

GENERAL MILLS INC
Form DEF 14A
August 09, 2012

UNITED STATES

Securities and Exchange Commission

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No. __)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS PERMITTED
BY RULE 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

GENERAL MILLS, INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

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

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-

[Back to Contents](#)

NOTICE OF 2012 ANNUAL MEETING OF STOCKHOLDERS AND PROXY STATEMENT

Meeting Date:

Monday, September 24, 2012

at 11:00 a.m. (Central Daylight Time)

Meeting Place:

Children's Theatre Company
2400 Third Avenue South
Minneapolis, Minnesota

[Back to Contents](#)

P.O. Box 1113

Minneapolis, MN 55440

Dear Fellow Stockholder:

It is my pleasure to invite you to the General Mills 2012 Annual Meeting of Stockholders. We will hold the meeting in the auditorium of the Children's Theatre Company, 2400 Third Avenue South, Minneapolis, Minnesota, on Monday, September 24, 2012, at 11:00 a.m. Central Daylight Time. During the meeting, we will discuss each item of business described in this Proxy Statement, and we will give a current report on our business operations. There also will be time for questions. We expect the meeting to adjourn at about 12:15 p.m. We hope you will be able to attend the meeting.

Whether or not you expect to attend, please vote your proxy so your shares will be represented at the meeting.

August 9, 2012

Sincerely,

Kendall J. Powell

Chairman of the Board and Chief Executive Officer

[Back to Contents](#)

P.O. Box 1113

Minneapolis, MN 55440

Notice of 2012 Annual Meeting of Stockholders

Dear Fellow Stockholder:

The Annual Meeting of Stockholders of General Mills, Inc. will be held on Monday, September 24, 2012, at 11:00 a.m., Central Daylight Time, in the auditorium of the Children's Theatre Company, 2400 Third Avenue South, Minneapolis, Minnesota. Stockholders will be asked to:

1.

Elect as directors the 13 nominees named in the attached Proxy Statement;

2.

Cast an advisory vote on executive compensation;

3.

Ratify the appointment of KPMG LLP as General Mills' independent registered public accounting firm for our fiscal year ending May 26, 2013; and

4.

Transact any other business that properly comes before the meeting.

The record date for the Annual Meeting is July 26, 2012. If you held General Mills stock at the close of business on that date, you are entitled to vote at the Annual Meeting.

Your vote is important. We encourage you to vote by proxy, even if you plan to attend the meeting.

August 9, 2012

Sincerely,

Roderick A. Palmore

Secretary

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON SEPTEMBER 24, 2012

Our Notice of 2012 Annual Meeting of Stockholders, Proxy Statement and Annual Report to Stockholders are available on the General Mills website at www.generalmills.com in the "Investors" section.

[Back to Contents](#)

Table of Contents

<u>PROPOSAL NUMBER</u>		
<u>1</u>	<u>ELECTION OF DIRECTORS</u>	<u>5</u>
<u>CORPORATE GOVERNANCE</u>		<u>9</u>
<u>Board Independence</u>		<u>9</u>
<u>Certain Relationships and Related Transactions</u>		<u>9</u>
<u>Director Nominations</u>		<u>10</u>
<u>Board Leadership</u>		<u>10</u>
<u>The Board's Role in Succession Planning</u>		<u>11</u>
<u>The Board's Role in Risk Management</u>		<u>11</u>
<u>Board Committees and Their Functions</u>		<u>12</u>
<u>Director Attendance</u>		<u>14</u>
<u>Determining Executive Compensation</u>		<u>14</u>
<u>Codes of Conduct for Directors and Employees</u>		<u>15</u>
<u>Communications with the Board</u>		<u>15</u>
<u>DIRECTOR COMPENSATION</u>		<u>15</u>
<u>OWNERSHIP OF GENERAL MILLS COMMON STOCK BY DIRECTORS, OFFICERS AND CERTAIN BENEFICIAL OWNERS</u>		<u>18</u>
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>		<u>19</u>
<u>PROPOSAL NUMBER</u>		
<u>2</u>	<u>ADVISORY VOTE ON EXECUTIVE COMPENSATION</u>	<u>19</u>
<u>EXECUTIVE COMPENSATION</u>		<u>20</u>
<u>Compensation Committee Report</u>		<u>20</u>
<u>Compensation Discussion and Analysis</u>		<u>20</u>
<u>Summary Compensation Table</u>		<u>32</u>
<u>Total Direct Compensation Earned For Fiscal Year Performance</u>		<u>32</u>
<u>Grants of Plan-Based Awards For Fiscal 2012</u>		<u>35</u>
<u>Outstanding Equity Awards at 2012 Fiscal Year-End</u>		<u>36</u>
<u>Option Exercises and Stock Vested For Fiscal 2012</u>		<u>38</u>
<u>Pension Benefits</u>		<u>39</u>
<u>Other Retirement Savings Plans</u>		<u>40</u>
<u>Nonqualified Deferred Compensation</u>		<u>40</u>
<u>Potential Payments Upon Termination or Change in Control</u>		<u>41</u>
<u>PROPOSAL NUMBER</u>		
<u>3</u>	<u>RATIFY APPOINTMENT OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	<u>45</u>
<u>Audit Committee Report</u>		<u>45</u>
<u>Independent Registered Public Accounting Firm Fees</u>		<u>46</u>
<u>GENERAL INFORMATION</u>		<u>47</u>
<u>Other Business</u>		<u>47</u>

<u>Questions and Answers About the 2012 Annual Meeting and Voting</u>	<u>47</u>
<u>Solicitation of Proxies</u>	<u>49</u>
<u>Delivery And Viewing of Proxy Materials</u>	<u>49</u>
<u>Annual Reports</u>	<u>50</u>
<u>APPENDIX A NON-GAAP FINANCIAL MEASURES</u>	<u>51</u>

[Back to Contents](#)

General Mills, Inc. Proxy Statement for Annual Meeting of Stockholders to be Held on Monday, September 24, 2012

The board of directors of General Mills, Inc. (referred to as “General Mills,” “we,” “our,” “us” or the “company”) is soliciting proxies for use at the Annual Meeting of Stockholders to be held on September 24, 2012. This Proxy Statement summarizes the information you need to know to vote at the Annual Meeting. You do not need to attend the Annual Meeting to vote your shares. We first mailed or made available the proxy materials on or about August 9, 2012.

PROPOSAL NUMBER 1 ELECTION OF DIRECTORS

The 13 director nominees presented below are recommended for re-election to the board of directors. Our directors are elected annually by a majority of votes cast. If an incumbent director is not re-elected, the director must promptly offer his or her resignation to the board. The corporate governance committee will recommend to the board whether to accept or reject the resignation, and the board will disclose its decision and the rationale behind it within 90 days from the certification of the election results. If ever there are more director nominees than the number of directors to be elected, the directors will be elected by a plurality of the votes cast. If unforeseen circumstances (such as death or disability) make it necessary for the board of directors to substitute another person for any of the nominees, the proxies will vote your shares for that other person unless you instruct us otherwise when you vote.

Each director is required to demonstrate independence, integrity, experience and sound judgment in areas relevant to our businesses, a proven record of accomplishment, willingness to speak one’s mind and commit sufficient time to the board, appreciation for the long-term interests of stockholders, the ability to challenge and stimulate management and the ability to work well with fellow directors.

Our overall board composition guidelines require expertise in fields relevant to the business of the company and prioritize a breadth of experience from a variety of industries and from professional disciplines such as finance, academia, law and government. As part of each director’s biography, we identify and describe key experiences, qualifications and skills that the director contributes to the board. While each director comes from a unique background, the overall composition of the board includes broad experience in a number of important areas, including:

-

Leadership. We believe that directors who have served as chief executive officers or senior executives are in a position to contribute practical insight into issues of business strategy and operations. They also have access to important sources of market intelligence, analysis and relationships that benefit the company.

-

Industry experience . As a company that relies on the strengths of our branded products, we seek directors who are familiar with the consumer packaged goods industry, have global marketing and retail experience, and who have brand building expertise.

-

Financial expertise. We believe that a strong understanding of finance and financial reporting processes is important for our directors. Our directors have significant capital markets experience, corporate finance expertise and financial reporting backgrounds. Each of our audit committee members is financially literate, and three of our audit committee

members qualify as audit committee financial experts.

-

Public policy experience. Directors with governmental and policymaking experience play an increasingly important role on our board as our business becomes more heavily regulated and as our engagement with stakeholders continues to expand.

-

Global perspective. A significant portion of the company's future growth depends on its success in markets outside of the United States. Directors with a global perspective help us make decisions on our strategic expansion into those markets.

Our guidelines also include a policy of encouraging a diversity of gender, ethnicity, age and geographic location; and a range of tenures on the board to ensure both continuity and fresh perspective. The corporate governance committee periodically evaluates our progress against these guidelines in conjunction with its director search process. Final approval of director nominees is determined by the full board, based on the recommendation of the corporate governance committee.

[Back to Contents](#)

Bradbury H. Anderson

Director since 2007

Bradbury H. Anderson, age 63, served as Vice Chairman of the Board of Best Buy Co., Inc., an electronics retailer, from 2002 until his retirement in 2010. He was also Chief Executive Officer of Best Buy from 2002 until his retirement from that position in 2009. Mr. Anderson joined Best Buy in 1973. Prior to becoming Chief Executive Officer, he served as Executive Vice President from 1986 to 1991 and President and Chief Operating Officer from 1991 to 2002. He is a director of Waste Management, Inc.

Mr. Anderson brings to the board over 30 years of valuable retail expertise, unique consumer insights and brand building experience. He also adds strong leadership capabilities, strategic planning experience and operating expertise. During his tenure at Best Buy, Mr. Anderson helped to build the company from a local electronics retailer into a Fortune 100 company with a very strong branded identity.

R. Kerry Clark

Director since 2009

R. Kerry Clark, age 60, served as Chairman and Chief Executive Officer of Cardinal Health, Inc., a provider of health care products and services, until his retirement in 2009. Mr. Clark joined Cardinal Health in 2006 as President and Chief Executive Officer and became Chairman in 2007. Prior to that, he had held various positions at The Procter & Gamble Company, a consumer products company, since 1974, including President of P&G Asia; President, Global Market Development and Business Operations; and from 2004 to 2006, Vice Chairman of the Board. He is a director of Textron, Inc., Avnet, Inc., and Bausch & Lomb, Incorporated, and he was a director of Cardinal Health, Inc., from 2006 to 2009.

Mr. Clark brings to the board business leadership, corporate strategy and operating expertise, and a strong background in consumer packaged goods. In particular, he has extensive experience in launching new products, brand building, innovation, marketing, customers and sales channels. Mr. Clark also lends a global business perspective, based on his leadership of global business operations at Procter & Gamble.

Paul Danos

Director since 2004

Paul Danos, age 70, has been Dean and Laurence F. Whittemore Professor of Business Administration at Tuck School of Business at Dartmouth College since 1995. Prior to that, Mr. Danos held academic positions at the University of Michigan from 1974 to 1995, the University of Texas from 1971 to 1974 and the University of New Orleans from 1970 to 1971. He is a director of B.J.'s Wholesale Club, Inc.

As a scholar and educator, Mr. Danos brings to the board significant financial accounting expertise and a unique approach to examining issues. Mr. Danos has been involved in several decades of research and scholarship, most recently as a Dean at Dartmouth College and before that as the Arthur Andersen Professor of Accounting at the University of Michigan. Mr. Danos is also actively involved in corporate governance and risk assessment, as a member of the audit committee and the chair of the corporate governance committee at B.J.'s Wholesale Club. He is one of our audit committee's financial experts.

William T. Esrey

Director since 1989

William T. Esrey, age 72, is Chairman of the Board of Spectra Energy Corp., a provider of natural gas infrastructure, and Chairman Emeritus of Sprint Nextel Corporation, a telecommunications company. Mr. Esrey served as Chairman of the Board for Sprint from 1990 to 2003 and Chief Executive Officer from 1985 to 2003. From 2003 until its sale in 2004, Mr. Esrey served as Chairman of Japan Telecom, one of the leaders in the telecommunications industry in Japan.

As a former Chairman of the Board and Chief Executive Officer of Sprint Nextel Corporation, Mr. Esrey brings leadership, strategic planning, mergers and acquisitions and operating experience from a large, diversified company. During his tenure at Sprint, the company developed from a rural telephone company into a multibillion dollar international corporation. Mr. Esrey also served as managing director at the investment banking firm of Dillon Read & Co. and provides the board with significant capital markets and corporate finance expertise. He currently serves as our finance committee chair, and is one of the company's audit committee financial experts.

Raymond V. Gilmartin

Director since 1997

Raymond V. Gilmartin, age 71, is the retired Chairman, President and Chief Executive Officer of Merck & Company, Inc., a pharmaceutical company, and served in that capacity from 1994 to 2005. He served as Special Advisor to the Executive Committee of the Board of Merck from 2005 to 2006. He previously served as Chairman, President and Chief Executive Officer of Becton Dickinson and Company, a medical technology company. Mr. Gilmartin was a Professor at Harvard Business School from 2006 to June 2012 and currently serves as an Executive-in-Residence. Mr. Gilmartin is a director of Microsoft Corporation.

Mr. Gilmartin brings to the board strong leadership, strategic planning capabilities, new product innovation and branding experience, and international operating expertise from his time at Merck. As our independent lead director, he draws on his management and boardroom experiences to foster active discussion and collaboration among the independent directors on the board, and to serve as an effective liaison with management. Mr. Gilmartin also provides direct access to the latest developments and scholarship concerning strategic business planning, based on his faculty position at the Harvard Business School.

[Back to Contents](#)

Judith Richards Hope

Director since 1989

Judith Richards Hope, age 71, has been Distinguished Visitor from Practice and Professor of Law since 2005 and was an Adjunct Professor from 2002 to 2003 at Georgetown University Law Center. Ms. Hope was a partner at the law firm of Paul, Hastings, Janofsky & Walker from 1981 until 2003 and a Senior Advisor to the Paul, Hastings firm from 2004 to 2005. Ms. Hope is a director of Union Pacific Corporation.

Ms. Hope brings considerable legal oversight, risk assessment and policymaking expertise to the board and the public responsibility committee. Ms. Hope's law practice extensively involved clients from regulated industries. She served as Vice Chair of the President's Commission on Organized Crime under President Ronald Reagan and as Associate Director of the White House Domestic Council under President Gerald Ford. Ms. Hope is also the chair of the audit committee at our company and at Union Pacific.

Heidi G. Miller

Director since 1999

Heidi G. Miller, age 59, served as President of JPMorgan International, a division of global financial services firm JPMorgan Chase & Co., from 2010 until her retirement in January 2012. She served as Executive Vice President, ceo, Treasury & Security Services, of JPMorgan Chase from 2004 to 2010. From 2002 to 2004, Ms. Miller served as Executive Vice President and Chief Financial Officer of Bank One Corporation. Previously, she had been Chief Financial Officer of Citigroup Inc. Ms. Miller is a director of The Progressive Corporation.

Ms. Miller's financial expertise, risk management skills and international business background are valuable assets to the board and the finance committee. After earning a doctorate in Latin American History at Yale University, Ms. Miller spent 13 years with the Latin America Division of Chemical Bank, serving most recently as managing director and head of the emerging markets structured finance group. As head of Treasury & Security Services at JPMorgan Chase, she led the successful launch of a variety of new products and the group's global expansion, particularly in Asia. As President of JPMorgan International, she focused on growth in emerging markets and expanding the bank's global corporate bank.

Hilda Ochoa-Brillembourg

Director since 2002

Hilda Ochoa-Brillembourg, age 68, is the founder and has been since 1987 the President and Chief Executive Officer of Strategic Investment Group, an investment advisory firm. From 1976 to 1987, she served in various capacities within the Pension Investment Division of the World Bank, including as its Chief Investment Officer from 1981 to 1987. Prior to joining the World Bank, she served as an independent consultant in the fields of economics and finance, a lecturer at the Universidad Catolica Andres Bello in Venezuela and as treasurer of the C.A. Luz Electricia de Venezuela in Caracas. Ms. Ochoa-Brillembourg is a director of McGraw-Hill Companies and Cementos Pacasmayo SAA.

As President and Chief Executive Officer of the Strategic Investment Group, and as a former Chief Investment Officer for the World Bank, Ms. Ochoa-Brillembourg provides both a public and a private sector perspective on financial markets, financial services, corporate finance and accounting. From these roles, she has experience developing and reviewing risk management processes. She also contributes significant global policymaking and international

experience, based on her service at the World Bank and the David Rockefeller Center for Latin American Studies.

Steve Odland

Director since 2004

Steve Odland, age 53, is an Adjunct Professor in the College of Business and Management at Lynn University. Mr. Odland served as Chairman and Chief Executive Officer of Office Depot, Inc., an office merchandise retailer, from 2005 until 2010. From 2001 to 2005, he was Chairman and Chief Executive Officer of AutoZone, Inc., an auto parts retailer. Prior to that, he served as an executive with Ahold USA, an international food retailer, from 1998 to 2000, and as President of the Foodservice Division of Sara Lee Bakery from 1997 to 1998. He was employed by The Quaker Oats Company from 1981 to 1996.

Based on his tenure as Chairman and Chief Executive Officer at Office Depot and AutoZone, Mr. Odland brings business leadership and strategic planning skills, retail expertise and an operating background to the board. He provides valuable insights into consumer products marketing; brand building; Internet marketing and sales; food service, business-to-business; and international management from his executive roles in the food industry at Ahold, Quaker Oats and Sara Lee. Mr. Odland also lends expertise on corporate financial planning and corporate governance.

[Back to Contents](#)

Kendall J. Powell

Director since 2006

Kendall J. Powell, age 58, is Chairman of the Board and Chief Executive Officer of General Mills. Mr. Powell joined General Mills in 1979 and served in a variety of positions before becoming a Vice President in 1990. He became President of the Yoplait division in 1996, President of the Big G cereal division in 1997, and Senior Vice President of General Mills in 1998. From 1999 to 2004, he served as Chief Executive Officer of Cereal Partners Worldwide (CPW), our joint venture with Nestlé. He returned from CPW in 2004 and was appointed Executive Vice President. Mr. Powell was appointed President and Chief Operating Officer of General Mills with overall global operating responsibility for the company in 2006, Chief Executive Officer in 2007 and Chairman of the Board in 2008. He is a director of Medtronic, Inc.

Mr. Powell's career-long dedication to the company; wide-ranging familiarity with the business; experience with the strategies that drive growth, both in the U.S. and internationally; and his collaborative working style have positioned him well to serve as our Chairman and Chief Executive Officer. Prior to his current role, Mr. Powell served in a number of key marketing and operational roles in the company's U.S. Retail divisions. He also spent eleven years abroad focusing on our international operations, including five years as Chief Executive Officer of CPW.

Michael D. Rose

Director from 1985 to 2000 and since 2004

Michael D. Rose, age 70, served as Chairman of the Board of First Horizon National Corporation, a banking and financial services company, and its subsidiary, First Tennessee Bank National Association, from 2007 until his retirement in January 2012. Since 1998, Mr. Rose has been a private investor and Chairman of Midaro Investments, Inc., a privately held investment firm. He served as Chairman of the Board of Gaylord Entertainment Company from 2001 to 2005. Mr. Rose is also a director of Darden Restaurants, Inc. and Gaylord Entertainment Company.

Based on his service as chairman for a number of public companies, most recently at First Horizon and Gaylord Entertainment, Mr. Rose brings leadership, strategic planning and governance expertise to the board. His knowledge of retail and consumer issues, accumulated over years of leadership roles in consumer service and hospitality companies, has enriched board discussions on marketing and brand building strategies. Mr. Rose is also active in governance and compensation matters. He serves as chair of the compensation committee at our company and has served as chair of the compensation committee at Darden Restaurants.

Robert L. Ryan

Director since 2005

Robert L. Ryan, age 69, served as Senior Vice President and Chief Financial Officer of Medtronic, Inc., a medical technology company, from 1993 until his retirement in 2005. Mr. Ryan was Vice President, Finance, and Chief Financial Officer of Union Texas Petroleum Corp. from 1984 to 1993, Controller from 1983 to 1984 and Treasurer from 1982 to 1983. Prior to 1982, Mr. Ryan was Vice President at Citibank and was a management consultant for McKinsey & Company. Mr. Ryan is a director of Stanley Black & Decker, Inc. and Citigroup Inc. He was a director of UnitedHealth Group from 1996 to 2008, and of Hewlett-Packard Company from 2004 to 2011.

As former Chief Financial Officer at Medtronic and Union Texas Petroleum, Mr. Ryan brings significant audit, financial reporting, corporate finance and risk management experience to the board, including experience overseeing the controller, global audit, tax and treasury functions at these public companies. He has a well developed understanding of the board's role and responsibilities based on his service on other public company boards. He is one of our audit committee financial experts.

Dorothy A. Terrell

Director since 1994

Dorothy A. Terrell, age 67, is the Managing Partner of FirstCap Advisors, a venture capital and advisory services firm that she founded in 2010. She was a limited partner of First Light Capital, a venture capital firm, from 2003 until 2010. Ms. Terrell served as President and Chief Executive Officer of the Initiative for a Competitive Inner City, a non-profit organization focused on inner city business development, from 2005 until 2007, and as Senior Vice President, Worldwide Sales, and President, Platform & Services Group, of NMS Communications, a producer of hardware and software component products for telecommunications applications, from 1998 until 2002. She served in various executive management capacities at Sun Microsystems, Inc. from 1991 to 1997 and Digital Equipment Corporation from 1976 to 1991. Ms. Terrell is a director of Herman Miller, Inc.

During her leadership roles at FirstCap Advisors, First Light and at three premier technology companies, Ms. Terrell helped businesses reach profitability, and she brings a breadth of experience in e-commerce, international marketing, plant management, manufacturing and enterprise risk assessment to the board's strategic discussions. Ms. Terrell's commitment to inner city business development and health care causes has positioned her to be an informed and effective chair for our public responsibility committee.

The board of directors unanimously recommends a vote FOR each director nominee.

[Back to Contents](#)

CORPORATE GOVERNANCE

We have a long-standing commitment to good corporate governance practices. These practices provide an important framework within which our board of directors and management pursue the strategic objectives of General Mills and ensure the company's long-term vitality for the benefit of stockholders. The cornerstone of our practices is an independent and qualified board of directors. All directors are elected annually by a majority of votes cast by stockholders. All board committees are composed entirely of independent directors.

The board carefully evaluates each incoming director candidate based on selection criteria and overall priorities for board composition that are periodically re-examined by the corporate governance committee with input from the rest of the directors. As our directors' commitments change, the board revisits their situations to ensure that they can continue to serve the best interests of the company and its stockholders. We also demand high standards of ethics from our directors and management as described in the director and employee codes of conduct.

Our governance principles are published on our website at [www. generalmills.com](http://www.generalmills.com) in the "Investors" section. We have included some highlights from those principles below:

Board Independence

-

The board believes that a substantial majority of its members should be independent, non-employee directors. The board has established guidelines consistent with the current listing standards of the New York Stock Exchange for determining director independence. You can find these guidelines in our Corporate Governance Principles, which are posted in the Investors section of our website at www.generalmills.com.

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Director affiliations and transactions are regularly reviewed to ensure there are no conflicts or relationships that might impair a director's independence from the company, senior management and our independent registered public accounting firm.

-

The board has reviewed transactions between the company and each of our non-employee directors, their immediate family members and affiliated entities within the last three fiscal years. The board determined that each of these transactions was conducted in the ordinary course of our business and did not create a material relationship between the company and any of the directors involved, according to our independence guidelines.

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Based on this review, the board has affirmatively determined that the following non-employee directors are independent under our guidelines and as defined by New York Stock Exchange listing standards: Bradbury H. Anderson, R. Kerry Clark, Paul Danos, William T. Esrey, Raymond V. Gilmartin, Judith Richards Hope, Heidi G. Miller, Hilda Ochoa-Brillembourg, Steve Odland, Michael D. Rose, Robert L. Ryan and Dorothy A. Terrell. The board has also determined that all board committees are composed entirely of independent, non-employee directors.

Certain Relationships and Related Transactions

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Our board of directors has adopted a written policy for reviewing and approving transactions between the company and its related persons, including directors, director nominees, executive officers, 5% stockholders and their immediate family members or affiliates. The policy applies to:

—

all financial transactions, arrangements or relationships involving over \$100,000;

—

in which the company, or one of its affiliates, is a participant; and

—

in which a related person could have a direct or indirect interest

•

The policy does not apply to certain compensation payments which have been approved by the compensation committee or disclosed in the Proxy Statement; transactions that are available to all other stockholders or employees on the same terms; or transactions with an entity where the related person's interest is only as a director or a less than 10% owner.

•

The board has delegated to our corporate governance committee the authority to review potential or existing transactions. The corporate governance committee will only approve or ratify those transactions that are determined to be consistent with the best interests of the company and its stockholders, and that comply with applicable policies, codes of conduct and legal restrictions.

[Back to Contents](#)

Director Nominations

The corporate governance committee is responsible for recommending candidates for election to our board of directors. For more information on overall board composition guidelines and selection criteria for individual directors, see Proposal Number 1 — Election of Directors. The corporate governance committee also reviews whether a potential candidate meets board and/or committee membership requirements imposed by law, regulation or stock exchange rules; recommends whether a potential candidate is independent and evaluates the potential for any conflict of interest between the director and General Mills.

Director nominees recommended by the corporate governance committee are subject to full board approval and election by stockholders at the annual meeting of stockholders. In October 2010, director nominee Steve Odland entered into a settlement agreement with the Securities and Exchange Commission (the “SEC”) in connection with an administrative order related to alleged non-compliance with SEC Regulation FD while Mr. Odland was the CEO of Office Depot, Inc. Regulation FD requires companies to disclose important information to all investors at the same time. Mr. Odland did not admit any wrongdoing as part of the settlement agreement. In considering Mr. Odland’s nomination, the corporate governance committee and the board of directors reviewed the facts and circumstances related to the SEC proceeding, and concluded that they do not raise any concerns about his ability to serve on the board. Mr. Odland is a valuable director and has demonstrated the highest degree of ethics and integrity while serving on our board of directors.

From time to time, the corporate governance committee retains a search firm to assist in identifying, evaluating and recruiting director candidates, based on specified criteria, and pays the firm a fee for these services. Suggestions also are received from board members and stockholders. Of the 13 directors recommended for election at the 2012 Annual Meeting, all nominees were elected as directors at our 2011 Annual Meeting.

Stockholders who wish to suggest a candidate for our board of directors may submit a written recommendation to the Corporate Secretary, General Mills, Inc., P.O. Box 1113, Minneapolis, Minnesota 55440, along with the stockholder’s name, address and the number of General Mills shares beneficially owned; the name of the individual being recommended and number of General Mills shares beneficially owned by the candidate; the candidate’s biographical information describing experience and qualifications; a description of all agreements, arrangements or understandings between the stockholder and individual being recommended; and the candidate’s consent to serve as a director, if elected. The corporate governance committee may request that the stockholder provide certain additional information. For the board to consider a candidate for nomination at the 2013 Annual Meeting, stockholders should submit the required information to the Corporate Secretary by April 11, 2013.

The corporate governance committee will consider and evaluate stockholder-recommended candidates by applying the same criteria used to evaluate director-recommended candidates. If the corporate governance committee decides the candidate is suitable for board membership, the corporate governance committee will make a recommendation to the board of directors for its approval to include the candidate in the slate of directors nominated for election by stockholders in the Proxy Statement. During fiscal 2012, we received no director recommendations from our stockholders.

Under our By-laws, stockholders may also nominate a candidate for election at an annual meeting of stockholders. Our annual meeting is typically held on the fourth Monday in September. Stockholders who intend to present a nomination at our 2013 Annual Meeting are required to notify the Corporate Secretary in writing and provide the information described in our By-laws no earlier than May 27, 2013 and no later than June 26, 2013. Director nominees submitted through this process will be eligible for election at the 2013 Annual Meeting, but will not be included in proxy materials sent to stockholders prior to the meeting.

Board Leadership

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The Chairman of the Board leads the board and oversees board meetings and the delivery of information necessary for the board's informed decision-making. The Chairman also serves as the principal liaison between the board and our management.

•

The board determines whether the role of the Chairman and the Chief Executive Officer should be separated or combined based on its judgment as to the structure that best serves the interests of the company. Currently, the board believes that the positions of Chairman and Chief Executive Officer should be held by the same person as this combination has served and is serving the company well by providing unified leadership and direction.

•

When the Chairman and Chief Executive Officer roles are combined, an independent director serves as lead director and:

—

presides at all board meetings at which the Chairman is not present, including executive sessions of the non-employee directors;

—

serves as a liaison between the Chairman and the non-employee directors;

—

approves board meeting agendas and consults with the Chairman on information provided to the board;

—

approves meeting schedules to assure that there is sufficient time for discussions;

[Back to Contents](#)

—
calls meetings of the non-employee directors and sets agendas for executive sessions; and

—
serves as board representative for consultation and direct communication with major stockholders on issues that the board determines may not be addressed by the Chairman or other board designees and as otherwise deemed appropriate by the board.

Raymond V. Gilmartin currently serves as the lead director.

The Board's Role in Succession Planning

Each year, the board reviews and discusses our management development and succession plans. This review includes an assessment of senior executives and their potential as successor to the Chief Executive Officer. The board has adopted procedures to elect a successor in the event of the Chief Executive Officer's sudden departure.

The Board's Role in Risk Management

Enterprise Risk Management

The board believes that effective enterprise risk management must be an integral part of board and committee deliberations throughout the year.

- The audit committee annually reviews the company's enterprise risk management process and the comprehensive assessment of key financial, operational and regulatory risks identified by management, as well as mitigating practices. The audit committee then discusses the process and results with the full board.

- In addition, the board discusses risks related to the company's annual financial plan at the beginning of each fiscal year, its business strategy at the board's annual strategic planning meeting and other topics as appropriate.

- Each committee conducts its own risk assessment and risk management activities throughout the year, some of which are highlighted under Board Committees and Their Functions, and reports its conclusions to the board.

- The board also encourages management to promote a corporate culture that integrates risk management into the company's corporate strategy and day-to-day business operations in a way that is consistent with the company's targeted risk profile.

Through these processes, the board oversees a system to identify, assess and address material risks to the company on a timely basis.

Compensation Risk Assessment

Management periodically reviews a risk assessment of the company's employee compensation policies and practices, including those that apply to our executive officers, with the assistance of Frederic W. Cook & Co., Inc., the compensation committee's independent consultant.

The risk assessment begins with a mapping of the company's incentive programs, by employee type and level as well as across business units. Management then analyzes the likelihood and magnitude of potential risks, focusing on program elements that may create risk, including pay mix, performance metrics, performance goals and payout curves, payment timing and adjustments, terms of equity incentives, change in control and severance arrangements, sufficiency of stock ownership policies, governance of compensation decisions and enterprise risks that may be created by compensation policies and practices. Management also considers our practices that mitigate risk.

Management discusses the findings of the risk assessment with the compensation committee. Based on the assessment, we have concluded that our compensation policies and practices are aligned with the interests of stockholders, appropriately reward pay for performance and do not create risks that are reasonably likely to have a material adverse effect on the company.

[Back to Contents](#)

Board Committees and Their Functions

The board has five standing committees that are each composed entirely of independent directors. The corporate governance committee reviews committee and committee chair assignments annually, and recommends committee rosters to the full board after considering factors such as the directors' business and corporate governance experience, their preferences, criteria for specific committee service, the directors' other responsibilities and scheduling flexibility. Assignments are rotated to ensure that each committee has an appropriate mix of tenure and experience. Committee membership shown below is as of August 1, 2012:

	Corporate			Public	
	Audit Committee	Compensation Committee	Governance Committee	Finance Committee	Responsibility Committee
Bradbury H. Anderson					
R. Kerry Clark					
Paul Danos					
William T. Esrey					
Raymond V. Gilmartin					
Judith Richards Hope					
Heidi G. Miller					
Hilda Ochoa-Brillembourg					
Steve Odland					
Michael D. Rose					
Robert L. Ryan					
Dorothy A. Terrell					

Chairperson Member Financial Expert

Audit Committee

Number of meetings in fiscal 2012: Seven

Functions:

-

Oversees integrity, adequacy and effectiveness of internal controls, audits, and financial reporting processes;

-

Assesses and ensures the independence, qualifications and performance of our independent registered public accounting firm, selects the independent registered public accounting firm for the annual audit and approves the

independent registered public accounting firm's services and fees;

•

Meets with the independent registered public accounting firm, without management present, to consult with it and review the scope of its audit;

•

Oversees the company's ethics and compliance program to ensure compliance with applicable laws, corporate policies and the company's Employee Code of Conduct;

•

Reviews and discusses with management the company's annual risk assessment and the enterprise risk management processes, policies and guidelines for identifying, assessing and managing key financial and operational risks;

•

Reviews and approves our annual audited financial statements before issuance, subject to the board of directors' approval; and

•

Reviews the performance of the internal audit function.

Financial Experts:

The board of directors has unanimously determined that (i) all audit committee members are financially literate under the New York Stock Exchange listing standards and (ii) Mr. Danos, Mr. Esrey and Mr. Ryan qualify as "audit committee financial experts" within the meaning of SEC regulations and have accounting or related financial management expertise as required by the New York Stock Exchange listing standards. Each member also meets the independence standards for audit committee membership under the rules of the SEC.

[Back to Contents](#)

Compensation Committee

Number of meetings in fiscal 2012: Five

Functions:

-

Reviews compensation policies for executive officers and employees to ensure they provide appropriate motivation for corporate performance and increased stockholder value;

-

Conducts performance reviews of the Chief Executive Officer;

-

Recommends compensation and equity awards for the Chief Executive Officer and approves them for other senior executives;

-

Recommends the compensation and equity awards for the non-employee directors;

-

Reviews and discusses with management an annual risk assessment of the compensation policies for executive officers and employees; and

-

Reviews and discusses with management the Compensation Discussion and Analysis and recommends its inclusion in the Proxy Statement.

Corporate Governance Committee

Number of meetings in fiscal 2012: Four

Functions:

-

Monitors and recommends changes in the organization and procedures of the board, including committee appointments and corporate governance policies;

-

Develops policy on composition, participation and size of the board as well as tenure and retirement of directors;

-

Recommends candidates for election to the board and evaluates continuing service of incumbent directors;

-

Oversees the board self-evaluation process; and

-

Reviews and approves transactions between General Mills and related persons.

Finance Committee

Number of meetings in fiscal 2012: Four

Functions:

-

Reviews financial policies and performance objectives, including dividend policy;

-

Reviews changes in our capital structure, including debt issuances, common stock sales, share repurchases and stock splits;

-

Reviews the annual business plan and related financing implications; and

-

Reviews financial risk management strategies, including the use of derivatives.

Public Responsibility Committee

Number of meetings in fiscal 2012: Three

Functions:

-

Reviews public policy issues and social trends affecting General Mills;

-

Monitors our corporate citizenship activities and sustainability programs;

-

Evaluates our policies in the context of emerging corporate social responsibility issues; and

-

Reviews our policies governing political contributions and our record of contributions.

A copy of each committee's charter may be found on our website at www.generalmills.com in the "Investors" section under "Corporate Governance."

[Back to Contents](#)

Director Attendance

Directors are expected to attend all board and committee meetings, as well as the annual meetings of stockholders, absent exigent circumstances. All but one of our 13 directors in office at the time attended the 2011 Annual Meeting of Stockholders. During fiscal 2012, the board of directors met eight times and various committees of the board met a total of 23 times. All directors attended at least 75% of the aggregate total meetings of the board and board committees on which they served during fiscal 2012.

Determining Executive Compensation

Shortly after the end of each fiscal year, the compensation committee reviews and approves compensation for our executive officers, with a view to incenting the achievement of superior financial results and appropriately aligning pay and performance. The timing allows the compensation committee to consider financial results for the most recent fiscal year as it makes compensation decisions and sets performance targets for the upcoming fiscal year. The committee approves changes to each component of executive officer compensation, including merit increases to base salary, annual incentive awards for the prior fiscal year's performance, long-term incentive equity awards, and parameters for the next fiscal year's awards. For the Chief Executive Officer, the board reviews and approves the committee's recommendations.

Fredric W. Cook & Co., Inc., the committee's independent compensation consultant, and management play integral roles in the compensation-setting process. The independent compensation consultant advises the compensation committee on director and executive compensation, but performs no other services for General Mills. The compensation committee actively works with the independent compensation consultant to formulate compensation decisions for our Chief Executive Officer. Management, with the oversight of the independent compensation consultant, makes recommendations to the committee for the rest of the executive officers.

Management's and the consultant's recommendations are accompanied by competitive market data from the consumer packaged goods industry peer group. The independent compensation consultant periodically conducts a detailed review of the consumer packaged goods industry peer group, including benchmarking on pay philosophies, compensation elements and incentive mix. The consultant also performs internal equity comparisons to support the compensation committee's review process.

The compensation committee bases its decisions on corporate performance as measured by our incentive programs; the board's evaluation of the Chief Executive Officer's performance against the fiscal year's objectives; and the recommendations of the Chief Executive Officer for the other executive officers. The committee also uses tally sheets to evaluate proposed pay actions for each executive officer in the context of their overall compensation, including actual and projected annual compensation and benefits, fiscal year stock gains, five-year cumulative total gross earnings, accumulated stock award values, retirement balances and termination benefits. The committee considers the results of the most recent stockholder say-on-pay vote in deciding whether changes to the executive compensation program are needed going forward.

As mentioned previously, the compensation committee considers results of a performance assessment for the Chief Executive Officer that includes input from all independent non-employee directors. In an executive session, the chair of the compensation committee leads independent non-employee directors through a review of the Chief Executive Officer's annual accomplishments, review and approval of compensation actions recommended by the compensation committee and review of performance objectives for the next fiscal year. Following the executive session, the chair of the compensation committee communicates the results of the evaluation to the Chief Executive Officer.

A representative of the independent compensation consultant attends compensation committee meetings from time to time to serve as a resource for the committee. In order to encourage independent review and discussion of executive compensation matters, the compensation committee and the committee chair may request meetings with the independent compensation consultant in executive session without management present.

The compensation committee has sole authority to retain or replace the independent compensation consultant. In order to maintain consultant independence, compensation committee pre-approval is required for all services performed by the independent compensation consultant.

[Back to Contents](#)

Codes of Conduct for Directors and Employees

We have adopted a code of conduct applicable to all employees, including our principal executive officer, principal financial officer and principal accounting officer, and a code of conduct applicable to our directors. The codes of conduct are available on our website at www.generalmills.com.

The audit committee of the board of directors has established procedures for employees, stockholders, vendors and others to communicate concerns about our ethical conduct or business practices, including accounting, internal controls or financial reporting issues, to the audit committee, which has responsibility for these matters.

Communications with the Board

Interested parties may directly contact any of our directors, any committee of the board, the board's non-employee directors as a group, the lead director, or the board generally, by writing to them at General Mills, Inc., P.O. Box 1113, Minneapolis, Minnesota 55440 or via e-mail at boardofdirectors@genmills.com. The board of directors has instructed the Corporate Secretary to distribute communications to the director or directors, after ascertaining whether the communications are appropriate to duties and responsibilities of the board. The board has requested that the Corporate Secretary not forward the following types of communications: general surveys and mailings to solicit business or advertise products; job applications or resumes; product inquiries or complaints; new product suggestions; or any material that is threatening, illegal or does not relate to the responsibilities of the board.

DIRECTOR COMPENSATION

We structure director compensation to attract and retain qualified non-employee directors and to further align the interests of directors with the interests of stockholders.

Determining Director Compensation. The compensation committee periodically reviews surveys of non-employee director compensation trends and a competitive analysis of peer company practices prepared by the independent compensation consultant. The committee makes recommendations to the board of directors on compensation for our non-employee directors, including their retainers and annual equity awards. Each component of director compensation is described below.

Annual Retainer. Non-employee directors each receive an annual retainer of \$75,000. The chair of the audit committee receives an additional \$15,000, chairs of other committees receive an additional \$10,000, and other audit committee members receive an additional \$5,000. We do not pay any additional fees for attending or chairing a meeting. We pay annual retainers in quarterly installments. Directors can elect to have their retainers paid in cash and/or common stock.

Stock Ownership Policy. A substantial portion of director compensation is linked to our stock performance, and directors can elect to receive their entire board remuneration in stock and stock-related compensation. Our policy requires that directors keep all of the shares that they receive as compensation until they own shares equal in market value to at least five-times their annual retainer. As of July 26, 2012, all non-employee directors had met or exceeded these stock ownership requirements.

Recent Developments for Equity Awards. Beginning in fiscal 2013, the non-employee directors' equity awards will be delivered entirely in restricted stock units, and they will no longer receive any stock options. Given our emphasis on

director stock ownership, and the annual term of their board service, we believe that restricted stock units are an appropriate incentive vehicle for non-employee directors. This new policy was recommended by the independent compensation consultant and is consistent with practices across our compensation peer group.

Restricted Stock Units. Since fiscal 2008, upon attending his or her first board meeting and at each re-election, each non-employee director received restricted stock units with an approximate value of \$90,000. Beginning in fiscal 2013, each non-employee director will receive approximately \$180,000 in restricted stock units, but no stock options, upon attending his or her first board meeting and at each re-election (See Recent Developments for Equity Awards). The number of restricted stock units is determined based on the closing price of our common stock on the New York Stock Exchange on the date of the grant. Restricted stock units are granted under the 2011 Compensation Plan for Non-Employee Directors. The restricted stock units vest at the next annual meeting of stockholders. Directors who leave the board prior to vesting forfeit their restricted stock units. In the event an active director dies, his or her restricted stock units fully vest. Restricted stock units earn amounts equivalent to the regular dividend payments on our common stock. These amounts can be reinvested in additional stock units or paid to the director. Dividend equivalents will be distributed only to the extent the underlying restricted stock units vest.

[Back to Contents](#)

Stock Options. Since fiscal 2008, upon attending his or her first board meeting and at each re-election, each non-employee director received stock options to purchase a certain number of shares for every restricted stock unit that the director received. In fiscal 2012, each director received five stock options for every restricted stock unit received, with the intent that 50% of the value of his or her equity award was delivered in stock options, and 50% of the value was delivered in restricted stock units. Beginning in fiscal 2013, non-employee directors will no longer receive stock options (See Recent Developments for Equity Awards). Options were granted under the 2011 Compensation Plan for Non-Employee Directors. The exercise price is equal to the closing price of our common stock on the New York Stock Exchange on the date of grant. The options become exercisable at the next annual meeting of stockholders and expire 10 years after grant. Directors who leave the board prior to vesting forfeit their unvested options. In the event an active director dies, the options fully vest and remain exercisable by the directors' estate for the remainder of the option's full term.

Deferred Compensation. Non-employee directors may defer their retainers and restricted stock units. We credit any deferred cash retainers with earnings based on a director's selection from a group of funds offered to employees participating in our Deferred Compensation Plan. One of these funds tracks the return on our common stock. Earnings credited are not above-market or preferential. The value of deferred retainers paid in shares of our common stock and deferred restricted stock units tracks our common stock performance.

Other Benefits. We have a Planned Gift Program for Directors (the "Planned Gift Program") that has been discontinued for all directors elected after fiscal 2006. The Planned Gift Program is funded by General Mills-paid life insurance policies on each participating director. Upon the death of a participating director, we donate \$1 million to a qualifying charity recommended by the director, and we receive the entire charitable deduction. We then receive the life insurance proceeds. We have calculated the change in the accrued liability for the benefit in fiscal 2012 and included it under footnote 4, All Other Compensation.

The General Mills Foundation matches charitable contributions made by directors of up to \$15,000 in each calendar year to eligible colleges, secondary and elementary schools, and up to \$15,000 to eligible art and cultural organizations. These matching charitable contributions are included under footnote 4, All Other Compensation.

The fiscal 2012 compensation of our non-employee directors is shown in the following table.

Director Compensation For Fiscal 2012

Name	Fees Earned			All Other Compensation ⁽⁴⁾	Total
	or Paid in Cash ⁽¹⁾	Stock Awards ⁽²⁾	Option Awards ⁽³⁾		
	(\$)	(\$)	(\$)	(\$)	(\$)
Bradbury H. Anderson	75,000	90,014	62,119	—	227,133
R. Kerry Clark	80,000	90,014	62,119	18,000	250,133
Paul Danos	80,000	90,014	62,119	30,422	262,555
William T. Esrey	90,000	90,014	62,119	50,147	292,280
Raymond V. Gilmartin	85,000	90,014	62,119	41,279	278,412
Judith Richards Hope	90,000	90,014	62,119	34,791	276,924

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Heidi G. Miller	75,000	90,014	62,119	15,260	242,393
Hilda Ochoa-Brillembourg	75,000	90,014	62,119	36,729	263,862
Steve Odland	75,000	90,014	62,119	23,429	250,562
Michael D. Rose	85,000	90,014	62,119	52,922	290,055
Robert L. Ryan	80,000	90,014	62,119	39,574	271,707
Dorothy A. Terrell	85,000	90,014	62,119	38,464	275,597

(1) Includes the annual retainer and additional fees for directors who chair a board committee or who serve on the audit committee.

(2) Includes the grant date fair value for 2,280 restricted stock units granted to each director upon re-election in fiscal 2012, calculated in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 (“FASB ASC Topic 718”). For fiscal 2012, assumptions used to calculate these amounts are factored into Note 11 “Stock Plans” to the audited financial statements included in our annual report on Form 10-K for the fiscal year ended May 27, 2012.

The grant date fair value is based on \$39.48 per share, the closing price of our common stock on the New York Stock Exchange on the grant date, September 26, 2011.

At fiscal year end, each non-employee director held 2,280 restricted stock units, except for Mr. Anderson, Mr. Danos, Ms. Hope, Ms. Miller, Ms. Ochoa-Brillembourg and Mr. Odland, who each reinvested their dividends and held 2,334 restricted stock units.

[Back to Contents](#)

(3) Includes the grant date fair value for 11,398 stock options granted to each director upon re-election in fiscal 2012, calculated in accordance with FASB ASC Topic 718. For fiscal 2012, assumptions used to calculate these amounts are factored into Note 11 “Stock Plans” to the audited financial statements included in our annual report on Form 10-K for the fiscal year ended May 27, 2012.

The grant date fair value is based on a Black-Scholes model valuation of \$5.45 per share. The following assumptions were used in the calculation: expected term of 8.5 years; dividend yield of 3.2% annually; a risk-free interest rate of 1.9%; and expected price volatility of 17.6%.

At fiscal year end, the total number of stock options held by each non-employee director was as follows: Mr. Anderson 71,686; Mr. Clark 55,642; Mr. Danos 131,686; Mr. Esrey 171,686; Mr. Gilmartin 171,686; Ms. Hope 151,686; Ms. Miller 151,686; Ms. Ochoa-Brillembourg 171,686; Mr. Odland 131,686; Mr. Rose 151,686; Mr. Ryan 71,686; and Ms. Terrell 51,686.

(4) All Other Compensation includes:

ALL OTHER COMPENSATION

Name	Planned Gift	Charitable	Total
	Program ⁽⁵⁾	Matching Gifts	
	(\$)	(\$)	(\$)
B. H. Anderson	—	—	—
R. K. Clark	—	18,000	18,000
P. Danos	25,422	5,000	30,422
W. T. Esrey	27,147	23,000	50,147
R. V. Gilmartin	26,279	15,000	41,279
J. R. Hope	24,888	9,903	34,791
H. G. Miller	15,260	—	15,260
H. Ochoa-Brillembourg	21,729	15,000	36,729
S. Odland	13,429	10,000	23,429
M. D. Rose	25,422	27,500	52,922
R. L. Ryan	24,574	15,000	39,574
D. A. Terrell	20,964	17,500	38,464

(5) Includes interest cost recognized in fiscal 2012 in connection with the Planned Gift Program. Calculations assume 5.35% discount rate at the end of fiscal 2012; benefit payment immediately upon death; and mortality rates based on the 2012 IRS Static Annuitant Mortality Table.

[Back to Contents](#)**OWNERSHIP OF GENERAL MILLS COMMON STOCK BY DIRECTORS, OFFICERS AND CERTAIN BENEFICIAL OWNERS**

The following table shows the amount of General Mills common stock beneficially owned by (a) each director and director nominee, (b) each named executive officer listed in the Summary Compensation Table, (c) all directors, director nominees and executive officers as a group and (d) each person or group owning more than 5% of our outstanding shares on the dates indicated. Unless otherwise noted, all amounts are as of July 26, 2012, and the stockholders listed in the table have sole voting and investment power with respect to the shares owned by them.

Amount and Nature of Beneficial Ownership

Name of Beneficial Owner	Shares⁽¹⁾	Exercisable Options⁽²⁾	Percent of Class
B. H. Anderson	22,201 ⁽³⁾	71,686	*
R. K. Clark	11,606	55,642	*
P. Danos	15,406 ⁽⁴⁾	131,686	*
W.T. Esrey	91,432	171,686	*
I.R. Friendly	210,479 ⁽⁵⁾	748,976	*
R.V. Gilmartin	94,019	171,686	*
J.R. Hope	64,476	131,686	*
H.G. Miller	32,198	151,686	*
D.L. Mulligan	72,453 ⁽⁶⁾	346,666	*
H. Ochoa-Brillembourg	25,817	171,686	*
S. Odland	20,665	131,686	*
C.D. O'Leary	104,397	863,076	*
R.A. Palmore	63,404	112,776	*
K.J. Powell	340,367	1,510,726	*
M.D. Rose	61,573 ⁽⁷⁾	151,686	*
R.L. Ryan	16,890	71,686	*
D.A. Terrell	45,559	51,686	*
All directors, nominees and executive officers as a group (24 persons)	1,895,760 ⁽⁸⁾	7,465,980	1.4
BlackRock, Inc.	39,211,370 ⁽⁹⁾	—	6.1
State Street Corporation	41,157,510 ⁽¹⁰⁾	—	6.4

* Indicates ownership of less than 1% of the total outstanding shares.

(1) Includes:

•

Shares of our common stock directly owned;

- Shares of our common stock allocated to participant accounts under our 401(k) Plan;

- Restricted stock units that vest within 60 days of July 26, 2012, as to which the beneficial owner currently has no voting or investment power: 2,280 restricted stock units for each non-employee director, except for Mr. Anderson, Mr. Danos, Ms. Hope, Ms. Miller, Ms. Ochoa-Brillembourg and Mr. Odland, who each reinvested their dividends and held 2,334 restricted stock units; and 27,683 restricted stock units for all directors, nominees and executive officers as a group; and

- Stock units that have vested and been deferred, as to which the beneficial owner currently has no voting or investment power: 5,812 units for Mr. Anderson; 6,752 units for Mr. Clark; 11,072 units for Mr. Danos; 22,588 units for Mr. Esrey; 139,664 units for Mr. Friendly; 20,713 units for Mr. Gilmartin; 53,574 units for Ms. Hope; 14,553 units for Ms. Miller; 23,483 units for Ms. Ochoa-Brillembourg; 18,331 units for Mr. Odland; 12,753 units for Mr. Rose; 13,560 units for Mr. Ryan; 36,799 units for Ms. Terrell; and 535,916 units for all directors, nominees and executive officers as a group.

(2) Includes options that were exercisable on July 26, 2012 and options that become exercisable within 60 days of July 26, 2012.

(3) Includes 2,800 shares held in individual trusts by either Mr. Anderson or his spouse, for which they serve as trustees.

(4) Includes 2,000 shares owned jointly by Mr. Danos and his spouse.

(5) Includes 2,256 shares held in custodial accounts for Mr. Friendly's minor children and 16,238 shares held in a trust for the benefit of Mr. Friendly's spouse and minor children. Mr. Friendly's spouse serves as trustee of the trust.

(6) Includes 68,758 shares owned jointly by Mr. Mulligan and his spouse.

(7) Includes 13,042 shares held in a grantor trust.

(8) Includes 304,910 shares held solely by, jointly by, or in trust for the benefit of family members.

(9) Based on information contained in a Schedule 13G/A that BlackRock, Inc. and its subsidiaries ("BlackRock"), at 40 East 52nd Street, New York, New York 10022, filed with the SEC on February 13, 2012. The filing indicated that as of December 30, 2011, BlackRock had sole investment power and sole voting power over all of these shares.

(10) Based on information contained in a Schedule 13G filed by State Street Corporation and its subsidiaries ("State Street"), at State Street Financial Center, One Lincoln Street, Boston, Massachusetts 02111, with the SEC on February 9, 2012. The filing indicated that as of December 31, 2011, State Street had shared investment power and shared voting power over all of these shares.

[Back to Contents](#)

Section 16(a) Beneficial Ownership Reporting Compliance

Based on a review of reports filed with the SEC by our directors and executive officers regarding their ownership and transactions in our common stock and written representations from those directors and officers, we believe that each director and executive officer has filed timely reports under Section 16(a) of the Securities Exchange Act of 1934 during fiscal 2012.

PROPOSAL NUMBER 2 ADVISORY VOTE ON EXECUTIVE COMPENSATION

The company provides its stockholders with an annual advisory vote on the compensation of its named executive officers, pursuant to Section 14A of the Securities Exchange Act of 1934. At the 2011 Annual Meeting, more than 94% of the votes cast supported our executive compensation program. Our compensation committee reviewed the results of the advisory vote, and also considered feedback from some of our largest investors, who expressed no significant concerns about our executive compensation policies and practices. The committee determined that last year's vote demonstrates strong investor support for our current executive compensation program and made no changes to our program as a result. Consistent with our stockholders' preference and prevailing investor demand, we expect to hold an advisory vote on executive compensation every year. This year, we are asking stockholders to approve the following resolution:

RESOLVED, That the stockholders approve the compensation paid to the company's named executive officers, as disclosed in the Compensation Discussion and Analysis section, and the compensation tables and related narrative in the Executive Compensation section, of the Proxy Statement for the 2012 Annual Meeting of Stockholders.

General Mills' guiding compensation philosophy is to maintain programs that will attract, motivate, reward and retain competitively superior leaders who are able to consistently achieve top tier corporate performance and total stockholder return. The compensation committee bases its executive compensation decisions on the following core principles:

- **Pay is performance based:** Executive compensation at General Mills is tightly linked to company performance. As executives assume greater responsibility, a larger portion of their total compensation becomes dependent on company, business unit, and individual performance. Base salaries are targeted at or below the median of salaries paid by U.S. companies in the consumer packaged goods industry peer group. Annual and long-term incentive programs are designed to build to a total compensation package that will vary from lower quartile positioning for lower quartile performance to upper quartile positioning for upper quartile performance relative to the industry peer group.

- **Compensation opportunities must be competitive:** Competition for management talent in the food and consumer packaged goods industry is consistently intense. To ensure that executive compensation at General Mills remains competitive, the compensation committee, with the assistance of management and the independent compensation consultant, monitors the compensation practices of peer food and consumer packaged goods companies, as well as those of a broader group of leading industrial companies.

We believe that the company's long-standing executive compensation programs have been effective at incenting the achievement of superior results, appropriately aligning pay and performance, creating an ownership culture in which

company managers think and act like stockholders, and in enabling General Mills to attract and retain some of the most talented executives in the global consumer packaged goods industry. Stockholders are encouraged to read the Compensation Discussion and Analysis section of this Proxy Statement for a more detailed discussion of how the company's compensation programs reflect our overarching compensation philosophy and core principles.

The advisory vote will not be binding on the compensation committee or the board of directors. However, they will carefully consider the outcome of the vote and take into consideration any specific concerns raised by investors when determining future compensation arrangements.

The board of directors unanimously recommends a vote FOR the resolution approving, on an advisory basis, the compensation of our named executive officers.

[Back to Contents](#)

EXECUTIVE COMPENSATION

Compensation Committee Report

The compensation committee of the company has reviewed and discussed the following Compensation Discussion and Analysis with management and, based on such review and discussions, the compensation committee recommended to the board that the Compensation Discussion and Analysis be included in this Proxy Statement and in our annual report on Form 10-K for the fiscal year ended May 27, 2012.

SUBMITTED BY THE COMPENSATION COMMITTEE

Michael D. Rose, Chair

Bradbury H. Anderson

R. Kerry Clark

Raymond V. Gilmartin

Compensation Discussion and Analysis

Executive Summary of Fiscal 2012 Company Performance and Compensation Actions

General Mills strives to achieve financial performance that consistently ranks in the top tier of results from our consumer packaged goods industry peer group, and to deliver superior returns to our stockholders in terms of stock price appreciation and dividends. Our consumer packaged goods industry peer group is described on page 24. Our research indicates that food companies in our industry peer group with the highest five-year total stockholder return are those with the most consistent performance in terms of sales growth, profit growth, and improvement in return on average total capital. As a result, since fiscal 2006, we have measured our financial performance, and calculated our pay-for-performance incentive compensation, using these Corporate Performance Measures.

Since we adopted the Corporate Performance Measures, we have met or exceeded our targets for long-term growth. Our net sales have grown at a 6% compound annual rate. Our segment operating profit has grown despite the highest rates of input cost inflation in three decades, compounding at 5% per year, and our adjusted diluted earnings per share has increased at a 10% compound annual rate. In order to ensure that our ongoing performance is evaluated in a manner that reflects the year-over-year growth in underlying results, these performance results reflect adjustments for certain items affecting comparability as described in Appendix A.

We continue to deliver competitive returns to our stockholders. Total return to General Mills stockholders in fiscal 2012, including stock price performance and reinvested dividends, was 3%. This was below the 6% one-year median return for our consumer packaged goods industry peer group, but exceeded the 1% one-year median return for the S&P 500 stock index. Over the past three fiscal years, General Mills' compound annual stockholder return was 19%. This was comparable to the 18% three-year median return for our consumer packaged goods industry peer group, and exceeded the 15% three-year median return for the S&P 500 Index.

Annual stockholder returns include our long-standing dividend payment record. Over the past five years, which was a challenging period for the capital markets overall, General Mills dividends per share increased at an 11% compound annual rate. The company's dividend yield has averaged roughly 3% over this same period. General Mills has one of the longest dividend histories in corporate America. The company and its predecessor firm have paid stockholder dividends without interruption or reduction for 113 years.

Fiscal 2012 presented a challenging operating environment for all food manufacturers. Despite strong sales growth for our international and bakeries and foodservice segments, very high input cost inflation (10% for General Mills) required significant consumer price increases in the U.S. to partially offset the resulting margin erosion. Value conscious consumers, already stressed by the recession and high unemployment, responded to higher food prices by reducing their purchases or shifting to lower cost options. This combination of high input cost inflation, higher prices and a value oriented consumer resulted in profit and earnings per share growth that was below long-term expectations for our business.

In this environment, we maintained focus on our core strategies of brand building investment, international expansion, customer partnerships, new product innovation and holistic margin management initiatives, and we continued to invest for future growth. We took strategic actions that increased our worldwide sales base and strengthened our portfolio. In particular, we increased advertising and media investment on our base business, we sustained a high level of new-product activity worldwide, and we made several acquisitions that expand our participation in fast-growing food categories and emerging markets.

[Back to Contents](#)

However, our fiscal 2012 financial performance fell below the median performance range established at the start of the year for most of our Corporate Performance Measures. Performance results included: 3% adjusted earnings per share growth, 4% net sales growth, 2% segment operating profit growth, and a 100 basis point decline in return on average total capital. These financial results reflect largely on-target results in our international and bakeries and foodservice segments, and a difficult year for the U.S. retail segment. In order to ensure that our ongoing performance is evaluated in a manner that reflects the year-over-year growth in underlying results, these fiscal 2012 performance results reflect adjustments for certain items affecting comparability as described on page 27.

The compensation committee believes that the company's long-standing executive compensation programs have been effective at incenting the achievement of superior results, appropriately aligning pay and performance, creating an ownership culture in which company managers think and act like stockholders, and enabling General Mills to attract and retain some of the most talented executives in the global consumer packaged goods industry.

The compensation committee and board of directors, with counsel from their independent compensation consultant Frederic W. Cook & Co., Inc., took the following actions in fiscal 2012:

-

Performance-based (at risk) compensation was lower than last year. Consistent with our pay-for-performance philosophy, the annual incentive payouts and long-term incentive awards granted to the named executive officers for fiscal 2012 performance were well below the median range of potential payout opportunity due to financial performance that fell below the median performance range established for our Corporate Performance Measures. While competitive and aligned with fiscal 2012 results, this performance-based compensation was appropriately lower than last year and significantly lower than fiscal 2010 when the company had superior performance.

The tables below outline the year-over-year change in performance-based (at risk) compensation earned by our CEO:

YEAR-OVER-YEAR CHANGE IN CEO ANNUAL INCENTIVE AWARDS

Fiscal Year	Annual Incentive –		Total Incentive Earned	FY vs FY (%) change	FY12 vs FY10 (%) change
	Annual Incentive – Cash Portion	Restricted Stock Unit Match Portion			
2012	1,639,225	442,591	2,081,816	-5%	-22%
2011	1,695,135	498,370	2,193,505	-17%	
2010	1,926,622	728,263	2,654,885		

YEAR-OVER-YEAR CHANGE IN CEO LONG-TERM STOCK AWARDS

Fiscal Year	Restricted Stock Units Earned	Stock Options Earned (# of shares)	FY vs FY (%) change	FY12 vs FY10 (%) change

	(# of shares)			
2012	64,050	320,249	-11%	-29%
2011	76,051	357,525	-20%	
2010	91,468	457,340		

Base salaries increased, but are still conservative relative to compensation peer group. At the beginning of fiscal 2012, base salaries for named executive officers were increased as a part of the annual merit increase cycle for all salaried employees. Even with these increases, the base salaries of our named executive officers are positioned at or below the market median for our compensation peer group.

The table below outlines the year-over-year change in base salary for our Chief Executive Officer. Note that for Mr. Powell, at the end of fiscal 2010, the Board of Directors made the decision in consultation with the independent consultant from Frederic W. Cook & Co., Inc. to increase his base salary in recognition of his personal performance and to bring it to a more competitive level versus the compensation peer group.

YEAR-OVER-YEAR CHANGE IN CEO BASE SALARY

Fiscal Year	Base Salary		FY12 vs FY10
	Earned (\$)	FY vs FY (% change)	(% change)
2012	1,108,333	+5%	+14%
2011	1,059,883	+9%	
2010	973,042		

[Back to Contents](#)

Total direct compensation (performance-based compensation plus base salary) was between 25th percentile and median of the compensation peer group, consistent with performance.

The table below outlines the year-over-year change in total direct compensation for our Chief Executive Officer:

YEAR-OVER-YEAR CHANGE IN CEO TOTAL DIRECT COMPENSATION

Fiscal Year	Value of Stock		Value of Option	Annual Incentive - Cash Portion	Total Direct Compensation Earned for Fiscal Year	FY vs FY (%) change	FY12 vs FY10 (%) change
	Base Salary Earned	Awards Earned for Fiscal Year	Awards Earned for Fiscal Year				
2012	1,108,333	2,886,124	1,168,909	1,639,225	6,802,591	-17%	-32%
2011	1,059,883	3,334,067	2,105,822	1,695,135	8,194,907	-19%	
2010	973,042	4,149,193	3,027,591	1,926,622	10,076,448		

Key Highlights and Policies of Our Executive Compensation Program:

94.5% stockholder support for our executive compensation program. At the 2011 Annual Meeting, more than 94% of the votes cast supported our executive compensation program. Our compensation committee reviewed the results of the advisory vote, and also considered feedback from some of our largest investors, who expressed no significant concerns about our executive compensation policies and practices. The committee determined that last year's vote demonstrates strong investor support for our current executive compensation program and made no changes to our program as a result.

Independent compensation committee consultant engagement. The compensation committee has a policy for engaging the committee's independent compensation consultant, in order to ensure the consultant's continuing independence and its accountability to the committee. The compensation committee has the sole authority to retain or replace the independent compensation consultant. Compensation committee approval is required prior to the company retaining the independent compensation consultant for any executive compensation services or other consulting services or products above an aggregate annual amount of \$25,000. In accordance with the policy, the compensation committee continued its relationship with the firm of Frederic W. Cook & Co., Inc. as its independent compensation consultant for fiscal 2012. This firm advises the compensation committee on executive and director compensation but performs no other services for the company.

- **Formal annual evaluation adopted for the independent compensation consultant.** In fiscal 2012, the compensation committee adopted a formal annual performance evaluation process for the independent compensation consultant from Frederic W. Cook & Co., Inc. While the work of the consultant was previously reviewed and discussed by the committee, formalizing the evaluation process has enhanced the committee's oversight of the consultant relationship.

- **No employment contracts for named executive officers.** None of the named executive officers has an employment agreement that guarantees the terms of engagement regardless of performance. The company believes that special agreements are unnecessary, and officers are already covered under the board-approved Separation Pay and Benefits Program for Officers.

- **Compensation decisions made within context of current and accumulated compensation.** Consistent with past practice, management prepared a detailed analysis of all compensation and benefits paid to and accumulated by the named executive officers, referred to as tally sheets. These tally sheets were provided for the compensation committee's review at each meeting during the fiscal year, allowing the committee to make pay decisions with an overall understanding of the entire rewards package.

- **Compensation programs reviewed for potential risks.** As described under The Board's Role in Risk Management, the compensation committee reviewed management's assessment of compensation risk, which was conducted with guidance from the committee's independent compensation consultant. The committee concluded that General Mills' compensation policies and practices are aligned with the interests of stockholders, appropriately reward pay for performance, and do not create risks that are reasonably likely to have a material adverse effect on the company.

- **Executive compensation clawback policy.** In the event the company is required to restate financial results due to fraud, intentional misconduct, gross negligence or otherwise, the compensation committee may adjust the future compensation, cancel outstanding stock or performance-based awards, or seek recoupment of previous awards from company officers whose conduct contributed significantly to a financial restatement. Also, the compensation committee may take action where it reasonably believes the company's Employee Code of Conduct or the terms of a separation agreement have been violated.

[Back to Contents](#)

- ***Stock compensation programs governed and administered responsibly.*** Management continually reviews how the programs are governed, and administers the stock compensation program so that practices serve the best interests of the company and its stockholders.

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There is typically a minimum four-year cliff vesting schedule for awards, and a prohibition on reusing shares that are canceled under prior plans.

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There is a double-trigger requirement for change of control vesting of stock awards.

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There are strict administrative guidelines on the timing and approval of stock compensation awards.

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The compensation committee approves all awards to SEC reporting officers, and the board approves awards to the Chief Executive Officer.

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Under the terms of the 2011 Stock Compensation Plan, no backdating or repricing of stock options is allowed, and the company cannot grant stock options at a discount to fair market value on the grant date.

—

No dividend equivalents are paid on unvested restricted stock units.

—

All awards are subject to the company's clawback policy.

- ***Executives hold a significant amount of company stock.*** The company requires stock ownership worth a minimum of ten times salary for the chief executive officer and five times salary for other named executive officers. Direct and family-owned shares of stock, deferred stock units, unvested restricted stock units, and stock units in the 401(k) Plan are included in the computation. All named executive officers greatly exceed these minimum stock ownership requirements. In fact, the chief executive officer holds company stock worth 26 times his base salary and the other named executive officers hold company stock worth, on average, 15 times their base salary.

Tax deductibility of compensation. The Executive Incentive Plan and the 2011 Stock Compensation Plan have been structured so that cash incentive payments under the Executive Incentive Plan and restricted stock units, stock options, stock appreciation rights and performance awards granted under the 2011 Stock Compensation Plan can qualify as performance-based compensation which is tax-deductible to the company under Section 162(m) of the Internal Revenue Code.

Compensation Philosophy and Principles

General Mills' guiding philosophy is to maintain a compensation system that will attract, motivate, reward and retain competitively superior leaders who are able consistently to achieve corporate performance and total stockholder return that is in the top tier of the consumer packaged goods industry peer group. The compensation committee bases its compensation decisions on the following core principles:

-

Pay is performance based: Executive compensation at General Mills is tightly linked to company performance. As executives assume greater responsibility, a larger portion of their total compensation becomes dependent on company, business unit, and individual performance. Base salaries are targeted at or below the median of salaries paid by U.S. companies in the consumer packaged goods industry peer group. Annual and long-term incentive programs are designed to build to a total compensation package that will vary from lower quartile positioning for lower quartile performance to upper quartile positioning for upper quartile performance relative to the industry peer group.

-

Individual performance evaluations focus on results and values: Named executive officers are evaluated on their specific contributions, as well as the behaviors they exhibit as they drive results. Everything they do should reflect our strong core values and they are expected to live these values every day. General Mills believes these values are essential to achieving long-term sustainable growth and increased value for stockholders:

—

Do the right thing all the time Build great brands

—

Strive for consistently superior performance

—

Innovate in every aspect of our business

—

Respect, develop and invest in our people

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Compensation opportunities must be competitive: Competition for management talent in the food and consumer packaged goods industry is consistently intense. To ensure that executive compensation at General Mills remains competitive, the compensation committee, with the assistance of management and the independent compensation

consultant, monitors the compensation practices of peer food and consumer packaged goods companies, as well as those of a broader group of leading industrial companies. In performing these analyses, peer group proxy data and two major survey sources are utilized:

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Consumer Packaged Goods Peer Group Proxy Analysis: The independent compensation consultant compares our pay practices and levels for named executive officers with those disclosed in the annual proxy statements of the 13 major U.S. consumer packaged goods companies that are part of the consumer packaged goods industry peer group.

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Consumer Packaged Goods Peer Group Surveys: Management participates in annual surveys conducted by Aon Hewitt and Towers Watson which provide specifics on the pay practices of companies in the consumer packaged goods industry, with which we compare our financial performance and often compete for executive talent.

[Back to Contents](#)

Consumer Packaged Goods Industry Peer Group

The compensation committee, with the assistance of management and the independent compensation consultant, benchmarks our performance and compensation against the consumer packaged goods industry peer group, a group of major consumer packaged goods companies, which we sometimes refer to as the “industry peer group.” The industry peer group was established using the following five selection criteria:

- Branded consumer packaged goods companies;
- Food industry competitors;
- Large-cap companies, typically with annual revenues in excess of \$5 billion;
- Companies with similar business dynamics and challenges; and
- Direct competitors for industry talent.

As shown below, the median annual revenues and total assets for the 16 companies in this industry peer group are comparable to those of General Mills. The compensation committee annually reviews the composition of this industry peer group to assure it is the most relevant set of companies to use for comparison purposes. The peer groups utilized for comparisons of performance and compensation are identical with the exception of three European companies (Nestlé, Unilever and Danone) that are in the consumer packaged goods industry peer group but excluded from compensation comparisons, due to the lack of publicly available pay information. The U.S. companies in the consumer packaged goods industry peer group that we use for compensation comparisons are sometimes referred to as the “compensation peer group.”

The following companies comprise the consumer packaged goods industry peer group:

COMPANIES IN THE CONSUMER PACKAGED GOODS INDUSTRY PEER GROUP

Campbell Soup Co.	H. J. Heinz Co.	PepsiCo, Inc.
Clorox Co.	The Hershey Co.	The Procter & Gamble Co.
The Coca-Cola Co.	Kellogg Co.	Sara Lee Corp.
Colgate-Palmolive Co.	Kimberly-Clark Corp.	Unilever NV*

ConAgra Foods, Inc.

Kraft Foods Inc.

Danone Inc.*

Nestlé SA*

* Excluded from compensation comparisons due to lack of publicly available pay information.

COMPANIES IN THE CONSUMER PACKAGED GOODS INDUSTRY PEER GROUP — SALES, MARKET CAPITALIZATION AND TOTAL ASSETS

<i>In Millions</i>		Sales*	Market Capitalization**	Total Assets*
75th Percentile	\$	55,865 \$	94,541 \$	74,655
Median		18,790	35,090	16,049
25th Percentile		10,200	14,503	10,940
General Mills	\$	16,658 \$	25,343 \$	21,097

Source: Standard & Poor's Capital IQ

* As of and for the most recent fiscal year

** As of May 27, 2012

The compensation committee annually reviews comparisons of General Mills' compensation under various performance scenarios versus compensation peer group practices to ensure our programs function consistently with our compensation philosophy and principles. Based upon these reviews, the compensation committee believes that the compensation paid to General Mills' named executive officers is reasonable and appropriate.

[Back to Contents](#)

Elements of the General Mills Total Rewards Program

During fiscal 2012, the General Mills executive pay program elements consisted of base salary, annual incentive, long-term incentive, broad-based benefits and other perquisites. The Chief Executive Officer and other named executive officers participate in most of the same benefit programs and are subject to the same policies in all material respects as all company officers.

In the following table, we have outlined our main objectives regarding:

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Why General Mills chooses to pay each element;

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What each element is designed to reward; and

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How we determine the amount for each element.

Element	Objective & Basis	Market Positioning against Compensation Peer Group
Base Salary	To provide fixed income based on size, scope and complexity of the individual's role, as well as to recognize each executive's current and historical performance.	At median or below
Annual Incentive	To provide focus and rewards for achievement of annual corporate and individual performance objectives based on the Corporate Performance Measures discussed on page 26.	Performance Based: awards range from below to above median based on individual and corporate performance; awards are generally well below median if corporate performance falls well below median of our industry peer group; awards are generally well above median when corporate performance ranks in the top quartile of the industry peer group
Long-term Incentive	Awards are made in cash and restricted stock unit matches that require an equivalent deposit of personally-owned shares. The restricted stock unit match can increase or decrease by up to 30% based on corporate performance. See page 29 for further detail.	Performance Based: awards range from below to above median based on corporate performance; grants are generally well below median when corporate performance is well below median of our industry peer group; grants are generally well above median when corporate performance ranks
Long-term Incentive	To provide incentive for delivering long-term stockholder value and to retain executives. Awards are made in restricted stock unit grants and stock option grants, and may be increased or decreased by up to 30% based on corporate performance. See page 29 for further detail.	Performance Based: awards range from below to above median based on corporate performance; grants are generally well below median when corporate performance is well below median of our industry peer group; grants are generally well above median when corporate performance ranks

in the top quartile of the industry peer group

Retirement and Health Benefits	<p>To provide competitive retirement security and health benefits. Our officers participate in most of the same benefit plans made available to U.S.-based salaried employees, including medical benefits, disability and life insurance, Pension Plan and Supplemental Retirement Plan (a restoration plan), 401(k) Plan and Supplemental Savings Plan. See pages 39-42 for further detail.</p>	<p>At median in aggregate</p>
Perquisites	<p>To provide modest, fiscally responsible perquisites which enable executives to focus on their duties, increase time efficiency, and mitigate risk. Our officers are provided a company automobile, a limited financial counseling benefit, and CEO personal aircraft use. See Perquisites and Other Personal Benefits on page 34.</p>	<p>At median or below</p>
Severance	<p>To provide post-termination compensation to attract and retain named executive officers and promote orderly succession for key roles. This plan is in lieu of employment contracts, which we do not have with any named executive officer. See page 41 for further detail.</p>	<p>At median or below</p>

[Back to Contents](#)

Pay and Performance Relationship

When determining executive compensation, General Mills achieves its strong performance orientation through aligning total direct compensation (base salary; annual incentive, including cash and restricted stock unit (RSU) match portions; and long-term incentive) with the company's performance. We evaluate our performance against specific financial goals that are calibrated against performance by the consumer packaged goods industry peer group. Base salary, broad-based benefits and perquisites are the only elements that do not vary annually based upon company performance versus performance goals. Between 79% and 88% of total direct compensation for our named executive officers is performance-based, assuming a median-level of performance, as shown in the charts below.

Performance Measurement

The annual Corporate Performance Rating, as reviewed and approved by the compensation committee, is used to determine both the annual incentive and long-term incentive awards for the named executive officers. At the beginning of each new fiscal year, a performance grid is established using our four Corporate Performance Measures: net sales growth, segment operating profit growth, earnings per share growth, and return on average total capital improvement. These four metrics are equally weighted (25% for each metric) and have been chosen due to their demonstrated alignment with total stockholder return.

General Mills' performance-based compensation plans are designed so that there is not a specific target level of performance. Instead, there is a range of performance goals that correspond to a range of compensation payouts. In determining the specific performance range for each year, the compensation committee generally reviews two-year and five-year historical compound annual growth rates achieved by companies in the consumer packaged goods industry peer group in order to predict peer group performance levels for the next fiscal year. Some judgment is applied for items significantly affecting comparability of reported rates of growth (for example, significant acquisitions or divestitures).

Our Corporate Performance Rating on each metric can vary from 0 to 1.80. The ranges for each metric are set at the beginning of the fiscal year with the following goals in mind:

Estimated Performance Relative To Industry Peer Group	Corporate Performance Rating
General Mills performance below peer group median:	0.00 to 1.29 rating
General Mills performance at the median of peer group results:	1.30 to 1.50 rating
General Mills performance above peer group median:	1.51 to 1.80 rating

[Back to Contents](#)

Performance Results

The company's annual Corporate Performance Ratings can vary significantly based on the company's performance in the fiscal year. One way to assess how difficult or likely it would be for the company to achieve incentive goals is to look at historical results. In the past 10 years (fiscal years 2002 through 2012), Corporate Performance Ratings have ranged from a low of 1.16 to a high of 1.80. In the past 20 years (fiscal years 1993 through 2012), Corporate Performance Ratings have ranged from 0 to 1.80. Over this 20-year period, annual Corporate Performance Ratings have averaged 1.46.

Fiscal 2012 results on the four Corporate Performance Measures are set forth below and led to a 1.20 Corporate Performance Rating.

Corporate Performance Measures	Fiscal 2012 Performance
<i>(as adjusted for items affecting comparability*)</i>	Results*
Net Sales Growth	+4%
Segment Operating Profit Growth	+2%
Earnings Per Share Growth	+3%
Return on Average Total Capital Improvement	-100bps

* In order to ensure that our ongoing performance is evaluated in a manner that reflects the year-over-year growth in underlying results, the fiscal 2012 performance results reflect adjustments for certain items affecting comparability. Net sales growth for the purpose of our Corporate Performance Measures is adjusted to exclude the effects of foreign currency translation and acquisitions. Adjusted earnings per share growth excludes the impact of mark-to-market valuation of certain commodity positions and grain inventories, uncertain tax items, acquisition integration costs, and restructuring costs. See page 44 of our of our annual report on form 10-K for the fiscal year ended May 27, 2012 for a discussion of this measure and segment operating profit, and a reconciliation to the results as reported in accordance with generally accepted accounting principles. Return on average total capital improvement (ROC) as reported on page 45 of our 10-K was -110 basis points (bps). For the purpose of our Corporate Performance Measures, ROC was adjusted to -100 bps to reflect the impact of mark-to-market valuation of certain commodity positions and grain inventories, uncertain tax items, acquisition integration costs, and restructuring costs.

Total Stockholder Return

The graph below demonstrates that the company's financial performance has resulted in returns to General Mills stockholders for the last three fiscal years that were above the total returns delivered by an index of our consumer packaged goods industry peer group and the Standard & Poor's 500 Index.

[Back to Contents](#)

Performance-Based Compensation

There is a significant difference in total direct compensation (base salary; annual incentive, including cash and restricted stock unit (RSU) match portions; and long-term incentive) paid to the named executive officers when the company has superior performance (resulting in a 1.80 Corporate Performance Rating) versus significantly below intended performance (resulting in a 1.00 Corporate Performance Rating). The charts below demonstrate the fiscal 2012 range of performance goals and corresponding range of total direct compensation for our Chairman and Chief Executive Officer, Kendall J. Powell. The column “Superior Performance (1.80 Rating)” presents the maximum payout. If performance fell below the level indicated under “Significantly Below Intended Performance (1.00 Rating),” total direct compensation similarly would fall below the level indicated in the bar chart, and long-term incentive award values would likely not deliver the estimated grant values.

FISCAL 2012 RANGE OF PERFORMANCE AND CORRESPONDING COMPENSATION

Corporate Performance Measures	Significantly Below Intended Performance (1.00 Rating)	Superior Performance (1.80 Rating)	Actual Performance (1.20 Rating)
<i>(as adjusted for items affecting comparability)</i>			
Net Sales Growth	0%	6.5%	4%
Segment Operating Profit Growth	5%	11%	2%
Earnings Per Share Growth	2%	9%	3%
Return on Capital Improvement	-60bps	-25bps	-100bps

The bar chart illustrates the potential variability in Mr. Powell’s total direct compensation, depending on company performance. Mr. Powell’s total direct compensation remained below median in comparison to our compensation peer group. See the discussion under CEO Performance and Compensation.

* Includes Mr. Powell’s Salary and Non-Equity Incentive Plan Compensation, as quantified in the Summary Compensation Table, and Value of Stock and Option Awards, as quantified in Total Direct Compensation Earned for Fiscal Year Performance.

[Back to Contents](#)

Annual Incentive Awards

General Mills has an Executive Incentive Plan that provides the named executive officers with an opportunity to earn an annual incentive award that is paid partially in cash. Stockholders approved this plan at the 2011 Annual Meeting. The balance of the annual incentive award is paid in a restricted stock unit match from the 2011 Stock Compensation Plan that requires deposit of an equivalent number of personally-owned shares for the duration of the vesting period.

For the named executive officers, the value of the restricted stock unit match is equal to 30% of their cash incentive award. The restricted stock unit match can be decreased by 1% for every 0.01 below a 1.30, and increased by 1% for every 0.01 above a 1.50, to a maximum of 30% based on the Corporate Performance Rating for that fiscal year. For fiscal 2012 there was a 10% decrease in grant size due to a 1.20 Corporate Performance Rating, which was below the 1.30 to 1.50 range of Corporate Performance Ratings associated with estimated median performance for the consumer packaged goods industry peer group.

For the five named executive officers, annual incentive cash awards are determined according to the formulas described below. Annual incentive awards for the named executive officers can vary greatly from year to year based on the Corporate Performance Rating, which can range from 0 to 1.80; and the executive's Individual Performance Rating, which can range from 0 to 1.50.

Individual Performance Ratings are based on the achievement of specific annual objectives such as business goals, financial and operating results, completion of strategic initiatives, quality of business plans, organizational development progress in important areas like diversity and employee development, and demonstration of leadership. The full board approves the Chief Executive Officer's Individual Performance Rating, and the compensation committee approves the ratings for the other named executive officers.

The restricted stock unit match portion of the annual incentive vests 100% four years after the grant date. To receive these restricted stock units, each named executive officer must buy and hold an equal number of personally-owned shares of General Mills stock until the end of the restriction period in order for the restricted stock units to vest. Restricted stock units earn dividend equivalents equal to regular dividends paid on our common stock, which are distributed only to the extent the underlying restricted stock units vest.

Both the annual cash incentive and the restricted stock unit match are subject to the Company's clawback policy, which provides that they may be recovered under certain circumstances.

Long-Term Incentive Awards and Special Awards

A significant portion of the named executive officers' pay opportunity is provided through long-term incentive awards granted under the 2011 Stock Compensation Plan.

Awards for each fiscal year are granted annually in June just after fiscal year end. The size of each executive officer's standard award is periodically benchmarked against the long-term incentive awards made by compensation peer group companies to executives holding comparable positions. Each named executive officer's standard award can be decreased by 1% for every 0.01 below a 1.30, and increased by 1% for every 0.01 above a 1.50, to a maximum of 30% based on the Corporate Performance Rating for the fiscal year. Accordingly, there was a 10% decrease in grant size in fiscal 2012 based on the 1.20 Corporate Performance Rating, which is below the 1.30 to 1.50 range of Corporate Performance Ratings associated with estimated median performance for the consumer packaged goods industry peer

group.

The value of our long-term incentive awards is delivered 50% in stock options and 50% in restricted stock units. Executives can elect a greater portion in restricted stock units up to a maximum of 75% of the total award value.

[Back to Contents](#)

The restricted stock units vest 100% four years after the grant date. The restricted stock units earn dividend equivalents equal to regular dividends paid on our common stock, which are distributed only to the extent the underlying restricted stock units vest.

The options issued as part of the long-term incentive awards granted for fiscal 2012 performance also vest 100% four years after the grant date. The exercise price per share equals the closing price of our common stock on the New York Stock Exchange on the grant date. The options generally expire 10 years and one month from the grant date. They include the right to pay the exercise price in cash or previously acquired common stock and the right to have shares withheld by the company to pay withholding tax obligations due upon exercise.

Special off-cycle restricted stock unit awards are made periodically by the compensation committee to named executive officers for retention purposes. At vesting, the awards will be settled in stock. The restricted stock units earn dividend equivalents equal to regular dividends paid on our common stock, which are distributed only to the extent the underlying restricted stock units vest. No special awards were made to the named executive officers in fiscal 2012.

All awards are subject to the Company's clawback policy, which provides that they may be recovered under certain circumstances.

CEO Performance and Compensation

Based on the most recent proxy analysis conducted by the independent compensation consultant, Mr. Powell's total direct target compensation for fiscal 2012 was positioned between the 25th percentile and the median of chief executive officer compensation for U.S. companies in the consumer packaged goods industry peer group.

At the beginning of fiscal 2012, Mr. Powell's base salary was increased 2.75% to \$1,115,000 as part of the annual merit increase cycle for all U.S. salaried employees, bringing his base salary closer to the median of the compensation peer group. No other changes were made to his compensation opportunity.

In assessing Mr. Powell's individual performance for fiscal 2012, the compensation committee solicited written feedback from all non-employee directors and subsequently discussed the consolidated input with all non-employee directors meeting in executive session. The criteria used to measure Mr. Powell's performance included: the company's financial and operational performance for fiscal 2012, his overall level of leadership, and his continued ability to develop and implement strategies to enhance stockholder value. The board also considered Mr. Powell's performance against his pre-established fiscal year objectives in a number of additional areas such as brand building, key customer initiatives, international expansion, marketplace innovation, margin expansion, productivity improvement, organizational development, diversity, and external and stockholder relations.

At the end of fiscal 2012, based on the board's annual assessment of his performance, the compensation committee recommended, and the full board of directors approved, the following compensation actions:

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A 2% increase in base salary to \$1,137,300 effective August 1, 2012.

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An annual incentive payout of \$1,639,225 in cash, reflecting the 1.20 Corporate Performance Rating, which is below the 1.30 to 1.50 range of Corporate Performance Ratings associated with estimated median performance for the

consumer packaged goods industry peer group, and an 11,602 restricted stock unit match requiring a deposit of an equivalent number of personally-owned shares. There was a 10% decrease in grant size of the restricted stock unit match for fiscal 2012 based on the 1.20 Corporate Performance Rating.

-

An annual long-term incentive award comprised of 64,050 restricted stock units and 320,249 stock options, reflecting a 10% decrease from standard grant value based on the Corporate Performance Rating of 1.20.

[Back to Contents](#)

The table below outlines the total direct compensation paid to Mr. Powell and its relative positioning.

Element	Compensation Philosophy - Target Positioning	Fiscal 2012 CEO Compensation - Market Positioning
Base Salary	Compensation Peer Group Median	Base salary was between the 25 th percentile and the median of the compensation peer group.
Annual Cash Incentive	Performance Based: <ul style="list-style-type: none"> • Awards range from below to above median based on performance. • Awards are well above median when corporate performance ranks in the top quartile. 	When the cash portion of the annual incentive, assuming a Corporate Performance Rating of 1.30 to 1.50 is added to the base salary, the resulting total annual cash compensation would be at the median of the compensation peer group. Fiscal 2012 performance was below the median for the consumer packaged goods industry peer group, as reflected in our Corporate Performance Rating of 1.20. Annual cash incentive was near the 25 th percentile.
Long-term Incentive	Performance Based: <ul style="list-style-type: none"> • Awards range from below to above median based on performance. • Awards are well above median when corporate performance ranks in the top quartile. 	Long-term incentive award was between the 25 th percentile and median of the compensation peer group (both including and excluding the restricted stock unit match awards). Fiscal 2012 performance was below the median for the consumer packaged goods industry peer group, resulting in actual long-term incentive award and the resulting actual total direct compensation below the 25 th percentile of the compensation peer group.
<ul style="list-style-type: none"> • Annual Stock Option and Restricted Stock Unit Award • Annual Restricted Stock Unit Match Award 		

Stock Ownership Requirements

Stock ownership guidelines have been in place since 1991 and were updated in 2011. Minimum ownership requirements remain at ten times salary for the chief executive officer, which is a more aggressive requirement compared to our consumer packaged goods industry peer group, five times salary for other named executive officers and three times salary for all other corporate officers. Newly-hired or promoted executives are given five years to attain the ownership target. As of July 28, 2012, all of our named executive officers had stock ownership levels well above their respective ownership requirements. Stock ownership includes direct and family owned shares of stock, deferred stock units, unvested restricted stock units, and stock units held in the 401(k) Plan.

STOCK OWNERSHIP FOR NAMED EXECUTIVE OFFICERS

Name	Shares Owned
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	Base Salary Multiple		Base Salary Multiple
	Requirement		
Kendall J. Powell			
Chairman and CEO	10x	749,805	26x
Donal L. Mulligan			
EVP, CFO	5x	189,660	12x
Ian R. Friendly			
EVP, COO, U.S. Retail	5x	351,349	21x
Christopher D. O’Leary			
EVP, COO, International	5x	244,815	15x
Roderick A. Palmore			
EVP, GC and Secretary	5x	191,147	12x

Our high level of executive stock ownership is a result of several factors, including strong retention of executive talent (unwanted turnover of the top 500 managers is typically less than 1% annually), longer stock vesting requirements than any company in our compensation peer group (awards vest 100% four years from the grant date), and the restricted stock unit match, which requires that executives deposit an equivalent number of personally-owned shares for the four-year vesting period. In addition, most executives at General Mills hold their stock options for eight years or longer before exercising.

The following tables and accompanying narrative disclosure should be read in conjunction with the Compensation Discussion and Analysis. They present compensation for individuals who served as Chief Executive Officer and Chief Financial Officer during fiscal 2012, and for each of the other three most highly-compensated executive officers who were serving as executive officers at the end of fiscal 2012 (the “named executive officers”). Mr. Palmore was not a named executive officer in fiscal 2010, and therefore information about his compensation for that fiscal year is not included.

[Back to Contents](#)

The Summary Compensation Table contains values calculated and disclosed according to SEC reporting requirements. This table reports salary and non-equity incentive plan compensation for the fiscal year in which they are earned. However, it reports stock and option awards granted during the fiscal year, but earned based on performance in the prior fiscal year. For example, fiscal 2012 compensation includes stock and option awards based on fiscal 2011 performance.

Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Stock Awards ⁽¹⁾ (\$)	Option Awards ⁽²⁾ (\$)	Non-Equity Incentive Plan Compensation ⁽³⁾ (\$)	Change in Pension Value and Non-Qualified Deferred Compensation Earnings ⁽⁴⁾ (\$)	All Other Compensation ⁽⁵⁾ (\$)	Total (\$)
Kendall J. Powell Chairman and CEO	2012	1,108,333	3,159,092	2,105,822	1,639,225	3,960,882	217,663	12,191,017
	2011	1,059,883	4,324,169	1,865,947	1,695,135	3,044,236	279,645	12,269,015
	2010	973,042	3,724,528	1,706,426	1,926,622	3,691,215	278,581	12,300,414
Donal L. Mulligan EVP, CFO	2012	591,708	918,938	581,720	626,264	671,164	99,853	3,489,647
	2011	543,000	1,385,165	515,455	625,536	453,818	103,924	3,626,898
	2010	486,300	934,762	383,896	701,400	462,696	122,741	3,091,795
Ian R. Friendly EVP, COO, U.S. Retail	2012	597,667	917,785	581,720	602,448	1,519,496	89,285	4,308,401
	2011	554,426	1,379,742	515,455	621,666	882,086	117,026	4,070,401
	2010	520,532	1,760,465	447,871	687,102	1,253,033	135,235	4,804,238
Christopher D. O'Leary EVP, COO, International	2012	591,708	918,827	581,720	639,045	768,879	85,014	3,585,193
	2011	542,673	1,367,961	515,455	625,159	514,350	101,415	3,667,013
Roderick A. Palmore EVP, GC and Secretary	2012	612,720	957,860	213,295	479,759	305,827	82,151	2,651,612
	2011	587,718	1,466,884	189,002	507,788	253,743	99,015	3,104,150

We have created a subsequent table, Total Direct Compensation Earned for Fiscal Year Performance, to demonstrate how we evaluate our named executive officers' total direct compensation. This table:

-

Includes the stock and option awards earned for fiscal 2012 performance, as opposed to those earned for fiscal 2011 performance but granted during 2012, which are included in the Summary Compensation Table, as required.

Excludes change in pension value and all other compensation.

The value of option awards for all years listed is calculated using a Bloomberg Black-Scholes option model adopted for options granted on or after June 28, 2011, in order to present year-to-year changes in option award value on a consistent basis.

Total Direct Compensation Earned For Fiscal Year Performance

Name	Fiscal Year	Salary (\$)	Number of Stock Awards Earned for Fiscal Year & Special Off-Cycle Awards (#)	Value of Stock Awards (\$)	Number of Option Awards Earned for Fiscal Year (#)	Value of Option Awards (\$)	Non-Equity Incentive Plan Compensation Earned for Fiscal Year (\$)	Total Direct Compensation Earned for Fiscal Year (\$)
K.J. Powell	2012	1,108,333	75,652	2,886,124	320,249	1,168,909	1,639,225	6,802,591
	2011	1,059,883	89,445	3,334,067	357,525	2,105,822	1,695,135	8,194,907
	2010	973,042	110,941	4,149,193	457,340	3,027,591	1,926,622	10,076,448
D. L. Mulligan	2012	591,708	22,127	844,145	88,467	322,903	626,264	2,385,020
	2011	543,000	29,242	1,093,914	98,764	581,720	625,536	2,844,170
	2010	486,300	32,358	1,210,189	126,337	836,351	701,400	3,234,240
I.R. Friendly	2012	597,667	21,958	837,698	88,467	322,903	602,448	2,360,716
	2011	554,426	29,211	1,092,760	98,764	581,720	621,666	2,850,572
	2010	520,532	52,213	1,918,566	126,337	836,351	687,102	3,962,551
C. D. O'Leary	2012	591,708	22,217	847,579	88,467	322,903	639,045	2,401,235
	2011	542,673	29,239	1,093,802	98,764	581,720	625,159	2,843,354
	2010	500,248	51,898	1,906,785	126,337	836,351	655,925	3,899,309
R. A. Palmore	2012	612,720	16,372	624,592	64,876	236,797	479,759	1,953,868
	2011	587,718	30,288	1,132,835	36,213	213,295	507,788	2,441,636

GENERAL MILLS, INC – Notice of 2012 Annual Meeting of Stockholders and Proxy Statement – 32

[Back to Contents](#)

(1) Includes the grant date fair value of restricted stock units granted during fiscal 2012 as annual and long-term incentive awards. Excludes awards based on fiscal 2012 performance but granted after fiscal year end in June 2012. These awards are captured within the subsequent table, Total Direct Compensation Earned for Fiscal Year Performance.

Grant date fair value is calculated in accordance with FASB ASC Topic 718. For fiscal 2012, assumptions used to calculate these amounts are factored into Note 11 "Stock Plans" of the audited financial statements included in our annual report on Form 10-K for the fiscal year ended May 27, 2012.

The grant date fair value of each stock award granted in fiscal 2012 equals the closing price of our common stock on the New York Stock Exchange on the grant date (\$37.21). The values shown have not been adjusted to reflect that these units are subject to forfeiture.

(2) Includes the grant date fair value of options granted during fiscal 2012, calculated in accordance with FASB ASC Topic 718. Excludes awards based on fiscal 2012 performance but granted after fiscal year end in June 2012. These awards are captured within the subsequent table, Total Direct Compensation Earned for Fiscal Year Performance.

The grant date fair value of options granted in fiscal 2012 equals \$5.89 per share based on our Black-Scholes option pricing model. The following assumptions were used in the calculation: expected term of 8.5 years; dividend yield of 3.3% annually; a risk-free interest rate of 2.9%; and expected price volatility of 17.6%. The values shown have not been adjusted to reflect that these options are subject to forfeiture.

(3) Includes the cash portion of the annual incentive award paid to our named executive officers under the Executive Incentive Plan. The annual incentive award was paid partially in cash and partially in restricted stock units, and was based on the achievement of certain individual and corporate performance goals for each fiscal year. The total annual incentive award earned for fiscal 2012 performance is set forth below. For more information on how the annual incentive award is calculated, see the Compensation Discussion and Analysis.

ANNUAL INCENTIVE AWARD EARNED FOR FISCAL 2012 PERFORMANCE

Name	Non-Equity Incentive	Value of	
	Plan Compensation	RSU Match	Total
	(\$)	(\$)	(\$)
K. J. Powell	1,639,225	442,591	2,081,816
D. L. Mulligan	626,264	169,091	795,355
I. R. Friendly	602,448	162,661	765,109
C. D. O'Leary	639,045	172,542	811,587
R. A. Palmore	479,759	129,535	609,294

(4) Includes the annual increase in the actuarial present value of accumulated benefits under our Pension Plan and Supplemental Retirement Plan. There were no above market or preferential earnings on deferred compensation.

There have been no enhanced pension benefits delivered to our named executive officers via a change in plan design over the last three fiscal years. The single largest factor for increasing pension values in fiscal 2012 was a change in the discount rate assumption used to calculate values. Other reasons for the increases relate to additional

service, aging and increases in “Final Average Earnings” as defined in the Pension Benefits section. The following table quantifies the discount rate impact and shows “Actual Benefit Value Change,” representing the total change in pension benefits for the year excluding discount rate impact.

CHANGE IN ACTUARIAL PRESENT VALUE OF ACCUMULATED PENSION BENEFITS

Name	Year	Total Change	Minus Discount	Equals Actual
		for Year	Rate Change*	Benefit Value Change
		(\$)	(\$)	(\$)
K. J. Powell	2012	3,960,882	1,395,674	2,565,208
	2011	3,044,236	637,548	2,406,688
	2010	3,691,215	1,786,882	1,904,333
D. L. Mulligan	2012	671,164	248,193	422,971
	2011	453,818	104,985	348,833
	2010	462,696	253,177	209,519
I.R. Friendly	2012	1,519,496	654,888	864,608
	2011	882,086	297,892	584,194
	2010	1,253,033	838,471	414,562
C.D. O’Leary	2012	768,879	299,581	469,298
	2011	514,350	132,836	381,514
	2010	612,896	350,466	262,430
R.A. Palmore	2012	305,827	70,536	235,291
	2011	253,743	28,151	225,592

* 2012 - Discount rate decrease from 5.45% to 4.85% increased present value.

2011 - Discount rate decrease from 5.85% to 5.45% increased present value.

2010 - Discount rate decrease from 7.49% to 5.85% increased present value.

[Back to Contents](#)

(5) All Other Compensation for fiscal 2012 includes the following amounts:

ALL OTHER COMPENSATION

Name	Matching		Perquisites and Other Personal Benefits ⁽⁸⁾	Total
	Contributions on Retirement Savings Plans ⁽⁶⁾	Tax Reimbursements ⁽⁷⁾		
	(\$)	(\$)	(\$)	(\$)
K. J. Powell	104,262	3,418	109,983	217,663
D. L. Mulligan	41,079	2,372	56,402	99,853
I. R. Friendly	49,085	2,212	37,988	89,285
C. D. O'Leary	45,584	—	39,430	85,014
R. A. Palmore	33,818	978	47,355	82,151

(6) Includes the company's fixed and variable matching contributions during fiscal 2012 to the 401(k) Plan, the Supplemental Savings Plan and the Deferred Compensation Plan, which are made as if the named executive officer contributed these amounts to the 401(k) Plan and the Supplemental Savings Plan. For more information on the terms of the matching contributions, see Other Retirement Savings Plans.

MATCHING CONTRIBUTIONS ON RETIREMENT SAVINGS PLANS

Name	Matching	Matching
	Contributions on Deferred Compensation	Contributions on 401(k) Plan Contributions
	(\$)	(\$)