

CONAGRA FOODS INC /DE/  
Form 8-K  
July 20, 2012

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported):

July 16, 2012

ConAgra Foods, Inc.

(Exact name of registrant as specified in its charter)

Delaware

1-7275

47-0248710

(State or other jurisdiction  
of incorporation)

(Commission  
File Number)

(I.R.S. Employer  
Identification No.)

One ConAgra Drive, Omaha, Nebraska

68102

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

402-240-4000

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Top of the Form**

**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

(e) Specific information is provided in this report for executive compensation actions approved on July 16, 2012 by the Human Resources Committee of the Board of Directors of ConAgra Foods, Inc. (the "Committee") for: Gary M. Rodkin, President and Chief Executive Officer; John F. Gehring, Executive Vice President and Chief Financial Officer; Colleen R. Batcheler, Executive Vice President, General Counsel and Corporate Secretary; Andre J. Hawaux, President, Consumer Foods; and Brian L. Keck, Executive Vice President and Chief Administrative Officer. These officers were named in the summary compensation table included in our proxy statement for our 2011 annual stockholders' meeting, and we refer to these officers in this report as the "named executive officers". The Committee established the annual incentive program for fiscal 2013, which began on May 28, 2012, and approved fiscal 2013 through 2015 award opportunities under our long-term incentive program (discussed in the paragraphs that follow). Awards were approved for all eligible participants, but specific information is provided herein for the named executive officers. The Committee also approved an increase in base salaries of the following named executive officers for fiscal 2013 to the following amounts: Mr. Rodkin, \$1,100,000 per year; Ms. Batcheler, \$460,000 per year; Mr. Gehring, \$525,000 per year; and Mr. Hawaux \$660,000 per year.

FY2013 Annual Incentive Plan. The Committee established the fiscal 2013 annual incentive plan. The plan provides a fiscal 2013 cash incentive opportunity for participants based on our achievement of pre-established financial objectives. Payouts to the named executive officers require the achievement in fiscal 2013 of (1) a threshold level of diluted earnings per share from continuing operations ("EPS") and (2) company-wide goals for net income and net sales. The named executive officers will be entitled to a payout equal to 75% of their approved target incentive if the Company achieves a threshold level of performance in both EPS and net income and a payout equal to 25% of their approved target incentive if the Company achieves a threshold level of performance in both EPS and net sales. No portion of the incentive is guaranteed. High levels of financial performance can result in payouts up to 200% of targeted amounts. The Committee also retained the discretion to modify final payout levels based on (1) the methods by which actual financial results are achieved, (2) individual performance and (3) extraordinary corporate events.

The Committee established target incentives for each named executive officer under the fiscal 2013 annual incentive plan. These targets are approved as a percentage of base salary. The approved targeted incentives for the named executive officers are: Mr. Rodkin, 200% of base salary; each of Messrs. Gehring, Hawaux and Keck, 100% of base salary; and Ms. Batcheler, 80% of base salary. Any actual payout will depend on our performance in fiscal 2013 and be made, if at all, following the end of fiscal 2013.

FY2013-2015 Long-Term Plan. The Committee also approved fiscal 2013 to 2015 award opportunities under our long-term incentive program, which promotes long-term stockholder value creation. There are two components of the awards to the named executive officers for this cycle under the program – a stock option grant and a performance share grant.

FY2013 Stock Option Grants. The Committee approved stock option grants to the named executive officers under the ConAgra Foods 2009 Stock Plan. The stock options have a ten-year term, have an exercise price equal to the closing market price of our common stock on the New York Stock Exchange on July 16, 2012 (the date of grant), and are scheduled to vest 40% on the first anniversary of the date of grant, and 30% on each of the second and third anniversaries of the date of grant. The stock options granted to the named executive officers on July 16, 2012 were for the following number of shares of common stock: Mr. Rodkin, 500,000 shares; each of Messrs. Gehring, Hawaux and Keck, 160,000 shares; and Ms. Batcheler, 120,000 shares.

FY2013 Performance Share Grants. The Committee approved grants of performance shares under the ConAgra Foods, Inc. 2008 Performance Share Plan (the "2008 Plan") for the three-year performance period of fiscal 2013 through 2015. Under the 2008 Plan, the Committee awarded a targeted number of performance shares to each plan participant for the fiscal 2013 through 2015 plan cycle. The executive will earn the performance shares only if pre-set, company-wide financial objectives for the three-year period ending with fiscal 2015 are achieved. The financial objectives for the fiscal 2013 through 2015 plan cycle are a specified level of operating cash flow return on operations (a measure of operating cash flow as a percentage of invested capital, averaged over three years) and revenue growth.

Payouts on earned performance shares are made in shares of our common stock and may be more or less than the targeted award, depending on actual performance. Dividend equivalents will be paid on the portion of performance shares actually earned at the actual dividend rate over the performance period. Dividend equivalents will be paid in shares of our common stock. The Committee has retained the discretion to adjust awards for extraordinary corporate events. The named executive officers will be entitled to a payout equal to 25% of their approved target incentive if the Company achieves a threshold level of cash flow return on operations. No portion of the incentive is guaranteed. High levels of financial performance can result in payouts up to 220% of targeted amounts. The target number of performance shares granted to the named executive officers were: Mr. Rodkin, 100,000 performance shares; each of Messrs. Gehring, Hawaux and Keck, 32,000 performance shares; and Ms. Batcheler, 24,000 performance shares. Any actual payout will depend on our performance over the three-year performance period and be made, if at all, following the end of fiscal 2015.

Mr. Robert F. Sharpe, Jr., our former President, Commercial Foods & Executive Vice President and Chief Administrative Officer was also named in the summary compensation table included in our proxy statement for our 2011 annual stockholders' meeting. Mr. Sharpe retired on May 29, 2011. Accordingly, none of the information above impacts Mr. Sharpe.



**Top of the Form**

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ConAgra Foods, Inc.

*July 20, 2012*

By: *Colleen Batcheler*

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*Name: Colleen Batcheler*

*Title: Executive Vice President, General Counsel and  
Corporate Secretary*