee directors and to align their interests more closely with the interests of our stockholders by providing these directors with share-based compensation and greater flexibility in the form and timing of receipt of compensation for their service on the Board through the ability to defer the receipt of cash-based compensation in the form of credits to their Cash or Share Unit Accounts.

Eligible Participants. All non-employee directors of the Company are eligible to participate in the 2001 Plan. As of March 8, 2016, there were 16 non-employee directors of the Company. Non-employee directors remain participants in the 2001 Plan until their outstanding Options have been exercised, canceled or expired and their entire Cash and Share Unit Account balances have been distributed.

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PROPOSAL 3: APPROVAL OF AN AMENDMENT TO THE ECOLAB INC. 2001 NON-EMPLOYEE DIRECTOR STOCK OPTION AND DEFERRED COMPENSATION PLAN

Administration. The Board's Compensation Committee (the "Administrator") will administer the 2001 Plan. The Administrator may make, modify and rescind rules, policies, practices or procedures determined to be advisable in connection with the administration of the 2001 Plan, and has the discretionary power and authority to make determinations and interpretations necessary for administration of the 2001 Plan, including limiting or modifying the application of 2001 Plan provisions and 2001 Plan rules to address or accommodate special issues related to the participation in the 2001 Plan of non-U.S. residents. Each determination, interpretation or other action of the Administrator will be conclusive and binding for all purposes on all persons.

Shares Subject to the 2001 Plan. Subject to adjustment as described in the next sentence, the maximum number of shares of our Common Stock available for issuance or distribution under the 2001 Plan is 1,000,000 shares, plus any shares that remained available as of the original effective date of the 2001 Plan under certain predecessor plans of the Company. In the event of any reorganization, merger, consolidation, recapitalization, liquidation, reclassification, stock dividend, stock split, combination of shares, rights offering, divestiture or extraordinary dividend (including a spin-off) or any other similar change in the corporate structure or shares of the Company, the 2001 Plan provides that the Administrator will make appropriate adjustment to (i) the number and kind of securities or other property available for issuance or distribution under the 2001 Plan, (ii) the number and kind of share units credited to Share Unit Accounts, (iii) the number and kind of securities as to which Options are to be granted, and (iv) the number, kind and exercise price of securities subject to outstanding Options.

Shares subject to outstanding Options and to share units that have been credited to Share Unit Accounts reduce the maximum number of shares available for issuance or distribution under the 2001 Plan. Any shares subject to an Option that expires, is forfeited or for any reason terminates unexercised, or subject to share units that are forfeited, again become available for issuance or distribution and replenish the 2001 Plan's share reserve. To the extent that tax withholding obligations associated with the exercise of Options are satisfied by withholding shares otherwise issuable upon such exercise, the number of shares so withheld will again become available for issuance or distribution and replenish the 2001 Plan's share reserve.

Options. The Board may, from time to time, grant Options to non-employee directors covering such number of shares as the Board determines. Each Option will be a non-statutory option with an exercise price equal to 100% of the Market Price of a share of our Common Stock on the date of grant. The Market Price of a share of our Common Stock on any day will be the average of the high and low sale prices of such a share on the New York Stock Exchange during the regular trading session on that day. On March 8, 2016, the Market Price of a share of our Common Stock was \$104.805.

Each Option granted under the 2001 Plan will vest and become exercisable as to 25% of the shares subject to the Option three, six, nine and twelve months, respectively, after the Option's date of grant, and will terminate 10 years after the date of grant. If a non-employee director ceases to serve as a director of the Company for any reason, then each of his or her Options will, to the extent it was already exercisable, remain exercisable for the shorter of the remaining term of the Option or five years after the date service as a director ceased. Payment of the exercise price for an Option may be made in cash or, with the consent of the Administrator, by payment under a broker-assisted sale and remittance program, by withholding Shares issuable upon exercise of the Option, by delivery of Shares already owned by the director, or by a combination of these methods.

No Option granted under the 2001 Plan may be transferred in any manner, except for a transfer to a beneficiary or legal representative if the 2001 Plan participant dies, or, if the Administrator permits, a gift of the option to any member of the participant's immediate family, or to a trust, foundation or other entity in which such family members (and the participant) have more than 50% of the beneficial interests or voting interests, or control the management of the assets. Except for these permitted transfers, only a participant may exercise an Option.

Cash and Share Unit Accounts. For each participant in the 2001 Plan, the Administrator will establish and maintain a Cash Account and a Share Unit Account to evidence amounts credited with respect to the participant pursuant to the 2001 Plan.

Share Unit Compensation. Non-employee directors will receive Share Unit Compensation in an annual amount expressed in dollars that will be determined by the Board from time to time. This Share Unit Compensation will be paid to each non-employee director in the form of share unit credits to his or her Share Unit Account as of the last day of each calendar quarter. The number of share units credited to a director's Share Unit Account each quarter will be determined by dividing

PROPOSAL 3: APPROVAL OF AN AMENDMENT TO THE ECOLAB INC. 2001 NON-EMPLOYEE DIRECTOR STOCK OPTION AND DEFERRED COMPENSATION PLAN

the dollar amount of the Share Unit Compensation the director has earned for that quarter by the Market Price of a share of our Common Stock on the date the credit is made.

Deferral of Other Compensation. Non-employee directors may annually elect to defer the receipt of up to 100 percent of all cash compensation payable during the next calendar year for their services to the Company as directors, including annual cash retainers, meeting fees and supplemental retainers for service as lead director or chair of a Board committee. Cash compensation earned during each calendar quarter that is to be deferred will be credited to a director's Cash Account and/or Share Account, in accordance with the director's allocation election, as of the last day of each calendar quarter. A deferred amount credited to a Share Account will be converted into a number of deferred share units by dividing the dollar amount allocated and credited to the Share Account by the Market Price of a share of our Common Stock on the date the credit is made.

Earnings Credits. As of the last day of each calendar quarter, a 2001 Plan participant's Cash Account will be credited with interest, calculated monthly at the composite prime rate published by Bloomberg. As and when dividends are paid on our Common Stock, a 2001 Plan participant's Share Unit Account will be credited with additional share units, the number of which will be determined by dividing the dollar amount of dividends that would have been payable on a number of shares equal to the number of share units credited to the participant's Share Unit Account on the record date for such dividend payment by the Market Price of a share of our Common Stock on the dividend payment date.

Distributions of Accounts. Distributions of a participant's Cash and Share Unit Accounts will be made or commence after the participant ceases to be a member of the Board (and, if applicable, has ceased to provide services as an independent contractor to the Company and its subsidiaries). Distributions from a participant's Cash and Share Unit Accounts will be made in the form of a lump sum payment unless the participant has elected to receive distributions in the form of annual installment payments for a period of not more than 10 years. If a participant dies or becomes disabled, distributions will be made to the participant's designated beneficiary or to the participant, as applicable, in a lump sum payment whether or not payments had already commenced in the form of installments, unless the participant had specifically elected to have installment payments continue after his or her death or disability. Any distribution from a participant's Cash Account will be made in cash only, and any distribution from a participant's Share Unit Account will be made only in shares of our Common Stock.

The normal distribution times under the 2001 Plan may be changed under very limited circumstances involving an unforeseeable event that causes a severe financial hardship to a participant that cannot be satisfied through other means, or involving deferrals credited before January 1, 2005. A participant may also change the time of distribution of amounts deferred after 2004 as permitted by Internal Revenue Code Section 409A, which requires that the change be made 12 months before separation from service and must not become effective for 12 months after the election is made (the 1-year rule), and the payment commencement date must be delayed for five years after it would otherwise be paid (the 5-year rule).

Change in Control. If a Change in Control of the Company occurs, any outstanding Option will immediately become exercisable in full, and the Board may, in its sole discretion, determine that some or all participants holding outstanding Options will receive in exchange for those Options cash in an amount equal to the excess of the Market Price of the shares subject to such Options immediately prior to the effective date of such Change in Control over the aggregate exercise price of such Options.

For purposes of the 2001 Plan, a "Change in Control of the Company" generally means: (i) a person or group acquires 25% or more of the Company's outstanding voting power, except that the triggering percentage is 34% if the acquisition was approved by the Board, and is 50% if the acquiring person, prior to becoming a 25% shareholder, enters into and otherwise complies with a shareholder agreement which imposes limits on the person's maximum

shareholding; (ii) during any 36 consecutive calendar month period, “incumbent directors” cease for any reason to constitute at least a majority of the Board, where incumbent directors consist of individuals who were members of the Board on the first day of such 36 month period or whose election or nomination for election to the Board during such period was approved by a vote of at least two-thirds of the then-incumbent directors; (iii) a merger or consolidation involving the Company or any of its subsidiaries is consummated, other than a merger or consolidation which would result in the voting power of the Company immediately prior to the transaction continuing to represent (either by remaining outstanding or by being converted into voting

PROPOSAL 3: APPROVAL OF AN AMENDMENT TO THE ECOLAB INC. 2001 NON-EMPLOYEE DIRECTOR STOCK OPTION AND DEFERRED COMPENSATION PLAN

securities of the surviving entity) over 50% of the voting power of the Company or the surviving entity immediately after such transaction and in which no person or group acquires 50% or more of the voting power of the Company or surviving entity; or (iv) the Company's stockholders approve a plan of complete liquidation or dissolution or a sale of all or substantially all of the Company's assets is consummated, other than to an entity more than 50% of the voting power of which is owned by the stockholders of the Company in substantially the same proportion as their ownership of the Company immediately prior to such sale.

Effect of Actions Constituting Cause. If the Board determines that a 2001 Plan participant has engaged in dishonesty, fraud, misrepresentation or embezzlement with respect to the Company or any subsidiary, or deliberately injured or attempted to injure the Company or any subsidiary, or materially breached any confidentiality or non-compete agreement with the Company or any subsidiary, then the participant's outstanding Options will terminate and be forfeited. Amounts credited to the participant's Cash and Share Unit Accounts will not be forfeited.

Source of Payments; Nature of Interests. The 2001 Plan is unfunded and all benefits and costs under the 2001 Plan will be paid from the Company's general assets, and participants have no greater rights to receive benefits than any unsecured general creditor of the Company. The Company may establish a "rabbi" trust with an independent corporate trustee for the purpose of paying benefits under the 2001 Plan. Except for limited permitted transfers of Options as described above, benefits payable under the 2001 Plan may not be sold, transferred, assigned, pledged, encumbered or subjected to any charge or legal process.

Amendment and Termination of the 2001 Plan. The Board may amend or terminate the 2001 Plan at any time. No termination or amendment of the 2001 Plan will be effective to deprive any 2001 Plan participant of any benefit to which he or she has become entitled prior to such amendment or termination, and may not adversely affect any outstanding Option without the consent of the affected participant. The Company may, however, amend the 2001 Plan to change the manner of determining earnings to be credited to participants' Cash and Share Unit Accounts, and such changes may be applied to existing Account balances, and may amend the 2001 Plan in any manner deemed necessary to comply with Section 409A of the Internal Revenue Code.

Material Federal Income Tax Consequences

The following description of the U.S. federal income tax consequences of awards made under the 2001 Plan is based on current statutes, regulations and interpretations, all of which are subject to change, possibly with retroactive effect. The description does not include state or local income tax consequences. In addition, the description is not intended to address specific tax consequences applicable to an individual participant under the 2001 Plan.

Options. Neither the participant nor the Company incurs any federal income tax consequences as a result of the grant of an Option. Upon exercise of an Option, a participant will recognize ordinary income equal to the difference between the fair market value of the shares purchased, determined on the date of exercise, and the exercise price paid for the shares. Special rules will apply if previously acquired shares of our Common Stock are permitted to be delivered in payment of an Option exercise price. At the time of a subsequent sale or disposition of any shares obtained upon exercise of an Option, any gain or loss will be a capital gain or loss. Whether the gain or loss constitutes long or short-term capital gain or loss will depend upon the length of time the participant held the stock prior to its disposition.

In general, the Company will be entitled to a compensation expense deduction in connection with the exercise of an Option for any amounts includable in the taxable income of the participant as ordinary income.

Share Unit Compensation. We believe that a participant's receipt of credits to his or her Share Unit Account as a result of Share Unit Compensation paid pursuant to the 2001 Plan will not be a taxable event for federal income tax purposes. A participant will generally not recognize taxable income until he or she receives a distribution of shares of our Common Stock in settlement of stock units credited to the Stock Unit Account, and at that time the fair market value of the distributed shares will be taxable as ordinary income. A participant will generally recognize a capital gain or loss upon a subsequent taxable sale or disposition of any such shares. Whether the gain or loss constitutes long or short-term capital gain or loss will depend upon the length of time the participant held the stock prior to its disposition.

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In general, the Company will be entitled to a compensation expense deduction for any amounts includable in the taxable income of a participant as ordinary income.

Deferrals. We believe that a participant's election to defer the receipt of cash compensation pursuant to the 2001 Plan will not be a taxable event for federal income tax purposes. A participant will generally not recognize taxable income until he or she receives distributions of cash or shares of our Common Stock pursuant to the 2001 Plan, and at that time the amount of cash or the fair market value of the distributed shares will be taxable as ordinary income. A participant will generally recognize a capital gain or loss upon a subsequent taxable sale or disposition of any shares received under the 2001 Plan. Whether the gain or loss constitutes long- or short-term capital gain or loss will depend upon the length of time the participant held the stock prior to its disposition.

In general, the Company will be entitled to a compensation expense deduction for any amounts includable in the taxable income of a participant as ordinary income.

Options and Share Units Granted and Deferrals Made Under the 2001 Plan

Because the grant of Options and the amount of Share Unit Compensation to be provided to non-employee directors under the 2001 Plan is discretionary with the Board, and because the amount of cash compensation to be deferred under the 2001 Plan is discretionary with each non-employee director, neither the number nor types of future 2001 Plan awards to be received by or allocated to particular participants or to the group of non-employee director participants is presently determinable. Information regarding Option awards and Share Unit Compensation provided to non-employee directors under the 2001 Plan during 2015, and deferral elections made by non-employee directors with respect to 2015 cash compensation is provided under the caption "Director Compensation for 2015" on page 16 of this Proxy Statement.

Board of Directors' Recommendation

The Board of Directors recommends that the stockholders vote FOR approval of the amendment to the 2001 Plan. Unless a contrary choice is specified, proxies solicited by the Board of Directors will be voted FOR approval of the amendment to the 2001 Plan. If the amendment to the 2001 Plan is not approved by the stockholders, the 2001 Plan will remain in effect as it existed immediately prior to the proposed amendment.

PROPOSAL 4: ADVISORY VOTE TO APPROVE THE COMPENSATION OF EXECUTIVES DISCLOSED IN THIS PROXY STATEMENT

Ecolab's executive compensation program is intended to: (1) support our corporate vision and long-term financial objectives, (2) communicate the importance of business results, (3) retain and motivate executives important to our success and (4) reward executives for contributions at a level reflecting our performance. We believe that our compensation policies and procedures have met these objectives. They have contributed to the Company's historically strong growth and returns, rewarded executives based on performance and are aligned with the long-term interests of our stockholders. See "Compensation Discussion and Analysis," beginning at page 26.

The Company is presenting this proposal, which gives you as a stockholder the opportunity to endorse or not endorse our executive pay program through an advisory vote for or against the following resolution:

"RESOLVED, that the stockholders approve, on an advisory basis, the compensation of our named executive officers, as disclosed in the Company's Proxy Statement for the 2016 Annual Meeting of Stockholders pursuant to the compensation disclosure rules of the SEC, including the Compensation Discussion and Analysis, the compensation tables, and the related disclosure contained in the Proxy Statement."

The Company has presented this proposal for the past six years and each year the proposal has received support from greater than 95% of the total shares cast on the proposal.

The Board of Directors urges stockholders to endorse the compensation program for our named executive officers by voting FOR the above resolution. As discussed in the Compensation Discussion and Analysis contained in this Proxy Statement, we believe that the executive compensation for 2015 is reasonable and appropriate and is justified by the performance of the Company. Our compensation program is the result of a carefully considered approach, including input and advice from the Compensation Committee's independent compensation consultant.

Because your vote is advisory, it will not be binding upon the Board of Directors. However, the Compensation Committee will take into account the outcome of the vote when considering future executive compensation arrangements.

Board of Directors' Recommendation – The Board of Directors recommends that you vote FOR approval of the compensation of Ecolab's executives as described in the Compensation Discussion and Analysis and the compensation tables and otherwise in this Proxy Statement pursuant to the compensation disclosure rules of the SEC. Proxies solicited by our Board of Directors will be voted FOR approval of the proposal unless otherwise specified.

PROPOSAL 5: STOCKHOLDER PROPOSAL REGARDING PROXY ACCESS

John Chevedden, 2215 Nelson Avenue, No. 205, Redondo Beach, CA 90278, who owns 100 shares of our Common Stock, has notified the Company that he intends to present the following resolution at the Annual Meeting. The Company disclaims any responsibility for the content of this proposal and statement of support, the text of which, in accordance with rules of the Securities and Exchange Commission, is printed verbatim from its submission, with only minor formatting changes.

After careful consideration, the Board of Directors unanimously recommends that you vote AGAINST the stockholder proposal set forth below.

STOCKHOLDER PROPOSAL

Proposal 5 – Shareholder Proxy Access

RESOLVED: Shareholders ask our board of directors to adopt, and present for shareholder approval, a “proxy access” bylaw as follows:

Require the Company to include in proxy materials prepared for a shareholder meeting at which directors are to be elected the name, Disclosure and Statement (as defined herein) of any person nominated for election to the board by a shareholder or an unrestricted number of shareholders forming a group (the “Nominator”) that meets the criteria established below.

Allow shareholders to vote on such nominee on the Company’s proxy card.

The number of shareholder-nominated candidates appearing in proxy materials should not exceed one quarter of the directors then serving or two, whichever is greater. This bylaw should supplement existing rights under Company bylaws, providing that a Nominator must:

a) have beneficially owned 3% or more of the Company’s outstanding common stock, including recallable loaned stock, continuously for at least three years before submitting the nomination;

b) give the Company, within the time period identified in its bylaws, written notice of the information required by the bylaws and any Securities and Exchange Commission (SEC) rules about (i) the nominee, including consent to being named in proxy materials and to serving as director if elected; and (ii) the Nominator, including proof it owns the required shares (the “Disclosure”); and

c) certify that (i) it will assume liability stemming from any legal or regulatory violation arising out of the Nominator’s communications with the Company shareholders, including the Disclosure and Statement; (ii) it will comply with all applicable laws and regulations if it uses soliciting material other than the Company’s proxy materials; and (iii) to the best of its knowledge, the required shares were acquired in the ordinary course of business, not to change or influence control at the Company.

The Nominator may submit with the Disclosure a statement not exceeding 500 words in support of the nominee (the “Statement”). The Board should adopt procedures for promptly resolving disputes over whether notice of a nomination was timely, whether the Disclosure and Statement satisfy the bylaw and applicable federal regulations, and the priority given to multiple nominations exceeding the one-quarter limit. No additional restrictions that do not apply to other board nominees should be placed on these nominations or re-nominations.

The Security and Exchange Commission’s universal proxy access Rule 14a-11 was unfortunately vacated by a 2011 court decision. Therefore, proxy access rights must be established on a company-by-company basis.

PROPOSAL 5: STOCKHOLDER PROPOSAL REGARDING PROXY ACCESS

Subsequently, Proxy Access in the United States: Revisiting the Proposed SEC Rule, a cost-benefit analysis by the CFA Institute (Chartered Financial Analyst), found proxy access would “benefit both the markets and corporate boardrooms, with little cost or disruption,” raising US market capitalization by up to \$140 billion.

Please vote to enhance shareholder value:

Shareholder Proxy Access — Proposal 5

RESPONSE OF THE BOARD OF DIRECTORS

After careful consideration, our Board of Directors recommends that you vote AGAINST this proposal for the following reasons:

We have already adopted a carefully considered proxy access framework that strikes the appropriate balance between enhancing stockholder rights and adequately protecting the best interests of all of our stockholders.

On December 3, 2015, the Board amended the Company’s By-Laws to implement 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 the By-Laws.

In connection with amending our By-Laws, we closely monitored proxy access developments. We believe that our overall proxy access framework is consistent with the frameworks implemented by many other Fortune 500 companies, including having a 20 stockholder limit for purposes of satisfying the 3% test, with certain related funds being counted as one stockholder for this purpose.

Based on the information available to the Board, as well as its own deliberations on the topic, the Board proactively adopted a proxy access by-law that contains reasonable procedural safeguards to protect the interests of all of our stockholders, while at the same time remaining accessible and not overly restrictive.

We have a strong corporate governance structure and record of accountability.

Our current corporate governance structure reflects a significant and ongoing commitment to strong and effective governance practices and a willingness to be responsive and accountable to our stockholders. We regularly assess and refine our corporate governance policies and procedures to take into account evolving best practices and to address feedback provided by our stockholders and other stakeholders.

In addition to adopting a proxy access by-law last year, we have implemented numerous other corporate governance measures to ensure the Board remains accountable to stockholders and to provide our stockholders with a meaningful voice in the nomination and election of directors and the ability to communicate with directors and promote the consideration of stockholder views. For example:

- Annual Election of Directors — Each of our directors serves a one-year term and stands for re-election at each annual meeting.
- Majority Voting — Directors must be elected by a majority vote in an uncontested election and a director who fails to receive the required number of votes for re-election must tender his or her written resignation for consideration by the Board.
- Substantial Majority of Board Is Independent — All of our directors, with the exception of our Chief Executive Officer, are independent.

PROPOSAL 5: STOCKHOLDER PROPOSAL REGARDING PROXY ACCESS

- Independent Lead Director — We have an independent Lead Director with substantial and clearly delineated authority. Our Lead Director provides strong independent leadership of our Board by, among other things, presiding at executive sessions in connection with every regularly scheduled Board meeting.
- Stockholder Right to Call Special Meetings — Our By-Laws permit stockholders holding 25% of the voting power of our outstanding capital stock to call a special stockholder meeting.
- No Supermajority Voting — In 2012, in response to a non-binding stockholder proposal at the 2011 Annual Meeting, the Board recommended and stockholders approved amendments to the Company's Certificate of Incorporation to eliminate the supermajority voting provisions.
- No Stockholder Rights Plan — We do not have a stockholder rights plan.
- Stockholder Input on Nominations Outside of Proxy Access — In addition to the current proxy access right, our stockholders have the ability to recommend director candidates to the Board's Governance Committee, which considers such recommendations in the same manner as recommendations received from other sources (as described further under "Stockholder Access" on page 7). Stockholders also have the option to directly nominate director candidates and solicit proxies for the election of those candidates in accordance with our By-Laws and the federal securities laws.
- Stockholder Engagement — Stockholders can communicate directly with the Board and/or individual directors, and we regularly engage with our investors to solicit views on important issues such as executive compensation.

Consistent with its current practice, the Board will continue to evaluate appropriate corporate governance measures and changes to our governance structure, policies and practices that it believes will serve the best interests of Ecolab and its stockholders.

In light of the carefully considered proxy access by-law adopted last year, as well as the Board's continuing commitment to ensuring effective corporate governance, the Board believes that this proposal is moot and unnecessary.

Board of Directors' Recommendation — The Board of Directors recommends that you vote AGAINST this proposal. Unless a contrary choice is specified, proxies solicited by our Board of Directors will be voted AGAINST the stockholder proposal.

The proposal is advisory in nature, and approval of the proposal would serve as a recommendation to the Board of Directors to amend our proxy access by-law as necessary to reflect the terms set forth in the proposal. As with all proposals, if the proposal is not properly presented by the proponent at the Annual Meeting, it will not be voted upon.

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OTHER MATTERS

Proxy Solicitation Costs

We will bear the cost of the preparation and solicitation of proxies, including the charges and expenses of brokerage firms, banks or other nominees for forwarding proxy material to beneficial owners. In addition to solicitation by mail, proxies may be solicited by telephone, the Internet or personally. We have retained Georgeson Inc., 480 Washington Blvd., 26th Floor, Jersey City, NJ 07310, to aid in the solicitation of proxies for a fee of \$12,000 plus expenses. Proxies may also be solicited by certain directors, officers and employees of the Company without extra compensation.

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 and the New York Stock Exchange 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, 2015 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); however, the Company has determined two omissions with respect to prior years. (1) Despite timely notification to the Company by Mr. Grundhofer, one gift was inadvertently omitted from the Form 4 intended to report his gift and a Form 5 was not otherwise filed to report the gift. (2) Upon a review of Mr. Johnson's filings to reconcile his reported beneficial ownership with his personal records, it was discovered that he had made one gift that was not previously reported on a Form 4 or Form 5. These transactions were subsequently reported for Messrs. Grundhofer and Johnson promptly upon discovery of their omission.

Householding Information

Some banks, brokers and other nominee record holders may be participating in the practice of "householding" proxy soliciting material. This means that you and other holders of our Common Stock in your household may not receive separate copies of the Company's Proxy Statement or Annual Report. We will promptly deliver an additional copy of either document to any stockholder upon request to: Corporate Secretary, Ecolab Inc., 370 Wabasha Street North, Saint Paul, MN 55102; telephone (651) 250-2233; or e-mail investor.info@ecolab.com. If you desire to reduce the number of copies mailed to your household, please contact your bank or broker.

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to be held on May 5, 2016

The Notice of 2016 Annual Meeting, Proxy Statement and Annual Report to Stockholders of Ecolab Inc. are available at www.edocumentview.com/ecl.

OTHER MATTERS

Voting by Plan Participants

Generally, you will receive only one notice, proxy card or voting instruction form covering all the shares you hold:

- in your own name;
- in the Dividend Reinvestment Plan sponsored by Computershare Trust Company, N.A., if any; and
- if you participate in one or more of the following Plans:
 - the Ecolab Savings Plan and ESOP*; or
 - the Ecolab Savings Plan and ESOP for Traditional Benefit Employees*; or
 - the Ecolab Puerto Rico Savings Plan*; or
 - the Ecolab Stock Purchase Plan administered by Computershare Limited; or
 - the Ecolab Canada Share Purchase Plan administered by SG Vestia Systems Inc.

* If you participate in the Ecolab Savings Plan and ESOP, the Ecolab Savings Plan and ESOP for Traditional Benefit Employees or the Ecolab Puerto Rico Savings Plan, you are entitled to direct the respective plan trustee to vote (or not to vote) the equivalent number of shares of Common Stock credited to your Plan account. Your proxy card will serve as a voting instruction to the Trustee and if your instructions are timely received, the Trustee will follow your voting instructions. If you do not timely submit your voting instructions, the Trustee will vote your Plan shares in the same proportion as to each respective proposal as the shares for which voting instructions have been received from other Plan participants. To allow sufficient time for voting of your shares by the Trustee, your voting instructions should be received by May 2, 2016 to ensure tabulation.

If you hold Ecolab shares through any other Ecolab plans, you will receive voting instructions from that plan's administrator.

By Order of the Board of Directors

Executive Vice President, General Counsel and Secretary
March 21, 2016

APPENDIX A

ECOLAB INC.

2001 NON-EMPLOYEE DIRECTOR STOCK OPTION AND
DEFERRED COMPENSATION PLAN

(As Amended and Restated Effective as of August 1, 2013)

DECLARATION OF AMENDMENT

Pursuant to the amending power reserved to the Board of Directors of Ecolab Inc. (the "Company") by section 14.1 of the Ecolab Inc. 2001 Non-Employee Director Stock Option and Deferred Compensation Plan (As Amended and Restated Effective as of August 1, 2013) (the "Plan"), the Company hereby amends the Plan effective as of May 5, 2016 by adding to it the following Section 18.9:

"18.9Limit on Annual Awards. The aggregate grant date fair value (as determined in accordance with generally accepted accounting principles applicable in the United States) of all Share Unit Compensation and Periodic Options credited or granted during any calendar year to any Qualified Director shall not exceed \$800,000."

IN WITNESS WHEREOF, the Company has caused this instrument to be executed by its duly authorized officers and its corporate seal to be affixed.

Dated: ECOLAB INC.
(Seal)

Attest:

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APPENDIX B

ECOLAB INC.

2001 NON-EMPLOYEE DIRECTOR STOCK OPTION AND
DEFERRED COMPENSATION PLAN

(As Amended and Restated Effective as of August 1, 2013)

1. Description.

1.1 Name. The name of the Plan is the “Ecolab Inc. 2001 Non-Employee Director Stock Option and Deferred Compensation Plan.”

1.2 Purposes. The purpose of the Plan is to attract and retain the services of experienced and knowledgeable non-employee directors by providing such directors with greater flexibility in the form and timing of receipt of compensation for their service on the Board of Directors and an opportunity to obtain a greater proprietary interest in the Company’s long-term success and progress through the receipt of Periodic Options and Annual Share Units and the deferral of cash compensation in the form of credits to their Share Accounts or Cash Accounts, thereby aligning such directors’ interests more closely with the interests of the Company’s stockholders.

1.3 Type. The Plan is maintained primarily for the purpose of compensating Qualified Directors and providing them with the opportunity to obtain equity-based compensation and to defer cash compensation. The Plan is intended to be unfunded for tax purposes. It will be construed and administered in a manner that is consistent with and gives effect to the foregoing.

1.4 Components of Director Compensation. Qualified Directors who are eligible pursuant to Section 2.1 will receive Periodic Options, Share Unit Compensation and Other Director Compensation as part of their annual compensation for services rendered as directors of the Company, as determined by the Board from time to time. Qualified Directors who are eligible pursuant to Section 2.1 may defer the receipt of some or all of their Other Director Compensation in the form of credits to their Cash Accounts and Share Accounts.

1.5 American Jobs Creation Act (AJCA).

(a) It is intended that with respect to amounts deferred after December 31, 2004, the Plan, as amended, comply with the provisions of Section 409A of the Code, as enacted by the AJCA, so as to prevent the inclusion in gross income of any amount credited to a Participant’s Account hereunder in a taxable year that is prior to the taxable year or years in which such amounts would otherwise be actually distributed or made available to the Participant and the Plan shall be construed to give effect to such intention. It is intended that the Plan be administered in a manner that will comply with Section 409A of the Code, including proposed, temporary or final regulations or any other guidance issued by the Secretary of the Treasury and the Internal Revenue Service with respect thereto (collectively with the AJCA, the “409A Guidance”).

(b) The Administrator shall not take any action hereunder that would violate any provision of Section 409A of the Code. It is intended that all Participant elections hereunder will comply with Code Section 409A and the 409A Guidance, to the extent it applies. The Administrator is authorized to adopt rules or regulations deemed necessary or appropriate in connection therewith to anticipate and/or comply with the requirements thereof (including any transition or grandfather rules thereunder). In this regard, the Administrator is authorized to permit Participant elections with respect to amounts deferred after December 31, 2004 and is also permitted to give the Participants the right to amend or revoke such elections in accordance with the 409A Guidance.

(c) The Plan was amended effective as of January 1, 2005 to create two separate Sub-Accounts for each Participant’s Account hereunder — (i) the “Pre-2005 Sub-Account” for amounts that are “deferred” (as such

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terms is defined in the 409A Guidance) as of December 31, 2004 (and earnings thereon) and (ii) the “Post-2004 Sub-Account” for amounts that are deferred after December 31, 2004 (and earnings thereon).

(d) In furtherance of, but without limiting the foregoing, any deferrals (and the earnings thereon) that were deferred prior to January 1, 2005 and that qualify for “grandfathered status” under Section 409A Guidance shall continue to be governed by the law applicable to nonqualified deferred compensation prior to the addition of Section 409A to the Code and shall be subject to the terms and conditions specified in the Plan as in effect prior to January 1, 2005.

(e) It is intended that any Periodic Options issued under the Plan after December 31, 2004 be exempt from the requirements of Section 409A of the Code and the Plan shall be construed and administered in a manner consistent with such intent.

2. Participation.

2.1 Eligibility.

(a) Each individual who is a Participant under any of the Prior Deferred Compensation Plans will be eligible to have credits made to his or her Cash Account and Share Account pursuant to Section 4.

(b) Each individual who is a Qualified Director at any point during a Credit Period with respect to which a credit is made pursuant to Section 5.1 is eligible to have such credit made to his or her Share Account pursuant to Section 5.1.

(c) Each individual who is a Qualified Director on the first day of an Election Period is eligible to make a deferral election pursuant to Section 5.2 with respect to such Election Period. An individual who first becomes a Qualified Director after the first day of the Election Period is eligible to make a deferral election pursuant to Section 5.2 with respect to compensation for services rendered after the effective date of the election and for the remainder of such Election Period. Any deferral election under Section 5.2 by a Participant who receives a distribution (i) from his or her Post-2004 Sub-Account pursuant to Section 8.2(a) will be suspended, and no further amounts will be deferred under Section 5.2, until the Election Period that begins after the first anniversary of such distribution, or (ii) from his or her Pre-2005 Sub-Account pursuant to Section 8.2(a) or 8.2(c) will be suspended effective for the next Election Period, and no further amounts will be deferred under Section 5.2 for such Election Period. Each individual who has made a valid election pursuant to Section 5.2 and is a Qualified Director at any point during a Credit Period with respect to which a credit is made pursuant to Section 5.2 is eligible to have such credit made to his or her Account pursuant to Section 5.2.

(d) Each Qualified Director is eligible to receive Periodic Options pursuant to Section 7.

2.2 Ceasing to be Eligible. An individual who ceases to be a Qualified Director is not eligible to receive Periodic Options pursuant to Section 7, or Share Unit Compensation pursuant to Section 5.1, or to make any elections under Section 5.2, or receive Other Director Compensation (and related deferral credits pursuant to Section 5.2, except to the extent required under Code section 409A), other than such credits relating to the period prior to such cessation.

2.3 Condition of Participation. Each Participant, as a condition of participation in the Plan, is bound by all the terms and conditions of the Plan and the Plan Rules, including but not limited to the reserved right of the Company to amend or terminate the Plan, and must furnish to the Administrator such pertinent information, and execute such election forms and other instruments, as the Administrator or Plan Rules may require by such dates as the Administrator or Plan Rules may establish.

2.4 Termination of Participation. An individual will cease to be a Participant as of the date on which he or she is neither eligible to receive Periodic Options pursuant to Sections 2.2 and 7, nor to make any elections or receive further credits pursuant to Sections 2.2, 5 and 6 and his or her outstanding Periodic Options have been exercised, cancelled or expired and his or her entire Account balances have been distributed.

3. Participant Cash and Share Accounts. For each Participant, the Administrator will establish and maintain a Cash Account and a Share Account to evidence amounts credited with respect to the Participant pursuant to Sections 4, 5 and 6. Subject to Section 8.2(c), each Participant will always have a fully vested nonforfeitable interest in his or her Account. For each Participant, each of the Cash Account and Share Account shall be further divided into the following two Sub-Accounts: (a) the "Pre-2005 Sub-Account" for amounts that are "deferred" (as such term is defined in the 409A Guidance) as of December 31, 2004 (and earnings thereon), including carryover credits described in Article 4, and (b) the "Post-2004 Sub-Account" for amounts that are deferred after December 31, 2004 (and earnings thereon).

4. Carryover Credits from Prior Deferred Compensation Plans. As of the 2001 Annual Meeting Date, the Cash Account and Share Account of each then-current Participant were credited with the amount of cash or Share Units, if any, in such Participant's corresponding cash account and share account under the Prior Deferred Compensation Plans, and such accounts were reduced to zero.

5. Compensation and Deferral Credits.

5.1 Share Unit Compensation: Credits to Share Account. Each Qualified Director will receive additional annual compensation (the "Share Unit Compensation") in the form of credits to the Qualified Director's Share Account. The amount of the Share Unit Compensation will be expressed in U.S. dollars and determined from time to time by the Board. A Qualified Director's Share Account will be credited pursuant to this section as of the last day of each Credit Period (a "Credit Date") with the number of whole and fractional Share Units equal to the quotient of: (a) the dollar amount of the Share Unit Compensation allocated to such full Credit Period, divided by (b) the Market Price on the Credit Date. If a Qualified Director has not served for the entire Credit Period for which the Share Unit Compensation relates, the amount credited to the Qualified Director's Share Account will be based on the dollar amount of the Share Unit Compensation earned by the Qualified Director during the portion of the Credit Period for which he or she served. All credits made to the Qualified Director's Share Account after December 31, 2004 will be made to the Post-2004 Sub-Account.

5.2 Other Director Compensation: Credits to Cash and Share Accounts. Elective deferrals of Other Director Compensation will be made in accordance with the following rules:

(a) Election to Defer Other Director Compensation. Each Qualified Director may elect, in accordance with this section, to defer the receipt of all or a portion (in increments of ten percent) of his or her Other Director Compensation relating to services performed during an Election Period (or for a newly eligible Qualified Director such shorter period as provided in Section 5.2(b)) in the form of credits to his or her Cash Account and/or Share Account. Any such deferral election will automatically apply to the Participant's Other Director Compensation, as the amount of such Other Director Compensation is adjusted from time to time. Notwithstanding the foregoing, all Qualified Directors shall be required to make a deferral election for the 2005 Plan Year and prior elections shall not be given any further force or effect.

(b) Time of Filing Election. A deferral election pursuant to this section will not be effective unless it is made on a properly completed election form received by the Administrator before the first day of the Election Period to which the deferral election relates or, in the case of an individual who first becomes a Qualified Director on or after the first day of the Election Period, within 30 days after the date such individual becomes a Qualified Director. Any election delivered or deemed to be delivered under this Section 5.2(b) applies only to Other Director Compensation relating to services performed after the effective date of the election.

(c) Allocation of Deferral. In conjunction with each deferral election made pursuant to this section, a Qualified Director must elect, in accordance with and subject to the Plan Rules, how the deferral is to be allocated (in increments of ten percent only) among his or her Cash Account and Share Account. The sum of such percentages must not exceed 100 percent. Any portion of the deferral for which no election is made will be allocated to the Qualified Director's Cash Account.

(d) Credits. Other Director Compensation deferred pursuant to this section will be credited to a Qualified Director's Cash Account and/or Share Account, as elected, as of the last day of each Credit Period. Such credits to the Qualified Director's Cash Account will be in United States dollars equal to the amount of the deferral

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allocated to each such Account. Such credits to a Qualified Director's Share Account will be the number of whole and fractional Share Units determined by dividing the United States dollar amount of the deferral allocated to the Share Account by the Market Price of a Share on the Credit Date. If a Qualified Director has not served or will not serve for the entire Credit Period for which the Other Director Compensation relates, the amounts credited to the Qualified Director's Cash Account and/or Share Account, as elected, on the last day of the Credit Period will be based on the amount of the Other Director Compensation that the Qualified Director has earned during the portion of the Credit Period for which he or she served. All credits made to the Qualified Director's Cash Account and/or Share Account after December 31, 2004 will be made to the respective Post-2004 Sub-Account.

(e) Succeeding Election Periods. A deferral election pursuant to this section will remain in effect until revoked or modified for future Election Periods by the Qualified Director by delivering a new deferral election not later than the day before the first Election Period to which the new deferral election relates.

(f) Irrevocability. A deferral election for a given Election Period is effective and becomes irrevocable after the latest date by which the deferral election is required to be given to the Administrator for such Election Period.

6. Earnings Credits.

6.1 Earnings Credits to Cash Accounts. As of the last day of each Credit Period, and before any credits have been made pursuant to Section 5 on such date, a Participant's Cash Account will be credited with interest, calculated monthly on the balance in the Cash Account as of the last day of the immediately preceding calendar month at the Prime Rate in effect on that day. Interest will be credited separately for the Pre-2005 Sub-Account and Post-2004 Sub-Account of the Participant's Cash Account.

6.2 Earnings Credits to Share Accounts. A Participant's Share Account will be credited as of the date on which dividends are paid on Shares with that number of whole and fractional Share Units determined by dividing the dollar amount of the dividends that would have been payable to the Participant if the number of Share Units credited to the Participant's Share Account on the record date for such dividend payment had then been Shares registered in the name of such Participant by the Market Price of a Share on the date as of which the credit is made. Dividends will be credited separately for the Pre-2005 Sub-Account and Post-2004 Sub-Account of the Participant's Share Account.

7. Periodic Options. A Qualified Director may be granted from time to time one or more options to purchase that number of whole Shares as determined by the Board in its sole discretion ("Periodic Options"). Periodic Options will be granted as of the date specified in the grant resolution of the Board. The terms of the Periodic Options are set forth in Section 9.

8. Distributions.

8.1 Distribution of Cash and Share Accounts to a Participant Upon Termination of Service.

(a) Form of Distribution: Pre-2005 Sub-Account. A Participant's Pre-2005 Sub-Account of his or her Cash Account and Share Account will be distributed as provided in this section in a lump sum payment unless:

(i) the Participant elects, on a properly completed election form, to receive his or her distribution in the form of annual installment payments for a period of not more than 10 years, and

(ii) except when cessation results from Disability, the date on which he or she ceases to be a member of the Board follows by more than one year the date on which a properly completed election form is received by the Administrator. Any election made pursuant to this section may be changed from time to time upon the Administrator's receipt of a properly completed election form, provided that, unless cessation results from Disability, such change will not be valid and will not have any effect unless it is made more than one year prior to a Participant's cessation of service as member of the Board. A new election to change has no effect on any previous election until the new election

becomes effective, at which time any previous election will automatically be void. (For example, if the Administrator receives an election to change on July 1 of year 1 and another election on September 1 of year 1, the July 1 election will become effective on July 1 of year 2 and will remain in effect through August 30 of year 2. On September 1 of year 2, the September 1 election will become effective.) Any election made pursuant to this section will apply to the entire balance of the Participant's Pre-2005 Sub-Accounts of his or her Cash and Share Accounts attributable to credits with respect to the period through the date on which he or she ceases to be a member of the Board. If a Participant has a valid election in effect under any Prior Deferred Compensation Plan, such Participant's prior election will automatically be deemed to be the Participant's election under this section unless and until a new election is made and has become effective. Any distribution from a Participant's Pre-2005 Sub-Account of his or her Cash Account will be made in cash only. Subject to Section 13, any distribution from a Participant's Pre-2005 Sub-Account of his or her Share Account will be made in whole Shares only, rounded up to the next whole Share.

(b) Form of Distribution: Post-2004 Sub-Account. A Participant's Post-2004 Sub-Account of his or her Cash Account and Share Account will be distributed as follows:

(i) for deferrals (and earnings thereon) credited for periods prior to January 1, 2014, as a lump sum payment.

(ii) for deferrals (and earnings thereon) credited for periods after December 31, 2013, as a lump sum payment unless the Participant elects, on a properly completed election form filed with the Administrator

(A) on or before December 31, 2013, with respect to his or her deferral credits (and earnings thereon) relating to compensation earned for services after December 31, 2013, or

(B) at the time the Qualified Director first becomes eligible to participate in the Plan and makes his or her initial deferral election pursuant to Section 5.2,

to receive his or her distribution in the form of annual payments for a period of ten (10) years.

(iii) A Participant may elect to change the form of benefit under Clause (i) or (ii). Any such change will be considered made only when it becomes irrevocable under the terms of the Plan. Any subsequent election will be considered irrevocable on the date it is received and accepted by the Administrator (but not later than fifteen (15) days following receipt) subject to the following:

(A) the subsequent election may not take effect until at least twelve (12) months after the date on which the election is made;

(B) the election must be made not less than twelve (12) months before the date the payment is otherwise scheduled to be paid; and

(C) the payment (except in the case of death, Disability or Unforeseeable Emergency) of the Participant's Post-2004 Sub-Account (or, if applicable, the portion of such account) pursuant to such subsequent election shall be made or commence to be made on the date that is five (5) years after the date the payment would otherwise be paid (or for installment payments treated as a single payment, the date the first amount was otherwise scheduled to be paid).

Any distribution from a Participant's Post-2004 Sub-Account of his or her Cash Account will be made in cash only. Subject to Section 13, any distribution from a Participant's Post-2004 Sub-Account of his or her Share Account will be made in whole Shares only, rounded up to the next whole Share.

(c) Time of Distribution: Pre-2005 Sub-Account. Distribution of a Participant's Pre-2005 Sub-Account to a Participant will be made (to the extent a distribution is in the form of a lump sum) or commence (to the extent a distribution is in the form of installments) as soon as administratively practicable after the next Credit Date after the Participant ceases to be a member of the Board; provided that if a lump sum distribution from a Participant's Share Account would otherwise be made after the record date for a dividend but before the payment date for such dividend, the distribution will be delayed and made as soon as administratively practicable after the earnings credits have been made to the Share Account pursuant to Section 6.2 on the payment date of the dividend.

(d) Time of Distribution: Post-2004 Sub-Account. Distribution of a Participant's Post-2004 Sub-Account will be made (to the extent a distribution is in the form of a lump sum) or commence (to the extent a distribution is in the form of installments) on the next Credit Date after the Participant's Termination of Service or as soon as administratively practicable (but not more than 90 days) after such Credit Date and, for subsequent installment distributions, on the annual anniversary of such Credit Date, provided if a distribution from a Participant's Share Account would otherwise be made after the record date for a dividend but before the payment date for such dividend, the distribution may be delayed and made as soon as administratively practicable after the earnings credit has been made to the Share Account pursuant to Section 6.2 on the payment date of the dividend, provided the distribution is made within 90 days after such Credit Date.

If, at his or her Termination of Service, a Participant is considered to be a "specified employee," as defined under Code Section 409A and the Ecolab Inc. Administrative Document for Non-Qualified Benefit Plans, as amended, distribution of amounts that would otherwise be payable will be suspended until the date that is six months after the Participant's Termination of Service, or if earlier, upon the Participant's death.

8.2 Other Distributions from Cash and Share Accounts to a Participant. The provisions of this section will apply notwithstanding Section 8.1 or any election by a Participant to the contrary.

(a) Withdrawals Due to Unforeseeable Emergency. A distribution will be made to a Participant from his or her Account if the Participant submits a written distribution request to the Administrator and the Administrator determines that the Participant has experienced an Unforeseeable Emergency. The amount of the distribution may not exceed the lesser of:

(i) the amount necessary to satisfy the emergency, as determined by the Administrator, or

(ii) the sum of the balances of the Participant's Accounts as of the date of the distribution, as the case may be.

Payments made on account of an Unforeseeable Emergency will not be made to the extent that such Unforeseeable Emergency is or may be relieved through reimbursement or compensation by insurance or otherwise, by liquidation of the Participant's assets (to the extent that such liquidation would not itself cause severe financial hardship) or, to the extent permitted by Code Section 409A, by cessation of deferrals under Section 5.2. Any distribution pursuant to this section will be made as soon as administratively practicable after the Administrator's determination that the Participant has experienced an Unforeseeable Emergency and in the form of a lump sum payment that is in cash from the Cash Account and in Shares from the Share Account (rounded up to the next whole Share). Any distribution pursuant to this section will be made first from the Participant's Cash Account, then from the Participant's Share Account.

(b) Small Benefits.

(i) Cash Account. Each installment distribution to a Participant who has ceased to be a member of the Board will be at least \$2,500 or such smaller amount that equals the balance of the Participant's Cash Account.

(ii) Share Account. If the balance of the Share Account of a Participant who has ceased to be a member of the Board is fewer than 100 Share Units as of the day of any installment distribution, such remaining balance will be distributed to the Participant in the form of a lump sum distribution, that will

consist of the number of Shares equal to the number of Share Units credited to the Share Account as of that date, rounded up to the next whole Share, as soon as administratively practicable. Each installment distribution to a Participant who has ceased to be a member of the Board must be at least 100 Share Units or such smaller number of Share Units that remains in the Participant's Share Account.

(c) Accelerated Distribution. A Participant may, at any time, elect an immediate distribution of his or her Pre-2005 Sub-Accounts of his or her Cash and Share Accounts in an amount equal to 90 percent of the sum of the balances of the Pre-2005 Sub-Accounts of his or her Cash and Share Accounts as of the date of the distribution, in which case the remaining balances of such Pre-2005 Sub-Accounts of his or her Cash and Share Accounts will be forfeited. The distribution will be made in the form of a lump sum payment as soon as administratively practicable after the Administrator's receipt of a written application in the form prescribed by the Administrator. Any distribution pursuant to this section from a Participant's Pre-2005 Sub-Accounts of his or her Cash Account will be made in cash. Any distribution pursuant to this section from a Participant's Pre-2005 Sub-Accounts of his or her Share Account will be made in whole Shares (rounded up to the next whole Share). The balance of the Pre-2005 Sub-Accounts of his or her Cash or Share Accounts from which a distribution is made will be reduced to zero as of the date of the distribution. No distribution of a Participant's Post-2004 Sub-Accounts of his or her Cash or Share Accounts will be allowed under this Section 8.2(c).

(d) Payment in Event of Incapacity. If any individual entitled to receive any payment under the Plan is, in the judgment of the Administrator, physically, mentally or legally incapable of receiving or acknowledging receipt of the payment, and no legal representative has been appointed for the individual, the Administrator may (but is not required to) cause the payment to be made to any one or more of the following as may be chosen by the Administrator: the Beneficiary (in the case of the incapacity of a Participant); the institution maintaining the individual; a custodian for the individual under the Uniform Transfers to Minors Act of any state; or the individual's spouse, child, parent, or other relative by blood or marriage. The Administrator is not required to see to the proper application of any such payment, and the payment completely discharges all claims under the Plan against the Company, the Plan and the Trust to the extent of the payment.

(e) Reduction of Account Balance. Except as specified in the case of accelerated distributions pursuant to Section 8.2(c), the balance of the Sub-Account of the Cash or Share Account from which a distribution is made will be reduced, as of the date of the distribution, by the cash amount or number of Shares distributed, as the case may be.

8.3 Distribution of Cash and Share Accounts to a Beneficiary Upon Death of a Participant.

(a) Form. Following a Participant's death, the balances of the Participant's Cash and Share Accounts will be distributed to the Participant's Beneficiary in a lump sum payment whether or not payments had commenced to the Participant in the form of installments prior to his or her death, to the extent permitted by Code Section 409A, unless, with respect to the Participant's Post-2004 Sub-Account, the Participant had elected, on a properly completed election form at the time the installment distribution form was elected, to have the installment distribution to his or her Beneficiary commence or continue following his or her death. Any distribution from a Participant's Cash Account will be made in cash and any distribution from a Participant's Share Account will be made in whole Shares, rounded up to the next whole Share.

(b) Time. Distribution to a Beneficiary will be made as soon as administratively practicable after the next Credit Date after the date on which the Administrator receives notice of the Participant's death; provided that if a distribution from the Participant's Share Account would otherwise be made after the record date for a dividend but before the payment date for such dividend, the distribution will be delayed and made as soon as administratively practicable after the earnings credits have been made to the Share Account pursuant to Section 6.2 on the payment date of the dividend. Distribution of a Participant's Post-2004 Sub-Account to a Beneficiary will be made as soon as administratively practicable but not later than 90 days after the next Credit Date after the date of the Participant's death; provided that if a distribution from the Participant's Share Account would otherwise be made after the record

date for a dividend but before the payment date for such dividend, the distribution may be delayed and made as soon as administratively practicable after the earnings credit has been made to the Share Account pursuant to Section 6.2 on the payment date of the dividend, but in no event later than 90 days after the next Credit Date after the Participant's death. Notwithstanding the preceding, if distribution to the Participant in the form of installment payments had commenced prior to the Participant's death and the Participant had elected, in accordance with Section 8.3(a), to have such installment payments continue to the Beneficiary, such payments will be made at the same time installment payments were scheduled to be made to the Participant.

(c) Beneficiary Designation.

(i) Each Participant may designate, in a form prescribed by the Administrator, one or more primary Beneficiaries or alternative Beneficiaries to receive all or a specified part of the balance of his or her Cash or Share Accounts after his or her death, and the Participant may change or revoke any such designation from time to time. No such designation, change or revocation is effective unless signed by the Participant and received by the Administrator during the Participant's lifetime. If a Participant has a valid designation in effect under any Prior Deferred Compensation Plan, such Participant's prior designation will automatically be deemed to be the Participant's designation under this section unless and until a new designation is made and has become effective.

(ii) Any portion of a Participant's Cash and Share Accounts for which the Participant fails to designate a Beneficiary, revokes a Beneficiary designation without naming another Beneficiary or designates one or more Beneficiaries, none of whom survives the Participant or exists at the time in question, will be paid to the Participant's surviving spouse or, if the Participant is not survived by a spouse, to the representative of the Participant's estate.

(iii) The automatic Beneficiaries specified above and, unless the designation otherwise specifies, the Beneficiaries designated by the Participant, become fixed as of the Participant's death so that, if a Beneficiary survives the Participant but dies before the receipt of the payment due such Beneficiary, the payment will be made to the representative of such Beneficiary's estate. Any designation of a Beneficiary by name that is accompanied by a description of the legal relationship or only by a statement of legal relationship to the Participant is effective only to designate the person or persons standing in such legal relationship to the Participant at the Participant's death.

8.4 Distribution of Post-2004 Sub-Accounts of Cash and Share Accounts Upon Disability of a Participant.

(a) Form. Following a Participant's Disability, the balances of the Participant's Post-2004 Sub-Accounts of his or her Cash and Share Accounts will be distributed to the Participant in a lump sum payment whether or not payments had commenced to the Participant in the form of installments prior to his or her Disability, unless, with respect to the Participant's Post-2004 Sub-Account, the Participant had elected, on a properly completed election form at the time the installment distribution form was elected, to have the installment distribution to his or her Beneficiary commence or continue following his or her death. Any distribution from a Participant's Cash Account will be made in cash and any distribution from a Participant's Share Account will be made in whole Shares, rounded up to the next whole Share.

(b) Time. Distribution of a Participant's Post-2004 Sub-Account will be made on the next Credit Date following the Participant's Disability or as soon as administratively practicable (but not later than 90 days) after such Credit Date; provided that if a distribution from the Participant's Share Account would otherwise be made after the record date for a dividend but before the payment date for such dividend, the distribution may be delayed and made as soon as administratively practicable after the earnings credit has been made to the Share Account pursuant to Section 6.2 on the payment date of the dividend, provided distribution is made not later than 90 days after the next Credit Date after the Participant's Disability. Notwithstanding the preceding, if distribution to the Participant in the form of installment payments had commenced prior to the Participant's death and the Participant had elected, in accordance with Section 8.4(a), to have such installment payments continue to the Beneficiary, such payments will be made at the same time installment payments were scheduled to be made to the Participant.

(c) Effective Date. This Section 8.4 is effective for any Disability arising after October 1, 2013.

8.5 Amount of Distribution.

(a) Amount of Distribution for Cash Account.

(i) Lump Sum. The amount of a lump sum payment from a Participant's applicable Sub-Account of his or her Cash Account will be equal to the balance of the applicable Sub-Account of his or her Cash Account to which the lump sum distribution form applies as of the date of distribution.

(ii) Installments. The amount of each installment payment from a Participant's Pre-2005 Sub-Account of the Cash Account will be determined by dividing the balance of the Pre-2005 Sub-Account of the Cash Account as of the date of distribution for such installment payment by the total number of remaining payments (including the current payment). The amount of each installment payment from a Participant's Post-2004 Sub-Account of the Cash Account will be determined by dividing the balance of the Post-2004 Sub-Account of the Cash Account to which the installment distribution form applies as of the date of distribution for such installment payment by the total number of the remaining payments (including the current payment).

(b) Amount of Distribution for Share Account.

(i) Lump Sum. A lump sum payment from a Participant's applicable Sub-Account of his or her Share Account will consist of the number of Shares equal to the number of Share Units credited to the applicable Sub-Account of his or her Share Account to which the lump sum distribution form applies as of the date of distribution, rounded up to the next whole Share.

(ii) Installments. Each installment payment from a Participant's Pre-2005 Sub-Account of the Share Account will consist of the number of Shares determined by dividing the number of whole Share Units credited to the Pre-2005 Sub-Account of the Share Account to which the installment distribution form applies as of the distribution date for such installment distribution by the total number of remaining payments (including the current payment) and rounding the quotient up to the next whole Share. Each installment payment from a Participant's Post-2004 Sub-Account of the Share Account will consist of the number of Shares determined by dividing the number of whole Share Units credited to the Post-2004 Sub-Account that are subject to the installment distribution form as of the date of distribution for such installment payment by the total number of the remaining payments (including the current payment) and rounding the quotient up to the next whole Share.

(c) Reduction of Account Balance. The balance of the applicable Sub-Account of the Cash or Share Account from which a distribution is made will be reduced, as of the date of distribution, by the cash amount or number of Shares distributed.

9. Terms of Options Granted Under the Plan. All Periodic Options granted under the Plan will be governed by the following terms and conditions:

9.1 Non-Statutory Options. All Periodic Options granted under the Plan will be non-statutory stock options not entitled to special tax treatment under Section 422 of the Internal Revenue Code of 1986, as amended to date and as may be amended from time to time (the "Code").

9.2 Option Exercise Price. The exercise price per Share purchasable under a Periodic Option granted under the Plan will be equal to 100% of the Market Price on the date of grant of the Periodic Option.

9.3 Exercisability of Options. Each Periodic Option granted under the Plan will become exercisable, on a cumulative basis, as to 25% of the Shares (excluding any fractional portion less than one share), on the last day of each of the first, second and third three-month periods following its Date of Grant and as to the remaining Shares on the last day of the

fourth three-month period following the Date of Grant; provided, however, that if a Change in Control of the Company occurs then such Periodic Option will become immediately exercisable in full.

9.4 Duration of Options. Each Periodic Option granted under the Plan will terminate ten years after its Date of Grant; provided, however, that if the Participant ceases to serve as a director of the Company for any reason, then the Periodic Option will remain exercisable to the extent exercisable as of such cessation of service until the earlier of the expiration of five years after the date the Participant ceased to serve as a director of the Company or the remaining term of the Periodic Option.

9.5 Manner of Option Exercise. A Periodic Option granted under the Plan may be exercised by a Participant in whole or in part from time to time, subject to the conditions contained in the Plan, by delivering in person, by facsimile or electronic transmission or through the mail notice of exercise to the Company at its principal executive office in St. Paul, Minnesota, and by paying in full the total exercise price for the Shares to be purchased in accordance with Section 9.6. Such notice will specify the particular Periodic Option that is being exercised (by the date of grant and total number of Shares subject to the Periodic Option) and the number of Shares with respect to which the Periodic Option is being exercised.

9.6 Payment of Exercise Price. The total purchase price of the shares to be purchased upon exercise of a Periodic Option granted under the Plan will be paid entirely in cash (including check, bank draft or money order); provided, however, that the Administrator, in its sole discretion and upon terms and conditions established by the Administrator, may allow such payments to be made, in whole or in part, by tender of a Broker Exercise Notice, by tender, or attestation as to ownership, of Previously Acquired Shares, or by a combination of such methods. For purposes of such payment, Previously Acquired Shares tendered or covered by an attestation will be valued at the Market Price on the exercise date.

9.7 Restrictions on Transfer.

(a) Except pursuant to testamentary will or the laws of descent and distribution or as otherwise expressly permitted by Sections 9.7(b) and (c), no right or interest of any Participant in a Periodic Option granted under the Plan prior to the exercise of such Periodic Option will be assignable or transferable, or subjected to any lien, during the lifetime of the Participant, either voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise.

(b) A Participant will be entitled to designate a beneficiary to receive a Periodic Option granted under the Plan upon such Participant's death, and in the event of a Participant's death, payment of any amounts due under the Plan will be made to, and exercise of any Periodic Options (to the extent permitted pursuant to Section 13) may be made by, the Participant's legal representatives, heirs and legatees.

(c) A Participant who is a director of the Company will be entitled to transfer all or a portion of a Periodic Option granted under the Plan, other than for value, to such Participant's child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, any person sharing such Participant's household (other than a tenant or employee), a trust in which any of the foregoing have more than fifty percent of the beneficial interests, a foundation in which any of the foregoing (or the Participant) control the management of assets, and any other entity in which these persons (or the Participant) own more than fifty percent of the voting interests. Any permitted transferee will remain subject to all the terms and conditions applicable to the Participant prior to the transfer. A permitted transfer may be conditioned upon such requirements as the Administrator may, in its sole discretion, determine, including, but not limited to execution and/or delivery of appropriate acknowledgements, opinion of counsel, or other documents by the transferee.

9.8 Rights as a Stockholder. No Participant will have any rights as a stockholder with respect to any Shares covered by a Periodic Option granted under the Plan until the Participant has exercised such Periodic Option, paid the exercise price and become the holder of record of such Shares, and, except as otherwise provided in Section 17.3, no adjustments will be made for dividends or other distributions or other rights as to which there is a record date preceding the date the Participant becomes the holder of record of such Shares.

9.9 Cash Payment for Options. If a Change in Control of the Company occurs, then the Board, without the consent of any Participant affected thereby, may determine that some or all Participants holding outstanding Periodic Options granted under the Plan will receive, with respect to some or all of the Shares subject to such Periodic Options, as of the effective date of any Change in Control of the Company, cash in an amount equal to the excess of the Market Price of such Shares immediately prior to the effective date of such Change in Control of the Company over the exercise price per share of such Periodic Options.

10. Effects of Actions Constituting Cause. Notwithstanding anything in the Plan to the contrary, if a Participant is determined by the Board, acting in its sole discretion, to have committed any action which would constitute Cause as defined in Section 15.8, irrespective of whether such action or the Board's determination occurs before or after such Participant ceases to serve as a director of the Company, all rights of the Participant under the Plan attributable to unexercised Periodic Options granted under Section 9 and any agreements evidencing a Periodic Option then held by the Participant will terminate and be forfeited without notice of any kind. Benefits attributable to amounts credited to a Participant's Account pursuant to Sections 4 and 5 and any earnings credited with respect to such amounts pursuant to Sections 6.1 and 6.2 will not be forfeited.

11. Source of Payments; Nature of Interest.

11.1 Establishment of Trust. The Company may establish a Trust with an independent corporate trustee. The Trust must be a grantor trust with respect to which the Company is treated as grantor for purposes of Code Section 677 and must provide that, upon the insolvency of the Company, Trust assets will be used to satisfy claims of the Company's general creditors. The Company will pay all taxes of any and all kinds whatsoever payable in respect of the Trust assets or any transaction with respect to the Trust assets. The Company may from time to time transfer to the Trust cash, marketable securities or other property acceptable to the Trustee in accordance with the terms of the Trust. The trustee of the Trust shall not be permitted to locate any portion of the Trust assets outside of the United States in violation of Section 409A(b)(1) of the Code.

11.2 Source of Payments. The Trustee will make distributions to Participants and Beneficiaries from the Trust in satisfaction of the Company's obligations under the Plan in accordance with the terms of the Trust. The Company is responsible for paying, from its general assets, any benefits attributable to a Participant's Account that are not paid by the Trust.

11.3 Status of Plan. Nothing contained in the Plan or Trust is to be construed as providing for assets to be held for the benefit of any Participant or any other person or persons to whom benefits are to be paid pursuant to the terms of the Plan, the Participant's or other person's only interest under the Plan being the right to receive the benefits set forth herein. The Trust is established only for the convenience of the Company and the Participants, and no Participant has any interest in the assets of the Trust prior to distribution of such assets pursuant to the Plan. Until such time as Shares are distributed to a Participant, Beneficiary of a deceased Participant or other person, he or she has no rights as a shareholder with respect to any Share Units credited to a Share Account pursuant to the Plan. To the extent that the Participant or any other person acquires a right to receive benefits under the Plan or the Trust, such right is no greater than the right of any unsecured general creditor of the Company.

11.4 Non-Assignability of Benefits. Except as provided in Section 9.7, the benefits payable under the Plan and the right to receive future benefits under the Plan may not be anticipated, alienated, sold, transferred, assigned, pledged, encumbered, or subjected to any charge or legal process.

12. Payment of Withholding Taxes.

12.1 General Rules. The Company and the Trustee are entitled to (a) withhold and deduct from any compensation, deferral and/or benefit payment pursuant to the Plan and other amounts that may be due and owing to the Participant or Beneficiary from the Company, or make other arrangements for the collection of, all amounts the Company reasonably determines are necessary to satisfy any and all federal, state and local withholding and other tax requirements attributable to the Plan and a Periodic Option, including, without limitation, the grant or exercise of a Periodic Option, or (b) require the Participant promptly to remit the amount of such withholding to the Company before taking any action, including issuing any Shares, with respect to a Periodic Option.

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12.2 Special Rules. The Company or the Trustee, as the case may be, in its sole discretion and upon terms and conditions established by the Company or the Trustee, as the case may be, may permit or require a Participant to satisfy, in whole or in part, any withholding or other tax obligation described in Section 12.1 by having such amounts withheld from any compensation, deferral and/or benefit payment pursuant to the Plan, by remitting such amounts to the Company or the Trustee, by electing to tender, or attest as to ownership of, Previously Acquired Shares, by delivery of a Broker Exercise Notice or a combination of such methods. For purposes of satisfying a Participant's withholding or other tax obligation, Previously Acquired Shares tendered or covered by an attestation will be valued at their Market Price.

13. Securities Law and Other Restrictions. Notwithstanding any other provision of the Plan or any agreements entered into pursuant to the Plan to the contrary, neither the Company nor the Trustee is required to issue or distribute any Shares under the Plan, and a Participant or distributee may not sell, assign, transfer or otherwise dispose of Shares issued or distributed pursuant to the Plan, unless (a) there is in effect with respect to such Shares a registration statement under the Securities Act and any applicable securities laws of a state or foreign jurisdiction or an exemption from such registration under the Securities Act and applicable state or foreign securities laws, and (b) there has been obtained any other consent, approval or permit from any other regulatory body which the Company, in its sole discretion, deems necessary or advisable. The Company or the Trustee may condition such issuance, distribution, sale or transfer upon the receipt of any representations or agreements from the parties involved, and the placement of any legends on certificates representing Shares, as may be deemed necessary or advisable by the Company in order to comply with such securities law or other restrictions.

14. Amendment and Termination.

14.1 Amendment.

(a) The Company reserves the right to amend the Plan at any time to any extent that it may deem advisable. To be effective, an amendment must be stated in a written instrument approved in advance or ratified by the Board and executed in the name of the Company by its Chief Executive Officer or President and attested by the Secretary or an Assistant Secretary.

(b) An amendment adopted in accordance with Section 14.1(a) is binding on all interested parties as of the effective date stated in the amendment; provided, however, that no amendment will have any retroactive effect so as to deprive any Participant, or the Beneficiary of a deceased Participant, of any benefit to which he or she is entitled under the terms of the Plan in effect immediately prior to the effective date of the amendment, determined as if such Participant had terminated service as a director immediately prior to the effective date of the amendment. Without limiting the foregoing, the amendments to this Plan effective May 1, 2004: (i) will not affect the rights of Participants to receive a grant of Elective Options on the Annual Meeting Date in 2004 (or on any earlier termination of service) with respect to deferrals into their Option Cash Accounts, and (ii) will not affect the terms of Elective Options so granted or otherwise outstanding at the time of amendment (including the right to receive Reload Options upon exercise), subject, in each case, to the terms and conditions of the Plan as previously in effect (including definitions of the foregoing capitalized terms not otherwise defined in this amended Plan).

(c) Without limiting Section 14.1(a), the Company reserves the right to amend the Plan to change the method of determining the earnings credited to Participants' Accounts pursuant to Sections 6.1 and 6.2 and to apply such new method not only with respect to the portion of the Accounts attributable to credits made after the date on which such amendment is adopted but also with respect to the portion of the Accounts attributable to credits made prior to the date on which such amendment is adopted and regardless of whether such new method would result in materially lower earnings credits than the old method.

(d) The provisions of the Plan in effect at the termination of a Participant's service as a director will, except as otherwise expressly provided by a subsequent amendment, continue to apply to such Participant.

(e) Notwithstanding the other provisions in this Section 14.1, including any limitation on the right of the Company to amend the Plan in Section 14.1(b), the Company will have the right to amend the Plan as it deems necessary or reasonable (as determined in the sole discretion of the Company) to comply with the requirements of Code Section 409A.

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14.2 Termination. The Company reserves the right to terminate the Plan at any time. The Plan will terminate as of the date specified by the Company in a written instrument by its authorized officers to the Administrator, adopted in the manner of an amendment. Upon the termination of the Plan, any benefits to which Participants have become entitled prior to the effective date of the termination will continue to be paid in accordance with the provisions of Section 8. No termination, suspension or amendment of the Plan may adversely affect any outstanding Periodic Option without the consent of the affected Participant; provided, however, that this sentence will not impair the right of the Administrator to take whatever action it deems appropriate under Sections 9 and 17.3 of the Plan. Periodic Options outstanding upon termination of the Plan may continue to be exercised in accordance with their terms.

15. Definitions. The definitions set forth in this Section 15 apply unless the context otherwise indicates.

15.1 Account. "Account" means the bookkeeping account or accounts maintained with respect to a Participant pursuant to Section 3. Within each Account or Sub-Account, separate subaccounts shall be maintained to the extent the Administrator determines it to be necessary or desirable for the administration of the Plan.

15.2 Administrator. The "Administrator" of the Plan is the Compensation Committee of the Board or such other committee or person to whom administrative duties are delegated pursuant to the provisions of Section 16.1, as the context requires.

15.3 Annual Meeting Date. "Annual Meeting Date" means the date on which the annual meeting of the Company's stockholders is held.

15.4 Beneficiary. "Beneficiary" with respect to a Participant is the person designated or otherwise determined under the provisions of Section 8.3 as the distributee of benefits payable after the Participant's death. A person designated or otherwise determined to be a Beneficiary under the terms of the Plan has no interest in or right under the Plan until the Participant in question has died. A person will cease to be a Beneficiary on the day on which all benefits to which he, she or it is entitled under the Plan have been distributed.

15.5 Board. "Board" means the board of directors of the Company.

15.6 Broker Exercise Notice. "Broker Exercise Notice" means a written notice pursuant to which a Participant, upon exercise of an Option, irrevocably instructs a broker or dealer to sell a sufficient number of shares or loan a sufficient amount of money to pay all or a portion of the exercise price of the Option and/or any related withholding tax obligations and remit such sums to the Company and directs the Company to deliver stock certificates to be issued upon such exercise directly to such broker or dealer or their nominee.

15.7 Cash Account. "Cash Account" means an Account to which deferred amounts are credited pursuant to Sections 4 and 5.2 and earnings thereon are credited pursuant to Section 6.1 in U.S. dollars. As provided under Section 3, the Cash Account will include a Pre-2005 Sub-Account and Post-2004 Sub-Account.

15.8 Cause. "Cause" means dishonesty, fraud, misrepresentation, embezzlement or deliberate injury or attempted injury, in each case related to the Company or any subsidiary or any material breach of any confidentiality or non-compete agreement entered into with the Company or any subsidiary.

15.9 Change in Control. "Change in Control" will be deemed to have occurred if the event set forth in any one of the following paragraphs will have occurred:

(a) any "person" as such term is used in Sections 13(d) and 14(d) of the Exchange Act (other than the Company, any trustee or other fiduciary holding securities under any employee benefit plan of the Company, or any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company), is or becomes, including pursuant to a tender or exchange offer for shares of Common Stock pursuant to which purchases are made, the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 25% or more of the combined voting power of the Company's then outstanding securities, other than in a transaction arranged or approved by the Board prior to its occurrence; provided, however, that if any such person will become the beneficial

owner, directly or indirectly, of securities of the Company representing 34% or more of the combined voting power of the Company's then outstanding securities, a Change in Control will be deemed to occur whether or not any or all of such beneficial ownership is obtained in a transaction arranged or approved by the Board prior to its occurrence, and other than in a transaction in which such person will have executed a written agreement with the Company (and approved by the Board) on or prior to the date on which such person becomes the beneficial owner of 25% or more of the combined voting power of the Company's then outstanding securities, which agreement imposes one or more limitations on the amount of such person's beneficial ownership of shares of Common Stock, if, and so long as, such agreement (or any amendment thereto approved by the Board provided that no such amendment will cure any prior breach of such agreement or any amendment thereto) continues to be binding on such person and such person is in compliance (as determined by the Board in its sole discretion) with the terms of such agreement (including such amendment); provided, however, that if any such person will become the beneficial owner, directly or indirectly, of securities of the Company representing 50% or more of the combined voting power of the Company's then outstanding securities, a Change in Control will be deemed to occur whether or not such beneficial ownership was held in compliance with such a binding agreement, and provided further that the provisions of this subparagraph (a) will not be applicable to a transaction in which a corporation becomes the owner of all the Company's outstanding securities in a transaction which complies with the provisions of subparagraph (c) of this section (e.g., a reverse triangular merger); or

(b) during any 36 consecutive calendar months, individuals who constitute the Board on the first day of such period or any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest including, but not limited to, a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the first day of such period, or whose appointment, election or nomination for election was previously so approved or recommended, shall cease for any reason to constitute at least a majority thereof; or

(c) there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) more than 50% of the combined voting power of the securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, and in which no "person" (as defined under subparagraph (a) above) acquires 50% or more of the combined voting power of the securities of the Company or such surviving entity or parent thereof outstanding immediately after such merger or consolidation; or

(d) the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, more than 50% of the combined voting power of the voting securities of which are owned by stockholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale.

15.10 Code. "Code" means the Internal Revenue Code of 1986, as amended. Any reference to a specific provision of the Code includes a reference to that provision as it may be amended from time to time and to any successor provision.

15.11 Company. "Company" means Ecolab Inc.

15.12 Credit Date. "Credit Date" means the date on which compensation, deferral and earnings credits to a Cash or Share Account are made pursuant to Sections 5 and 6, which is usually on the last day of a Credit Period.

15.13 Credit Period. "Credit Period" means a period of one calendar quarter, beginning on each January 1, April 1, July 1, and October 1 and ending on each March 31, June 30, September 30 and December 31; provided, however, that the first Credit Period following the May 1, 2004 amendments to this Plan shall commence as of such date and end on June 30, 2004.

15.14 Disability. “Disability” means:

(a) For purposes of Section 8.1(a), the total disability of a Qualified Director. Such total disability will be deemed to have occurred if the Administrator finds on the basis of medical evidence satisfactory to it that the Qualified Director is prevented from engaging in any suitable gainful employment or occupation and that such disability will be permanent and continuous during the remainder of his or her life; and

(b) For purposes of Section 8.4, that, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, the Participant is unable to engage in any substantial gainful activity.

15.15 Election Period. “Election Period” means a period of one calendar year, commencing on each January 1 and ending on each December 31; provided, however, that the first Election Period following the May 1, 2004 amendments to this Plan shall commence as of such date and end on December 31, 2004.

15.16 Market Price. “Market Price” means the average of the high and low sale prices of a Share during the regular trading session on a specified date or, if Shares were not then traded, during the regular trading session on the most recent prior date when Shares were traded, all as quoted in The Wall Street Journal reports of New York Stock Exchange - Composite Transactions.

15.17 Option Exercise Shares. “Option Exercise Shares” means Shares that are issuable upon the exercise of a Periodic Option that is: (i) currently held by, or later issued to, an individual who is a Qualified Director as of October 31, 2008; or (ii) issued after October 31, 2008 to an individual who subsequently becomes a Qualified Director after October 31, 2008. For purposes of Section 9.6, Option Exercise Shares will be valued at the Market Price on the exercise date.

15.18 Other Director Compensation. “Other Director Compensation” means all cash amounts payable by the Company to a Qualified Director for his or her services to the Company as a Qualified Director, (a) including, without limitation, the Retainer and fees specifically paid for attending regular or special meetings of the Board and Board committees or for acting as the chair of a committee, but (b) excluding expense allowances or reimbursements and insurance premiums.

15.19 Participant. “Participant” is a current or former Qualified Director who has been granted a Periodic Option under the Plan or whose Account amounts have been credited pursuant to Section 4, 5 or 6 and who has not ceased to be a Participant pursuant to Section 2.4.

15.20 Periodic Option. “Periodic Option” means an option to purchase Shares granted to Qualified Directors from time to time pursuant to Section 7.

15.21 Plan. “Plan” means the Ecolab Inc. 2001 Non-Employee Director Stock Option and Deferred Compensation Plan, as from time to time amended or restated.

15.22 Plan Rules. “Plan Rules” are rules, policies, practices or procedures adopted by the Administrator pursuant to Section 16.2.

15.23 Previously Acquired Shares. “Previously Acquired Shares” means Shares that (i) are already owned by the Participant and that are, by virtue of the Participant’s holding period or other attributes, acceptable to the Administrator; or (ii) are Option Exercise Shares.

15.24 Prime Rate. “Prime Rate” means the Bloomberg Prime Rate Composite (“Prime Rate by Country US—BB Comp”).

15.25 Prior Deferred Compensation Plans. “Prior Deferred Compensation Plans” means the Company’s 1997 Non-Employee Director Deferred Compensation Plan, as amended, and the Company’s Deferred Compensation Plan for Non-Employee Directors, as amended.

15.26 Qualified Director. “Qualified Director” means an individual who is a member of the Board and who is not an employee of the Company or any of its subsidiaries.

15.27 Retainer. “Retainer” means the amount payable by the Company to a Qualified Director for holding office as a Qualified Director, exclusive of fees specifically paid for attending regular or special meetings of the Board and Board committees, fees for acting as chair of the Board or a Board committee, expense allowances or reimbursements, insurance premiums, charitable gift matching contributions and any other payments that are determined by reference to factors other than holding office as a Qualified Director.

15.28 Securities Act. “Securities Act” means the Securities Act of 1933, as amended. Any reference to a specific provision of the Securities Act includes a reference to that provision as it may be amended from time to time and to any successor provision.

15.29 Share Account. “Share Account” means an Account to which credits are made pursuant to Section 5.1, deferred amounts are credited pursuant to Sections 4 and 5.2 and earnings are credited pursuant to Section 6.2 in Share Units. As provided under Section 3, the Share Account will include a Pre-2005 Sub-Account and Post-2004 Sub-Account.

15.30 Share Unit Compensation. “Share Unit Compensation” means the compensation paid to Qualified Directors in the form of credits to their Share Accounts pursuant to Section 5.1.

15.31 Share Units. “Share Units” means a unit credited to a Participant’s Share Account pursuant to Sections 4, 5.1, 5.2 and 6.2, each of which represents the economic equivalent of one Share. A Participant will not have any rights as a stockholder with respect to Share Units until the Participant is distributed Shares pursuant to Section 8 of the Plan.

15.32 Shares. “Shares” means shares of common stock of the Company, \$1.00 par value, or such other class or kind of shares or other securities as may be applicable pursuant to Section 17.3.

15.33 Sub-Account. “Sub-Account” refers to the Participant’s Pre-2005 Sub-Account, accounting for those amounts deferred into the Plan prior January 1, 2005 (and related earnings credits), the Participant’s Post-2004 Sub-Account, accounting for those amounts deferred into the Plan after December 31, 2004 (and related earnings), or both as the context requires. Within each Sub-Account, separate subaccounts shall be maintained to the extent the Administrator determines it to be necessary or desirable for the administration of the Plan.

15.34 Termination of Service. For purposes of distribution of a Participant’s Post-2004 Sub-Account, ‘Termination of Service’ means the individual has ceased to be a member of the Board and has ceased to provide services as an independent contractor (including as a member of the board of directors) of the Company and any other entity with whom the Company would be treated as a single employer under Section 414(b) or 414(c) of the Code. In all cases, the individual’s Termination of Service must constitute a ‘separation from service’ under Section 409A of the Code.

15.35 Trust. “Trust” means any trust or trusts established by the Company pursuant to Section 11.1 of the Plan.

15.36 Trustee. “Trustee” means the independent corporate trustee or trustees that at the relevant time has or have been appointed to act as Trustee of the Trust.

15.37 Unforeseeable Emergency. With respect to a Participant’s Post-2004 Sub-Accounts, “Unforeseeable Emergency” shall mean an event which results in a severe financial hardship to the Participant as a consequence of (1) an illness or accident of the Participant, the Participant’s spouse, or a dependent within the meaning of Code Section 152, (2) loss of the Participant’s property due to casualty or (3) other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. With respect to a Participant’s Pre-2005 Sub-Accounts, “Unforeseeable Emergency” shall mean an unanticipated emergency that is caused by an event beyond the Participant’s control resulting in a severe financial hardship that cannot be satisfied through other means. The existence of an Unforeseeable Emergency will be determined by the Administrator.

16. Administration.

16.1 Administrator. The general administration of the Plan and the duty to carry out its provisions will be vested in the Compensation Committee of the Board or such other Board committee as may be subsequently designated as Administrator by the Board. Such committee may delegate such duty or any portion thereof to a named person and may from time to time revoke such authority and delegate it to another person.

16.2 Plan Rules and Regulations. The Administrator has the discretionary power and authority to make such Plan Rules as the Administrator determines to be consistent with the terms, and advisable in connection with the administration, of the Plan and to modify or rescind any such Plan Rules. In addition, the Administrator has the discretionary power and authority to limit or modify application of Plan provisions and Plan Rules as the Administrator determines to be advisable to facilitate tax deferral treatment (or accommodate the unavailability thereof) for Options granted to, or amounts credited with respect to, non-U.S. resident Participants.

16.3 Administrator's Discretion. The Administrator has the sole discretionary power and authority to make all determinations necessary for administration of the Plan, except those determinations that the Plan requires others to make, and to construe, interpret, apply and enforce the provisions of the Plan and Plan Rules whenever necessary to carry out its intent and purpose and to facilitate its administration, including, without limitation, the discretionary power and authority to remedy ambiguities, inconsistencies, omissions and erroneous benefit calculations. In the exercise of its discretionary power and authority, the Administrator will treat all similarly situated persons uniformly.

16.4 Specialist's Assistance. The Administrator may retain such actuarial, accounting, legal, clerical and other services as may reasonably be required in the administration of the Plan, and may pay reasonable compensation for such services. All costs of administering the Plan will be paid by the Company.

16.5 Indemnification. The Company agrees to indemnify and hold harmless, to the extent permitted by law, each director, officer and employee of the Company and any subsidiary or affiliate of the Company against any and all liabilities, losses, costs and expenses (including legal fees) of every kind and nature that may be imposed on, incurred by, or asserted against such person at any time by reason of such person's services in connection with the Plan, but only if such person did not act dishonestly or in bad faith or in willful violation of the law or regulations under which such liability, loss, cost or expense arises. The Company has the right, but not the obligation, to select counsel and control the defense and settlement of any action for which a person may be entitled to indemnification under this provision.

17. Shares Available for Issuance.

17.1 Maximum Number of Shares Available. Subject to adjustment as provided in Section 17.3, the maximum number of Shares that will be available for issuance or distribution under the Plan will be 500,000 Shares, plus any Shares which, as of the 2001 Annual Meeting Date, were reserved for issuance under the 1997 Non-Employee Director Deferred Compensation Plan, as amended, and the Company's 1995 Non-Employee Director Stock Option Plan and which were not thereafter issued or are not hereafter issued, or which have been issued but are subsequently forfeited and which would otherwise have been available for further issuance under such plans. The Shares available for issuance or distribution under the Plan may, at the election of the Administrator, be either treasury shares or shares authorized but unissued, and, if treasury shares are used, all references in the Plan to the issuance or distribution of Shares will, for corporate law purposes, be deemed to mean the transfer of shares from treasury.

17.2 Accounting. Shares that are issued or distributed under the Plan or that are subject to outstanding Periodic Options granted under the Plan or Share Units will be applied to reduce the maximum number of Shares remaining available for issuance or distribution under the Plan. Any Shares that are subject to a Periodic Option granted under the Plan that lapses, expires, is forfeited or for any reason is terminated unexercised and any Shares that are subject to Share Units in a Share Account that are forfeited pursuant to Section 8.2(c) will automatically again become available for issuance or distribution under the Plan. To the extent that the exercise price of any Periodic Option granted under the Plan and/or associated tax withholding obligations are paid by tender or attestation as to ownership of Previously Acquired Shares on or before May 11, 2011 (the date ten years following approval of the Plan by the Company's stockholders), or to the extent that such tax withholding obligations are satisfied by withholding of shares otherwise issuable upon exercise of the Periodic Option,

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only the number of Shares issued net of the number of Shares tendered, attested to or withheld will be applied to reduce the maximum number of Shares remaining available for issuance under the Plan.

17.3 Adjustment to Shares, Share Units and Options. In the event of any reorganization, merger, consolidation, recapitalization, liquidation, reclassification, stock dividend, stock split, combination of shares, rights offering, divestiture or extraordinary dividend (including a spin-off) or any other similar change in the Company's corporate structure or the Shares, the Administrator (or, if the Company is not the surviving corporation in any such transaction, the board of directors of the surviving corporation) will make appropriate adjustment (which determination will be conclusive) as to the number and kind of securities or other property (including cash) available for issuance or distribution under the Plan and as to the number and kind of Share Units credited to Share Accounts and the number and kind of securities as to which Periodic Options are to be granted and, in order to prevent dilution or enlargement of the rights of Participants holding Periodic Options, the number, kind and exercise price of securities subject to outstanding Periodic Options.

18. Miscellaneous.

18.1 Other Benefits. Neither amounts deferred nor amounts paid pursuant to the Plan constitute salary or compensation for the purpose of computing benefits under any other benefit plan, practice, policy or procedure of the Company unless otherwise expressly provided thereunder.

18.2 No Warranties Regarding Treatment. The Company makes no warranties regarding the tax treatment to any person of any deferrals or payments made pursuant to the Plan, and each Participant will hold the Administrator and the Company and their officers, directors, employees, agents and advisors harmless from any liability resulting from any tax position taken in good faith in connection with the Plan.

18.3 No Rights to Continued Service Created. Neither the establishment of or participation in the Plan gives any individual the right to continued service on the Board or limits the right of the Company or its stockholders to terminate or modify the terms and conditions of service of such individual on the Board or otherwise deal with any individual without regard to the effect that such action might have on him or her with respect to the Plan.

18.4 Successors. Except as otherwise expressly provided in the Plan, all obligations of the Company under the Plan are binding on any successor to the Company whether the successor is the result of a direct or indirect purchase, merger, consolidation or otherwise of all of the business and/or assets of the Company.

18.5 Cross Reference. References in the Plan to a particular section refer to that section within the Plan, references within a section of the Plan to a particular subsection refer to that subsection within the same section, and references within a section or subsection to a particular clause refer to that clause within the same section or subsection, as the case may be.

18.6 Number and Gender. Wherever appropriate, the singular may be read as the plural, the plural may be read as the singular, and one gender may be read as the other gender.

18.7 Governing Law. Except in connection with matters of corporate governance and authority (which shall be governed by the laws of the Company's jurisdiction of incorporation), questions pertaining to the construction, validity, effect and enforcement of the Plan will be determined in accordance with the internal, substantive laws of the State of Minnesota without regard to the conflict of laws rules of the State of Minnesota or any other jurisdiction.

18.8 Headings. The headings of sections are included solely for convenience of reference; if there exists any conflict between such headings and the text of the Plan, the text will control.

DIRECTIONS TO THE ECOLAB ANNUAL MEETING

Saint Paul's Landmark Center is located at 75 West 5th Street in downtown Saint Paul, adjacent to Rice Park. There are numerous paid ramps and parking meters within easy walking distance. The closest parking ramps are RiverCentre, Lawson Commons and Kellogg Street Ramp.

Global Headquarters

370 Wabasha Street North St. Paul, MN 55102

www.ecolab.com 1 800 2 ECOLAB

*** Exercise Your Right to Vote ***

Important Notice Regarding the Availability of Proxy Materials for the
Stockholder Meeting to Be Held on May 5, 2016.

ECOLAB INC.

Meeting Information

Meeting Type: Annual Meeting
For holders as of: March 8, 2016
Date: May 5, 2016 Time: 10:00 AM
Location: Landmark Center
75 West 5th Street
Saint Paul, Minnesota 55102

ECOLAB INC.
CORPORATE SECRETARY
370 WABASHA STREET NORTH
SAINT PAUL, MN 55102-1390

You are receiving this communication because you hold shares in the
company named above.

This is not a ballot. You cannot use this notice to vote these shares. This
communication presents only an overview of the more complete proxy
materials that are available to you on the Internet. You may view the proxy
materials online at www.proxyvote.com, scan the QR Barcode on the reverse
side, or easily request a paper copy (see reverse side).

We encourage you to access and review all of the important information
contained in the proxy materials before voting.

See the reverse side of this notice to obtain proxy materials and voting
instructions.

Before You Vote

How to Access the Proxy Materials

Proxy Materials Available to VIEW or RECEIVE:

NOTICE AND PROXY STATEMENT

ANNUAL REPORT

How to View Online:

Have the information that is printed in the box marked by the arrow (located on the following page) and visit: www.proxyvote.com, or scan the QR Barcode below.

How to Request and Receive a PAPER or E-MAIL Copy:

If you want to receive a paper or e-mail copy of these documents, you must request one. There is NO charge for requesting a copy. Please choose one of the following methods to make your request:

- | | |
|------------------|--|
| 1) BY INTERNET: | www.proxyvote.com |
| 2) BY TELEPHONE: | 1-800-579-1639 |
| 3) BY E-MAIL*: | sendmaterial@proxyvote.com |

* If requesting materials by e-mail, please send a blank e-mail with the information that is printed in the box marked by the arrow (located on the following page) in the subject line.

Requests, instructions and other inquiries sent to this e-mail address will NOT be forwarded to your investment advisor. Please make the request as instructed above on or before April 21, 2016 to facilitate timely delivery.

How To Vote

Please Choose One of the Following Voting Methods

Vote In Person: Many stockholder meetings have attendance requirements including, but not limited to, the possession of an attendance ticket issued by the entity holding the meeting. Please check the meeting materials for any special requirements for meeting attendance. At the meeting, you will need to request a ballot to vote these shares.

Vote By Internet: Go to www.proxyvote.com or from a smart phone, scan the QR Barcode above. Have the information that is printed in the box marked by the arrow (located on the following page) available and follow the instructions.

Vote By Mail: You can vote by mail by requesting a paper copy of the materials, which will include a proxy card.

Voting Items

The Board of Directors recommends a vote FOR the nominees listed and FOR proposals 2, 3 and 4.

1. Election of Directors

Nominees:

- 1a. Douglas M. Baker, Jr.
- 1b. Barbara J. Beck
- 1c. Leslie S. Biller
- 1d. Carl M. Casale
- 1e. Stephen I. Chazen
- 1f. Jeffrey M. Ettinger
- 1g. Jerry A. Grundhofer
- 1h. Arthur J. Higgins
- 1i. Michael Larson
- 1j. Jerry W. Levin
- 1k. David W. MacLennan
- 1l. Tracy B. McKibben
- 1m. Victoria J. Reich
- 1n. Suzanne M. Vautrinot
- 1o. John J. Zillmer

2. Ratify the appointment of PricewaterhouseCoopers LLP as independent registered public a

3. Approve an amendment to the Ecolab Inc. 2001 Non-Employee Director Stock Option and

4. Advisory vote to approve the compensation of executives disclosed in the Proxy Statement.

The Board of Directors recommends a vote AGAINST proposal 5.

5. Stockholder proposal regarding proxy access.

®

ECOLAB INC.
CORPORATE SECRETARY
370 WABASHA STREET NORTH
SAINT PAUL, MN 55102-1390

VOTE BY INTERNET - www.proxyvote.com or scan the QR Barcode above Use the Internet for
ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS

If you would like to reduce the costs incurred by our company in mailing proxy materials, you may choose to
access proxy materials electronically in future years.

VOTE BY PHONE - 1-800-690-6903

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time on the Record Date.

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to the

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

KEEP THIS PORTION OF THE PROXY CARD SEPARATE FROM THE BALANCE OF THE PROXY CARD AND RETURN IT TO THE COMPANY WITH THE BALANCE OF THE PROXY CARD.
E00936-P72585 FOR YOUR RECORD

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

ECOLAB INC.

The Board of Directors recommends a vote FOR the nominees listed and FOR the proposals 2, 3 and 4.

1. Election of Directors

Nominees: For Against Abstain

1a. Douglas M. Baker, Jr.

1b. Barbara J. Beck

1c. Leslie S. Biller

1d. Carl M. Casale

1e. Stephen I. Chazen

1f.

1m. Victoria J. Reich

1n. Suzanne M. Vautrinot

1o. John J. Zillmer

2.

For Against Abstain

- | | | | | |
|-----|--|---|---------|---------|
| 1g. | Jeffrey M. Ettinger
Jerry A. Grundhofer | Ratify the appointment of Pricewaterhouse Coopers LLP as independent registered public accounting firm for the current year ending December 31, 2016. | | |
| 1h. | Arthur J. Higgins | 3. Approve an amendment to the Ecolab Inc. 2001 Non-Employee Director Stock Option and Deferred Compensation Plan. | | |
| 1i. | Michael Larson | Advisory vote to approve the compensation of executives disclosed in the Proxy Statement. | | |
| 1j. | Jerry W. Levin | The Board of Directors recommends a vote AGAINST proposal | Against | Abstain |
| 1k. | David W. MacLennan | 5. Stockholder proposal regarding proxy access. | | |
| 1l. | Tracy B. McKibben | | | |

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

Signature Date
[PLEASE
SIGN
WITHIN
BOX]

Signature (Joint Owners) Date

Directions to the Ecolab Annual Meeting

Saint Paul's Landmark Center is located at 75 West 5th Street in downtown St. Paul, adjacent to Rice Park. There are numerous

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:

The Notice and Proxy Statement and Annual Report are available at www.proxyvote.com.

IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH

00937-P72585

Proxy — Ecolab Inc.

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

ECOLAB INC.
ANNUAL MEETING OF STOCKHOLDERS
MAY 5, 2016

The undersigned hereby appoints Douglas M. Baker, Jr., James J. Seifert and Theodore D. Herzog, and each of them, with power of substitution to each as proxies to represent the undersigned at the Annual Meeting of Stockholders of Ecolab Inc., to be held in St. Paul, Minnesota, at the Landmark Center at 10:00 a.m. on Thursday, May 5, 2016, and at any adjournment(s) thereof, and to vote all shares of stock which the undersigned may be entitled to vote at said meeting as directed on the reverse side with respect to the proposals as set forth in the Proxy Statement, and in their discretion, upon any other matters that may properly come before the meeting.

You are encouraged to specify your choices by marking the appropriate boxes, SEE REVERSE SIDE, but you need not mark any boxes if you wish to vote in accordance with the Board of Directors' recommendations as indicated on the reverse side. The tabulator cannot vote the shares unless you sign and return this card, or you use the telephone or Internet voting services to cast your proxy.

Continued and to be signed on reverse side

