



# Hershey Company (The)



**HSY NYSE**

**Food Processing**

Market Capitalization USD:

**\$9,767.04 mm**

## CONCERN LEVEL: AVERAGE

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance.
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years.
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group.
- 7 The company's dilution from equity incentives is 10 percent or less. 
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

**CEO: John P. Bilbrey**

**Age: 55**

**CEO Since: 2011**

	2009	2010	2011
<b>Base Salary</b>	\$1,000,000	\$1,030,000	\$945,538
<b>Discretionary Bonus</b>	\$0	\$0	\$0
<b>Annual Cash Incentive</b>	\$2,267,730	\$2,225,049	\$1,541,698
<b>Benefits and Perquisites</b>	\$122,598	\$180,141	\$182,122
<b>TOTAL ANNUAL COMPENSATION</b>	<b>\$3,390,328</b>	<b>\$3,435,190</b>	<b>\$2,669,358</b>
<b>Increase in Post-Retirement Benefits</b>	\$1,613,252	\$3,050,879	\$2,455,275
<b>Stock Option Awards</b>	\$1,500,022	\$2,000,016	\$1,742,167
<b>Stock Awards</b>	\$1,500,427	\$2,001,731	\$3,760,073
<b>TOTAL COMPENSATION</b>	<b>\$8,004,029</b>	<b>\$10,487,816</b>	<b>\$10,626,873</b>
<b>Median of Other Named Executive Officers Total Compensation</b>	\$2,289,715	\$2,739,270	\$3,331,529
<b>Value Realized on Exercise of Stock Option</b>	\$0	\$396,069	\$1,900,854
<b>Value Realized on Vesting of Stock</b>	\$1,366,283	\$4,491,038	\$2,480,855
<b>TOTAL REALIZED EQUITY COMPENSATION</b>	<b>\$1,366,283</b>	<b>\$4,887,107</b>	<b>\$4,381,709</b>

**Proxy Date:** 20 Mar 2012

**Annual Meeting Date:** 1 May 2012

**Equity Reserves:** 16.32%

**Stock Option Run Rate:** 1.21%

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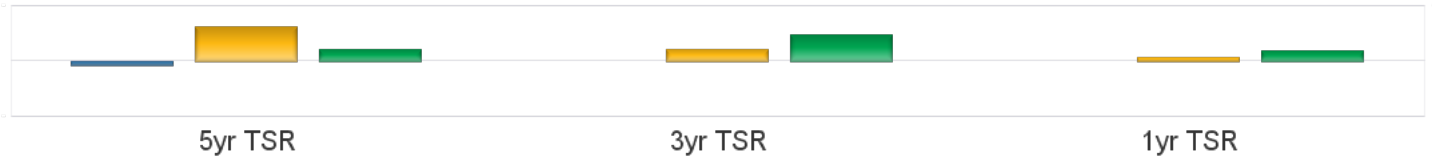
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Food Processing

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## Performance Comparison

■ S&P500 ■ Industry ■ HSY



## Peer Comparisons (TRBC) =Food Processing

### Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
HSY	Hershey Company (The)	\$8,004,029	\$10,487,816	\$10,626,873	\$9,767,040,383
GIS	General Mills, Inc.	\$13,378,603	\$12,300,414		\$24,766,675,095
K	Kellogg Company	\$11,419,447	\$7,972,436	\$6,595,113	\$19,254,958,239
ADM	Archer-Daniels-Midland Company	\$15,466,064	\$11,445,650		\$16,571,468,987
HNZ	H. J. Heinz Company (The)	\$24,398,056	\$19,006,263		\$16,242,816,837
GMCR	Green Mountain Coffee Roasters, Inc.	\$2,133,092	\$2,406,207	\$3,595,396	\$14,228,395,852
MJN	Mead Johnson Nutrition Company	\$9,799,120	\$7,400,374	\$10,296,458	\$14,037,431,036

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps. Missing peer pay figures for 2011 are due to differences in company filing schedules.

### Pay Peer Group

Brown-Forman Corporation, H. J. Heinz Company, Campbell Soup Company, Hormel Foods Corporation, ConAgra Foods, Inc., Kellogg Company, Constellation Brands, Inc., McCormick & Company, Incorporated, Dean Foods Company, Molson Coors Brewing Company, Del Monte Foods Company, Ralcorp Holdings, Inc., Dr Pepper Snapple Group, Inc., Sara Lee Corporation, Energizer Holdings, Inc., The Clorox Company, Flowers Foods, Inc., The J. M. Smucker Company, General Mills, Inc.

### Performance Peer Group

Cadbury plc, Hormel Foods Corporation, Campbell Soup Company, Kellogg Company, Dean Foods Company, Kraft Foods Inc., Del Monte Foods Company, McCormick & Company, Incorporated, Dr Pepper Snapple Group, Inc., Molson Coors Brewing Company, General Mills, Inc., Sara Lee Corporation, H. J. Heinz Company, The J. M. Smucker Company

## COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Robert F. Cavanaugh	Chairman	53	Male	9	Outside Related
Anthony J. Palmer	Member	52	Male	1	Outside
David L. Shedlarz	Member	63	Male	4	Outside
Pamela M. Arway	Member	58	Female	2	Outside
Robert M. Malcolm	Member	59	Male	1	Outside

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