

GMI EXECUTIVE PAY SCORECARDSM

Data & analysis provided by GMI-The Independent Leader in Corporate Governance and ESG&A

18 Jan 2012

Hormel Foods Corporation





HRL NYSE

Food Processing

Market Capitalization USD:

\$7,166.41 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: Jeffrey M. Ettinger

Age: 53

CEO Since: 2006

| | 2009 | 2010 | 2011 |
|--|--------------------|---------------------|---------------------|
| Base Salary | \$956,040 | \$989,430 | \$991,490 |
| Discretionary Bonus | \$0 | \$0 | \$250 |
| Annual Cash Incentive | \$2,903,175 | \$4,580,091 | \$3,958,595 |
| Benefits and Perquisites | \$56,049 | \$57,416 | \$64,905 |
| TOTAL ANNUAL COMPENSATION | \$3,915,264 | \$5,626,937 | \$5,015,240 |
| Increase in Post-Retirement Benefits | \$915,123 | \$1,488,089 | \$1,983,182 |
| Stock Option Awards | \$2,366,000 | \$3,335,500 | \$3,948,000 |
| Stock Awards | \$0 | \$0 | \$0 |
| TOTAL COMPENSATION | \$7,344,599 | \$10,450,526 | \$10,946,422 |
| Median of Other Named Executive Officers Total Compensation | \$1,640,750 | \$2,493,347 | \$2,879,589 |
| Value Realized on Exercise of Stock Option | \$0 | \$0 | \$0 |
| Value Realized on Vesting of Stock | \$0 | \$0 | \$0 |
| TOTAL REALIZED EQUITY COMPENSATION | \$0 | \$0 | \$0 |

Proxy Date: 21 Dec 2011

Annual Meeting Date: 31 Jan 2012

Equity Reserves: 19.89%

Stock Option Run Rate: 1.01%

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Hormel Foods Corporation

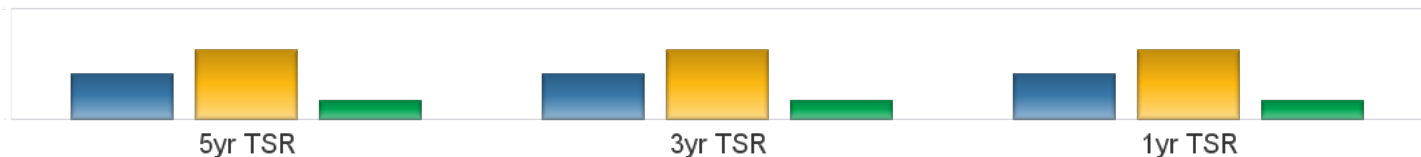
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Performance Comparison

■ vs S&P500 ■ vs Industry ■ HRL



Peer Comparisons (TRBC) =Food Processing

Total Summary CEO Compensation

| Ticker | Company Name | 2009 | 2010 | 2011 | Market Cap |
|--------|--------------------------------------|--------------|--------------|--------------|------------------|
| HRL | Hormel Foods Corporation | \$7,344,599 | \$10,450,526 | \$10,946,422 | \$7,166,409,897 |
| 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 | | \$14,037,431,036 |
| CPB | Campbell Soup Company | \$13,107,660 | \$12,169,663 | | \$10,366,506,224 |

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

Campbell Soup Company, McCormick & Company, Inc., Chiquita Brands International, Inc., Pilgrim's Pride Corporation, ConAgra Foods, Inc., Sanderson Farms, Inc., Dean Foods Company, Sara Lee Corporation, General Mills, Inc., Seaboard Corporation, H.J. Heinz Company, Seneca Foods Corporation, Hershey Foods Corp., Smithfield Foods, Inc., J.M. Smucker Company, Inc., Tyson Foods Inc., Kellogg Company

Performance Peer Group

Campbell Soup Company, Hershey Foods Corp., Sanderson Farms, Inc., Chiquita Brands International, Inc., J.M. Smucker Company, Inc., Sara Lee Corporation, ConAgra Foods, Inc., Kellogg Company, Seaboard Corporation, Dean Foods Company, Kraft Foods Inc., Seneca Foods Corporation, Flowers Foods, Inc., McCormick & Company, Inc., Smithfield Foods, Inc., General Mills, Inc., Pilgrim's Pride Corporation, Tyson Foods Inc., H.J. Heinz Company, Ralcorp Holdings, Inc.

COMPENSATION COMMITTEE MEMBERS

| Director | Membership | Age | Gender | Tenure | Independence |
|--------------------|------------|-----|--------|--------|--------------|
| Susan I. Marvin | Chairman | 56 | Female | 10 | Outside |
| John L. Morrison | Member | 66 | Male | 9 | Outside |
| Michael J. Mendes | Member | 48 | Male | 1 | Outside |
| Robert C. Nakasone | Member | 63 | Male | 6 | Outside |
| Terrell K. Crews | Member | 56 | Male | 5 | Outside |

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