

HORMEL FOODS CORP /DE/

Form PRE 14A

December 10, 2010

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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)

Payment of Filing Fee (Check the appropriate box):

- ☒ No fee required
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PRELIMINARY

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 Monday, January 31, 2011, 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. Vote on a proposal to amend the Company's Restated Certificate of Incorporation to increase the authorized Common Stock from 400 million to 800 million shares and to reduce the par value from \$.0586 to \$.0293 per share, in order to effect a two-for-one split of the Company's Common Stock, to increase the authorized Nonvoting Common Stock from 200 million to 400 million shares, and to increase the authorized Preferred Stock from 80 million to 160 million shares;

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3. 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 30, 2011;
4. Vote on a non-binding resolution to approve the compensation of the Company's Named Executive Officers, as described in the Compensation Discussion and Analysis section, the tabular disclosure regarding such compensation, and the accompanying narrative disclosure, set forth in the Company's 2011 annual meeting proxy statement;
5. Vote on a non-binding resolution to determine the frequency (whether annual, biennial or triennial) with which stockholders of the Company shall be entitled to have an advisory vote on executive compensation; and
6. Such other matters as may properly come before the meeting.

The Board of Directors has fixed December 3, 2010, 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
Corporate Secretary

December [21], 2010

Important Notice Regarding the Availability of Proxy Materials
for the Stockholder Meeting to be Held on January 31, 2011
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, 2011. This proxy statement and form of proxy are first being mailed to stockholders on or about December [21], 2010.

GENERAL INFORMATION

Voting Securities - The Company had 133,124,485 shares of common stock outstanding as of December 3, 2010. Each share of stock is entitled to one vote. There is no cumulative voting. The Company has no other class of shares outstanding. Only stockholders of record at the close of business as of December 3, 2010 are entitled to vote at the meeting.

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;
- Adoption of the amendment of the Company's Restated Certificate of Incorporation to increase the authorized Common Stock from 400 million to 800 million shares and to reduce the par value from \$.0586 to \$.0293 per share, in order to effect a two-for-one split of the Company's Common Stock, to increase the authorized Nonvoting Common Stock from 200 million to 400 million shares, and to increase the authorized Preferred Stock from 80 million to 160 million shares;
- Ratification of the appointment of Ernst & Young LLP as independent registered public accounting firm for the next fiscal year;

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- Approval of the non-binding resolution to approve the compensation of the Company's Named Executive Officers, as described in the Compensation Discussion and Analysis section, the tabular disclosure regarding such compensation, and the accompanying narrative disclosure, set forth in the Company's 2011 annual meeting proxy statement; and
- Approval of a biennial frequency (i.e., every two years) for which stockholders of the Company shall be entitled to have an advisory vote on executive compensation.

The persons appointed as proxies will vote in their discretion on other matters as may properly come before the meeting and which the Company did not know of prior to October 28, 2010.

Revoking Your Proxy - You may revoke your proxy at any time before it is exercised by contacting 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

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withheld or no 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 #3). Uninstructed brokers would not have discretionary voting power for the election of directors (Item #1), approval of the amendment of the Company's Restated Certificate of Incorporation (Item #2), the advisory vote on executive compensation (Item #4), and the advisory vote on the frequency for which stockholders of the Company shall be entitled to have an advisory vote on executive compensation (Item #5).

MEETING ADMISSION

The following persons will be admitted to the Annual Meeting of Stockholders to be held on January 31, 2011:

- Stockholders of record at the close of business on December 3, 2010, and their immediate family members;
- Individuals holding written proxies executed by stockholders of record at the close of business on December 3, 2010;
- 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 3, 2010, 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, 2011. 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 **2011 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 current 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.

Stockholders wishing to make a recommendation may do so by contacting the Governance Committee, c/o Brian D. Johnson, 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.

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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.

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. 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.

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DIRECTOR NOMINEES

TERRELL K. CREWS, age 55, 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 September 2007 to November 2009, and Executive Vice President and Chief Financial Officer from 2000 to 2007. Mr. Crews is a member of the Board of Directors of Smurfit-Stone Container Corporation, Creve Coeur, Missouri, and the Board of Trustees of Freed-Hardeman University, Henderson, Tennessee. Mr. Crews brings 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 52, director since 2004. Mr. Ettinger is Chairman, President and Chief Executive Officer of the Company, serving in that capacity since November 2006. He was President and Chief Executive Officer from January 1 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 54, 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 January 2007 to November 2010, and Vice President of Finance and Treasurer from 2005 to 2007. Ms. Feragen is a member of the Board of Directors of 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.

SUSAN I. MARVIN, age 55, director since 2002. Ms. Marvin is President, Marvin Windows and Doors, a position she has held since October 1995. She is a member of the Board of Directors of The Marvin Companies, Warroad, Minnesota, Board of Trustees of the University of Minnesota Foundation, Minneapolis, Minnesota, and St. Thomas College of Business Advisory Board of Governors, St. Paul, Minnesota. Ms. Marvin brings to the Board in-depth expertise on leadership and operations of a large Minnesota-based company and consumer product marketing.

JOHN L. MORRISON, age 65, 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 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 51, 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 December 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 62, director since 2006. Mr. Nakasone has been Chief Executive Officer, NAK Enterprises, LLC, an investment and consulting company, since 2000. He 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, Mr. Nakasone 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. He 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.

Title:

Chief Financial Officer and Investor

Relations Officer

Date: January 16, 2008