

HORMEL FOODS CORP /DE/
Form DEF 14A
December 21, 2011
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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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

Hormel Foods Corporation

(Name of Registrant as Specified In Its Charter)

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

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- No fee required
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11
 - (1) Title of each class of securities to which transaction applies:
 - (2) Aggregate number of securities to which transaction applies:
 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
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 - (1) Amount Previously Paid:
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 - (3) Filing Party:
 - (4) Date Filed:

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HORMEL FOODS CORPORATION

AUSTIN, MINNESOTA

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To the Stockholders:

The Annual Meeting of Stockholders of Hormel Foods Corporation, a Delaware corporation, will be held in the Richard L. Knowlton Auditorium of the Austin High School, 300 NW 4th Street, Austin, Minnesota, on Tuesday, January 31, 2012, at 8:00 p.m. Central Standard Time. The items of business are:

1. Elect a board of 12 directors for the ensuing year;
2. Ratify the appointment by the Audit Committee of the Board of Directors of Ernst & Young LLP as independent registered public accounting firm for the fiscal year ending October 28, 2012; and
3. Such other matters as may properly come before the meeting.

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The Board of Directors has fixed December 2, 2011, at the close of business, as the record date for the determination of stockholders entitled to notice of, and to vote at, the meeting.

By Order of the Board of Directors

BRIAN D. JOHNSON
Vice President and
Corporate Secretary

December 21, 2011

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to be Held on January 31, 2012
The Proxy Statement and Annual Report to Stockholders are available at www.proxyvote.com

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PROXY STATEMENT

HORMEL FOODS CORPORATION
(CUSIP No. 440452100)
1 HORMEL PLACE
AUSTIN, MINNESOTA 55912

The enclosed proxy is solicited by the Board of Directors of Hormel Foods Corporation (**Company**) for use at the Annual Meeting of Stockholders to be held on January 31, 2012. This proxy statement and form of proxy, or a notice of internet availability of proxy materials, are first being mailed to stockholders on or about December 21, 2011.

GENERAL INFORMATION

Voting Securities - Only stockholders of record at the close of business as of December 2, 2011 are entitled to vote at the meeting. The Company had 264,037,493 shares of common stock outstanding as of December 2, 2011. Each share of stock is entitled to one vote. There is no cumulative voting. The Company has no other class of shares outstanding.

Voting Your Proxy - Whether or not you plan to attend the meeting, we encourage you to grant a proxy to vote your shares. Follow the instructions on your proxy card or electronic delivery notice to cast your vote via the Internet or telephone. If you received a proxy card, you may vote your shares by completing the card with your vote, signature and date, and returning it by mail in the envelope provided.

If you submit a proxy without giving specific voting instructions, your shares will be voted in accordance with the Board of Directors recommendations as follows:

FOR:

- Election to the Board of the 12 director nominees named in this proxy statement; and
- Ratification of the appointment of Ernst & Young LLP as independent registered public accounting firm for the fiscal year ending October 28, 2012.

The persons appointed as proxies will vote in their discretion on other matters as may properly come before the meeting.

Revoking Your Proxy and Changing Your Vote - You may revoke your proxy or change your vote at any time before it is exercised by submitting a later-dated proxy, voting in person at the meeting or sending a written notice of revocation to the Corporate Secretary.

Expenses - The expenses of soliciting proxies will be paid by the Company. Proxies may be solicited at Company expense personally, or by mail, telephone or electronic communication, by directors, officers and other employees. Such persons will not receive additional compensation. The Company will reimburse banks, brokerage firms and other nominees for their reasonable out-of-pocket expenses incurred in sending proxy materials to beneficial owners. Your cooperation in promptly granting a proxy to vote your shares will help to avoid additional expense.

Quorum - A majority of the outstanding shares will constitute a quorum at the meeting. If a stockholder holds shares in street name and does not provide voting instructions to the holder of the account regarding non-discretionary matters, such shares are considered broker nonvotes.

Street name means the shares are held in a stock brokerage account or by a bank, trust or other institution. Broker nonvotes and abstentions are counted for purposes of determining the presence of a quorum for the transaction of business. Shares represented by abstentions are counted in the same manner as shares submitted with a withheld or against vote in tabulating the votes cast. Shares represented by broker nonvotes are not considered entitled to vote and thus are not counted for purposes of determining whether a proposal has been approved. Under current New York Stock Exchange (NYSE) rules, uninstructed brokers would have discretionary voting power for ratification of Ernst & Young LLP as independent registered public accounting firm (Item #2). Uninstructed brokers would not have discretionary voting power for the election of directors (Item #1).

MEETING ADMISSION

The following persons will be admitted to the Annual Meeting of Stockholders to be held on January 31, 2012:

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- Stockholders of record at the close of business on December 2, 2011, and their immediate family members;

- Individuals holding written proxies executed by stockholders of record at the close of business on December 2, 2011;

- Stockholders who provide a letter or account statement from their broker, bank or other nominee showing that they owned stock held in the name of the broker, bank or other nominee at the close of business on December 2, 2011, and their immediate family members;

- Stockholders by virtue of stock held in the Company's Employee Stock Purchase Plan;

- Other individuals with the approval of the Corporate Secretary; and

- One authorized representative of stockholders that are corporations or other entities. Additional authorized representatives may be admitted with the approval of the Corporate Secretary.

If you are not able to attend, we will have video of the meeting available on the Internet after February 1, 2012. To view this video, follow these instructions:

1. Log on to the Hormel Foods Web site homepage at www.hormelfoods.com through your Internet connection;

2. Place your mouse cursor over the word [Investors](#), click on [Multimedia](#) from the drop-down menu that appears, and then click on [2012 Annual Meeting](#); and

3. Choose a format to view the broadcast.

CONDUCT OF MEETING

The Chairman will preside over the Annual Meeting of Stockholders pursuant to the Bylaws and by action of the Board of Directors. The Chairman has broad authority to ensure the orderly conduct of the meeting. This includes discretion to recognize stockholders or proxies who

wish to speak, and to determine the extent of discussion on each item of business. Rules governing the conduct of the meeting will be distributed at the meeting along with the agenda. The Chairman may also rely on applicable law regarding disorderly conduct to ensure that the meeting is conducted in a manner that is fair to all stockholders.

ITEM 1 ELECTION OF DIRECTORS

Identifying and Evaluating Nominees for Director - The Governance Committee is responsible for establishing procedures to identify and review the qualifications of all nominees for Board membership. The Committee considers recommendations of director candidates made by directors, senior management, and the Company's stockholders. The Committee applies the same criteria for consideration of stockholder nominees as it does to nominees proposed by other sources. The Committee may engage an independent search firm to assist the Committee in identifying and evaluating potential director nominees to fill vacancies on the Board. In 2011, the independent search firm SpencerStuart was paid a fee to assist the Committee in identifying and evaluating potential director nominees.

Stockholders wishing to make a recommendation may do so by contacting the Governance Committee, c/o Brian D. Johnson, Vice President and Corporate Secretary, at 1 Hormel Place, Austin, Minnesota 55912. Stockholders should send:

1. Name of the candidate and the candidate's business and residence addresses;
2. A resume or biographical sketch of the candidate, which includes the candidate's principal occupation or employment;
3. A document(s) evidencing the number of shares of Company stock currently held by the candidate and the candidate's willingness to serve as a director if elected; and
4. A signed statement as to the submitting stockholder's current status as a stockholder, which includes the stockholder's address and the number of shares of Company stock currently held.

The Committee's procedures include making a preliminary assessment of each proposed nominee. Such assessment is based upon the resume and biographical information, an indication of the individual's willingness to serve, and business experience and leadership skills. This information is evaluated against the criteria set forth below and the Company's specific needs at that time. Based upon a preliminary assessment of the candidates, those who appear best suited to meet the Company's needs may be invited to participate in interviews, which are used to further evaluate candidates. On the basis of information learned during this process, the Committee determines which nominees to recommend to the Board.

The three director nominees who joined the Board in September 2011 were recommended to the Committee by various sources and evaluated along with other potential director nominees. Glenn S. Forbes was known to directors and executive officers of the Company through his involvement in the local community and was recommended to the Committee by a retired non-management director of the Company and the independent search firm SpencerStuart. Stephen M. Lacy was known to directors and executive officers of the Company through his work with a consumer media company and was recommended to

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the Committee by a retired chief executive officer of the Company and the SpencerStuart firm. Michael J. Mendes was recommended to the Committee by the SpencerStuart firm and was known to executive officers of the company through his participation at meetings of the Grocery Manufacturers of America.

Director Qualifications The Governance Committee determines the selection criteria of director nominees based upon the Company's needs at the time nominees are considered. In evaluating director candidates, the Committee will consider a candidate's:

- Intellect;
- Integrity;
- Broad-based experience at the policy-making level in business, government, education or the public interest;
- Analytical ability;
- Ability to qualify as an independent director;
- Ability and willingness to devote time and energy to effectively carry out all Board responsibilities; and
- Unique qualifications, skills and experience.

The Committee reviews past performance on the Board for directors seeking reelection. The Board's annual self-evaluation process assists the Committee in this review.

The Committee considers the diversity of director candidates and seeks to enhance the overall diversity of the Board. Each candidate's diversity in terms of race, gender, national origin and other personal characteristics is considered. The Committee also assesses each candidate's contribution to the diversity of the Board in a broader sense, including age, education, experience, skills and other qualifications. While the Committee carefully considers diversity when evaluating director candidates, it has not adopted a formal diversity policy.

The Committee recommends director nominees to the Board to submit for election at the next Annual Meeting of Stockholders. The Board selects director nominees based on its assessment and consideration of various factors. These factors include the current Board profile, the long-term interests of stockholders, the needs of the Company, and the goal of creating an appropriate balance of knowledge, experience and diversity on the Board.

Our Nominees for Director Each of our director nominees is well qualified under the criteria described above. As employees of the Company, Mr. Ettinger and Ms. Feragen do not qualify as independent directors. Each director nominee brings a variety of qualifications, skills, attributes and experience to the Board of Directors.

A common trait among our director nominees is executive leadership experience with a large company or organization. Such experience brings a variety of benefits, including an understanding of business management, various business functions and strategic planning. Other advantages of an executive leadership background include experience with policy making, risk management and corporate governance matters.

Another common characteristic of our director nominees is each has prior service on our Board, although that service is limited for the three director nominees who joined the Board in September 2011. Each director nominee has a demonstrated record of regular attendance, advance preparation and active participation in Board and Board committee meetings. Through prior service on the Board committees, our director nominees have demonstrated and further developed expertise relating to the duties assigned to the Board committees.

The biographical information below identifies and highlights additional qualifications, skills, attributes and experience each director nominee brings to the Board.

The Board of Directors recommends a vote FOR each of the 12 director nominees listed below. The persons named as proxies will vote FOR the election of these 12 nominees to hold office as directors until the next Annual Meeting of Stockholders and until their successors are elected and qualify, unless stockholders specify otherwise. If any of such nominees become unavailable for any reason, it is intended that the proxies will vote for the election of such substitute persons as may be designated by the Board of Directors. Directors are elected by a plurality of the votes cast. The 12 candidates receiving the highest number of votes will be elected.

DIRECTOR NOMINEES

TERRELL K. CREWS, age 56, director since 2007. Mr. Crews retired from Monsanto Company, an agricultural company, in November 2009. He served as Executive Vice President, Chief Financial Officer and Vegetable Business CEO for Monsanto Company, from 2007 to 2009, and Executive Vice President and Chief Financial Officer from 2000 to 2007. Mr. Crews is a member of the Board of Directors of Archer-Daniels-Midland Company, Decatur, Illinois, and Rock Tenn Corporation, Norcross, Georgia, and the Board of Trustees of Freed-Hardeman University, Henderson, Tennessee. Mr. Crews brings

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extensive expertise in finance and related functions to the Board, as well as significant knowledge of corporate development, agri-business and international operations.

JEFFREY M. ETTINGER, age 53, director since 2004. Mr. Ettinger is Chairman of the Board, President and Chief Executive Officer of the Company, serving in that capacity since November 2006. He was President and Chief Executive Officer from January to November 2006, and President and Chief Operating Officer from 2004 to 2006. Mr. Ettinger is a member of the Board of Directors of The Toro Company, Bloomington, Minnesota, Grocery Manufacturers of America, Washington, D.C., American Meat Institute, Washington, D.C., Minnesota Business Partnership, Minneapolis, Minnesota, Austin Medical Center Foundation, Austin, Minnesota, and The Hormel Foundation, Austin, Minnesota. In addition to his exemplary executive leadership of the Company, Mr. Ettinger brings practical finance, marketing and legal expertise to the Board, as well as a deep knowledge of the Company and food industry developed during his 21-year tenure with the Company.

JODY H. FERAGEN, age 55, director since 2007. Ms. Feragen is Executive Vice President and Chief Financial Officer of the Company. She was elected to that position in November 2010, and was Senior Vice President and Chief Financial Officer from 2007 to 2010, and Vice President of Finance and Treasurer from 2005 to 2007. Ms. Feragen is a member of the Board of Directors of Patterson Companies, St. Paul, Minnesota, and the University of North Dakota Foundation, Grand Forks, North Dakota. Ms. Feragen brings to the Board in-depth expertise in finance and related functions developed during her over 25-year finance career, as well as knowledge of the Company and food industry.

GLENN S. FORBES, M.D., age 64, director since 2011. Dr. Forbes is Medical Director for Diversified Business Activities for Medical Imaging Services at Mayo Clinic, serving in that capacity since 2010. Dr. Forbes is also Professor of Radiology, Mayo Clinic College of Medicine, and Consultant in the Department of Diagnostic Radiology at Mayo Clinic, positions he has held since 1990 and 1977, respectively. Dr. Forbes anticipates he will retire from his current positions with Mayo Clinic on or around January 31, 2012. Dr. Forbes was Medical Director for State Government Affairs and Public Relations at Mayo Clinic from 2009 to 2010, and Chief Executive Officer, Mayo Clinic-Rochester from 2006 to 2009. He was a member of the Board of Trustees, Mayo Clinic from 2006 to 2009, and the Board of Governors, Mayo Clinic from 2003 to 2009, and Chair of the Executive Board, Mayo Clinic-Rochester from 2006 to 2009. Dr. Forbes is Chair of the Board of Directors of the American Board of Radiology Foundation. Dr. Forbes brings executive leadership experience with a large Minnesota-based health care institution and extensive public policy and corporate governance expertise to the Board.

STEPHEN M. LACY, age 57, director since 2011. Mr. Lacy is Chairman of the Board, President and Chief Executive Officer of Meredith Corporation, a media and marketing company, a position he has held since 2010. He served Meredith Corporation as President and Chief Executive Officer starting in 2006, President and Chief Operating Officer starting in 2004, President, Publishing Group, and President, Interactive and Integrated Marketing Group, starting in 2000, and Chief Financial Officer starting in 1998. Mr. Lacy was President, from 1995 to 1997, and Chief Financial Officer, from 1992 to 1995, of Johnson & Higgins, an insurance brokerage firm, and General Manager, from 1990 to 1992, and Chief Financial Officer, from 1988 to 1990, of Commtron Corporation, a distributor of video cassettes and consumer electronics equipment. He is a member of the Board of Directors of Meredith Corporation, Des Moines, Iowa. Mr. Lacy brings extensive expertise in finance and consumer product marketing to the Board, as well as ongoing experience as the active Chief Executive Officer of a publicly held company whose stock is traded on the NYSE.

SUSAN I. MARVIN, age 56, director since 2002. Ms. Marvin is President, Marvin Windows and Doors, a position she has held since 1995. She is a member of the Board of Directors of The Marvin Companies, Warroad, Minnesota, and the Board of Trustees of the University of Minnesota Foundation, Minneapolis, Minnesota. Ms. Marvin brings to the Board in-depth expertise on leadership and operations of a large Minnesota-based company and consumer product marketing.

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MICHAEL J. MENDES, age 48, director since 2011. Mr. Mendes is Chairman of the Board, President and Chief Executive Officer of Diamond Foods, Inc., a food company, a position he has held since 2010. He served Diamond Foods, Inc. as President and Chief Executive Officer starting in 1997, Vice President, Sales & Marketing, starting in 1994, and Manager of International Sales starting in 1991. Mr. Mendes was Manager, International Marketing for Dole Food Company, Inc. from 1989 to 1991. He is a member of the Board of Directors of Diamond Foods, Inc., San Francisco, California. Mr. Mendes brings significant expertise in consumer product marketing, international business and corporate development to the Board, as well as ongoing experience as the active Chief Executive Officer of a large publicly held company.

JOHN L. MORRISON, age 66, director since 2003. Mr. Morrison has served as Managing Director, Goldner Hawn Johnson & Morrison Incorporated, a private equity investment firm, since 1989 and Chairman, Callanish Capital Partners, a private hedge fund, since 2001. He was Executive Vice President of Pillsbury and Chairman of the U.S. Consumer Foods Group from 1987 to 1989, and President of Pillsbury's International Group from 1981 to 1987. Mr. Morrison was a member of the President's Foreign Intelligence Advisory Board, Washington, D.C., from 2006 to 2009. He is a member of the Board of Directors of

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Andersen Corporation, St. Paul, Minnesota. Mr. Morrison brings extensive expertise in finance, corporate development, and international business, as well as deep food industry knowledge, to the Board.

ELSA A. MURANO, Ph.D., age 52, director since 2006. Dr. Murano is Professor of Nutrition & Food Science and President Emerita of Texas A&M University. She has held that position since June 2009, and was President of Texas A&M University from December 2007 to June 2009, and Texas A&M University Vice Chancellor and Dean of Agriculture, Director of the Texas Agricultural Experiment Station, from 2005 to 2007. Dr. Murano was Undersecretary for Food Safety, U.S. Department of Agriculture from 2001 to 2004. Dr. Murano brings preeminent food safety expertise and significant experience in agri-business and regulatory affairs to the Board.

ROBERT C. NAKASONE, age 63, director since 2006. Mr. Nakasone is the Chief Executive Officer of NAK Enterprises, a family-owned investment and consulting business he has led since 2000. Mr. Nakasone was Chief Executive Officer, Toys R Us, Inc. from 1998 to 1999, President and Chief Operating Officer from 1994 to 1997, Vice Chairman from 1989 to 1993, and President U.S. Toy Stores from 1985 to 1988. Prior to 1985, he served in multiple senior executive capacities with the Jewel Companies, Inc., including Group Vice President and General Manager of the Jewel Food Stores Midwest Region. Mr. Nakasone is a member of the Board of Directors of Staples, Inc., Framingham, Massachusetts, and served on the Board of Directors of eFunds Corporation from 2003 until the sale of the company to Fidelity National Information Services, Inc. in 2007. He is also a member of the Board of Trustees of Claremont McKenna College, Claremont, California, Cottage Health System, Santa Barbara, California, and the V Foundation For Cancer Research, Cary, North Carolina. Mr. Nakasone brings extensive expertise in retail food product marketing and international business development to the Board, as well as experience as the Chief Executive Officer of a large publicly held company.

SUSAN K. NESTEGARD, age 51, director since 2009. Ms. Nestegard is President, Global Healthcare Sector, Ecolab Inc., a provider of cleaning and sanitizing products and services. She assumed that position in 2010, and was Executive Vice President, Global Healthcare Sector, from 2008 to 2010, Senior Vice President, Research, Development and Engineering, and Chief Technical Officer, from 2003 to 2008. Ms. Nestegard also has over 20 years experience with 3M Company in product development, research and development, and business unit management. Ms. Nestegard brings significant expertise in food safety, research and development, foodservice, and international business to the Board.

DAKOTA A. PIPPINS, age 63, director since 2001. Mr. Pippins has been President and Chief Executive Officer, Pippins Strategies, LLC, a marketing consulting company, since 2003. He served as Director of Urban Think Tank and Director of Planning for the Vigilante Division of Leo Burnett, USA, an advertising agency, from 1998 to 2003, Director of Management Institute at New York University from 1990 to 1995, and has been an Adjunct Associate Professor at New York University since 1990. Prior experience includes various management positions at Citicorp, a banking company, General Foods Corporation, a food company, and Burrell Communications Group, a marketing company. Mr. Pippins brings to the Board in-depth expertise on consumer product marketing and corporate sustainability, developed both through professional work experience and academia.

No family relationship exists between any of the director nominees or executive officers of the Company.

CORPORATE GOVERNANCE

Corporate Governance Guidelines

The Board of Directors has adopted Corporate Governance Guidelines which include the following:

- At all times a substantial majority of the Board will be independent, as that term is defined in relevant law and the NYSE listing standards;
- Directors who (1) retire or change their principal employment, (2) reach retirement age of 72, or (3) take action that creates a conflict of interest with the Company, must submit a letter of resignation from the Board. The Board may accept or reject a letter of resignation. It is the Board's general policy that directors will not stand for reelection after reaching age 72;
- The Board and Board committees will conduct annual self-evaluations;
- Directors participate in an annual strategic planning retreat, which provides directors a detailed overview of the Company's strategic business plans and an opportunity to access senior management of the Company;
- All non-management directors will meet in executive session at least quarterly (the Board's practice is to meet in executive session after each regularly scheduled meeting);

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- The Compensation Committee will evaluate the Chief Executive Officer's performance annually. This evaluation is based in part on a self-evaluation by the Chief Executive Officer (**CEO**) which is reviewed by all the nonemployee directors. The annual evaluation will take into account the CEO's performance measured against established goals. After the process has been completed, the Compensation Committee will set the CEO's compensation and obtain the Board's ratification of such compensation;
- Directors will have full access to officers and employees of the Company; and
- The Board and each committee have the power to hire independent legal, financial or other advisers, without consulting or obtaining the approval of any officer of the Company.

The Company's Corporate Governance Guidelines may be found on the Company's Web site at www.hormelfoods.com under Investors - Corporate Governance.

Board Leadership Structure

The Board takes a flexible approach to the issue of whether the offices of Chairman and CEO should be separate or combined. This approach allows the Board to regularly evaluate whether it is in the best interests of the Company for the CEO or another director to hold the position of Chairman.

Mr. Ettinger has served as both Chairman and CEO of the Company since November 2006. The Board continues to believe there are important advantages to Mr. Ettinger serving in both roles at this time. Mr. Ettinger is the director most familiar with our Company's business and industry and best situated to propose the Board's agendas and lead Board discussions on important matters. Mr. Ettinger provides a strong link between management and the Board, which promotes clear communication and enhances strategic planning and implementation of corporate strategies. Another advantage is the clarity of leadership provided by one person representing the Company to employees, stockholders and other stakeholders.

When the Chairman is not an independent director, the Board believes it may be useful and appropriate to designate a Lead Director. The Governance Committee annually reviews use of the Lead Director position and duties of a Lead Director. The Lead Director position is held by an independent director elected by the Board of Directors. John G. Turner was elected the Lead Director effective at the end of the Board meeting held November 23, 2009 and served through the end of the Board meeting held November 21, 2011, when he retired from the Board. John L. Morrison was elected the Lead Director effective at the end of the Board meeting held November 21, 2011. The duties of the Lead Director include the following:

- Serve as a liaison between the Chairman and the non-management directors;

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- Serve as a liaison among the non-management directors;
- Provide input to the Chairman on the preparation of Board meeting agendas, including content, sequence, and time allocations;
- Have the authority to call meetings of the non-management directors, with advance notice of such meetings to be given to the Chairman;
- Preside at meetings of the Board in the absence of the Chairman;
- Preside at executive sessions of the non-management directors;
- In conjunction with the Governance Committee, take an active role in the Board's annual self-evaluation; and
- In conjunction with the Compensation Committee, take an active role in the annual evaluation of the CEO.

The independent directors who chair the Company's Audit, Compensation, Governance and Contingency Committees also provide leadership to the Board in their assigned areas of responsibility. The Board believes the substantial majority of independent directors on the Board, use of a Lead Director, independent Committee chairs and executive sessions of the non-management directors safeguard the independent governance of the Board.

Code of Ethical Business Conduct

The Company has adopted a Code of Ethical Business Conduct that covers its directors, officers and employees. This Code of Ethical Business Conduct may be found on the Company's Web site at www.hormelfoods.com under Investors - Corporate Governance.

Stock Ownership Guidelines

The Company's officers and directors are subject to stock ownership guidelines. Officers need to hold shares of Company stock with a value equal to their five-year average base salary times a multiple of 1.5 to 5, depending on position. Directors need to hold shares of Company stock with a value equal to their five-year average annual retainer times a multiple of 4. For both officers and directors, the required stock ownership value is divided by the five-year average Company stock price, based on fiscal year end prices, to calculate the number of shares to be held.

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The value of shares individually owned, held in Company benefit plans, and deferred in the Company's deferred compensation plans are counted toward the guidelines. Individual ownership of shares is determined under Section 16 of the Securities Exchange Act of 1934, as amended (**Exchange Act**). Stock options and restricted shares are not counted toward the guidelines.

Officers and directors have approximately five years from their initial election to comply with the guidelines. Officers promoted to a level requiring higher stock ownership under the guidelines have five years to achieve compliance. All officers and directors who are subject to the guidelines are in compliance with the guidelines, except that one director with an initial compliance date of December 31, 2011 has restricted shares that will vest and result in the director achieving compliance on February 1, 2012.

Board Independence

The Company's Corporate Governance Guidelines require that a substantial majority of the Company's directors be independent. The NYSE listing standards require that a majority of the Company's directors be independent and that the Audit, Compensation and Governance Committees be comprised entirely of independent directors. The Board of Directors has adopted standards to assist it in making the annual determination of each director's independence status. These Director Independence Standards are consistent with the NYSE listing standards. The Director Independence Standards are posted on the Company's Web site at www.hormelfoods.com under Investors - Corporate Governance. A director will be considered independent if he or she meets the requirements of the Director Independence Standards and the independence criteria in the NYSE listing standards.

The Board of Directors has affirmatively determined that the following directors have no direct or indirect material relationship with the Company and satisfy the requirements to be considered independent:

Terrell K. Crews	John L. Morrison	Ronald D. Pearson (retired September 30, 2011)
Glenn S. Forbes	Elsa A. Murano	Hugh C. Smith (retired November 21, 2011)
Stephen M. Lacy	Robert C. Nakasone	John G. Turner (retired November 21, 2011)
Susan I. Marvin	Susan K. Nestegard	
Michael J. Mendes	Dakota A. Pippins	

The Board of Directors also has determined that each of the Company's Audit, Compensation, Governance and Contingency Committees is composed solely of independent directors. In making the independence determinations, the Board reviewed all of the directors' relationships with the Company. This review is based primarily on a review of the responses of the directors to questions regarding employment, business, family, compensation and other relationships with the Company and its management. In making the independence determination for Ms. Nestegard, President, Global Healthcare Sector of Ecolab Inc., the Board considered the relationship arising out of the transactions in the ordinary course of business between the Company and Ecolab Inc., a supplier of the Company. The Board determined that this relationship was not material and did not impair Ms. Nestegard's independence. In making the independence determination for Mr. Lacy, Chairman of the Board, President & CEO of Meredith Corporation, the Board considered the relationship arising out of the transactions in the ordinary course of business between the Company, through its advertising agency, and Meredith Corporation, a supplier of the Company. The Board determined that this relationship was not material and did not impair Mr. Lacy's independence. The Board considered that Dr. Forbes previously served on the Rochester Board of Governors, Mayo Clinic and as Chief Executive Officer of Mayo Clinic-Rochester until 2009, where he facilitated collaborative research between Mayo Clinic and the University of Minnesota to take place within the Hormel Institute, and he has continued to

serve in various Medical Director capacities at Mayo Clinic since that time. The Hormel Institute is a research unit of the University of Minnesota. The Company and the Hormel Foundation have from time to time made contributions to the Hormel Institute, but they do not relate specifically to the collaborative research described above. The Board also considered the relationship arising out of the transactions in the ordinary course of business between the Company and Mayo Clinic relating to annual medical physicals provided to a designated group of managers and physical therapy services provided to certain employees. The Board determined that these relationships were not material and did not impair Dr. Forbes' independence.

Board of Director and Committee Meetings

Board of Directors and Committees - The Board of Directors conducts its business through meetings of the Board and its committees. The Board held six meetings during fiscal 2011. Each director attended at least 75% of the total meetings during the fiscal year of the Board and Board committees on which he or she served. The Lead Director presides at executive sessions of the nonmanagement directors.

The Board of Directors has established the following Board committees: Audit, Compensation, Governance, and Contingency. The table below shows membership through November 21, 2011 for each committee and meeting information for fiscal 2011.

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Name	Audit Committee(1) (2)	Compensation Committee(3)	Governance Committee(4)	Contingency Committee(1)
Terrell K. Crews	X*	X		X
Susan I. Marvin		X	X	X
John L. Morrison	X	X*		X
Elsa A. Murano	X			X
Robert C. Nakasone		X	X	X
Susan K. Nestegard	X			X
Ronald D. Pearson	X			X
Dakota A. Pippins			X*	X
Hugh C. Smith		X	X	X
John G. Turner		X	X	X*
Total Meetings in Fiscal 2011	11	7	8	1

* Committee Chair

(1) Ronald D. Pearson served on the Audit and Contingency Committees until his retirement from the Board of Directors effective September 30, 2011.

(2) Stephen M. Lacy and Michael J. Mendes joined the Audit Committee effective September 24, 2011, with the Audit Committee having no further meetings in fiscal 2011 after that date.

(3) Michael J. Mendes joined the Compensation Committee effective September 24, 2011, and attended the one Compensation Committee meeting held after that date in fiscal 2011.

(4) Glenn S. Forbes joined the Governance Committee effective September 24, 2011, and attended the one Governance Committee meeting held after that date in fiscal 2011.

The following table shows membership for each committee effective at the end of the Board of Directors meeting held November 21, 2011.

Name	Audit Committee	Compensation Committee	Governance Committee	Contingency Committee
Terrell K. Crews	X*	X		X
Glenn S. Forbes			X	X
Stephen M. Lacy	X			X
Susan I. Marvin		X*	X	X
Michael J. Mendes	X	X		X
John L. Morrison		X	X	X*
Elsa A. Murano	X			X
Robert C. Nakasone		X	X	X
Susan K. Nestegard	X			X

Dakota A. Pippins

X*

X

* Committee Chair

Each of the Audit, Compensation and Governance Committees has adopted and operates under a written charter. These charters may be found on the Company's Web site at www.hormelfoods.com under Investors - Corporate Governance.

Audit Committee - Each member of the Audit Committee is financially literate as determined by the Board of Directors. The Board also determined that Terrell K. Crews and Stephen M. Lacy each is an audit committee financial expert, as defined by the rules of the Securities and Exchange Commission (SEC). The duties of the Audit Committee include the following:

- Select and evaluate the performance of the independent registered public accounting firm;
- Discuss with the internal auditors and independent registered public accounting firm the overall scope and plans for their respective audits;

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- Ensure that the independent registered public accounting firm is accountable to the Committee and that the firm has no relationship with management or the Company that would impair their independence;
- Review and discuss with management and the external auditors the quarterly and annual financial statements of the Company;
- Establish procedures for the handling of complaints received by the Company regarding accounting, internal controls or auditing matters, including the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters;
- Provide an open avenue of communication between the internal auditors, the external auditors, Company management and the Board;
- Understand the Company's key areas of risk and assess the steps management takes to manage such risk; and
- Oversee the Company's Code of Ethical Business Conduct, including assessment of the steps management takes to assure the Company's compliance with all applicable laws and regulations and corporate policies.

Compensation Committee - The duties of the Compensation Committee include the following:

- Establish compensation arrangements for all officers of the Company;
- Engage a compensation consultant to review the Company's compensation programs;
- Make recommendations to the Board regarding incentive compensation and equity-based compensation plans, and administer such plans;
- Make recommendations to the Board regarding compensation to be paid to the Company's directors; and
- Establish investment policies for the Company's defined benefit pension plans, and periodically review investments for consistency with those policies.

Governance Committee - The duties of the Governance Committee include the following:

- Establish criteria for new directors and evaluate potential candidates;
- Make recommendations to the Board regarding the composition of Board committees;
- Make recommendations to the Board regarding the Lead Director position;
- Review the Company's executive succession plans;
- Periodically assess the Company's Corporate Governance Guidelines, as well as the Company's adherence to them;
- Evaluate objectives and policies regarding the Company's management of its human resources; and
- Oversee the annual evaluation of the Board.

Contingency Committee - The Contingency Committee considers any matters referred to it by the Board. Such matters would require the deliberation and decision of disinterested and independent directors.

Board Role in Risk Oversight

The Board of Directors takes an active role in risk oversight. The Board administers its risk oversight function through the full Board and each of its committees. Man