

GENERAL MILLS INC  
Form DEF 14A  
August 10, 2011

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**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)  
Not Applicable

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

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- No fee required.
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(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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NOTICE OF  
2011 ANNUAL MEETING OF STOCKHOLDERS  
AND PROXY STATEMENT

**Meeting Date:**

Monday, September 26, 2011  
at 11:00 a.m. (Central Daylight Time)

**Meeting Place:**

Children s Theatre Company  
2400 Third Avenue South  
Minneapolis, Minnesota

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August 10, 2011

Dear Stockholder:

It is my pleasure to invite you to the General Mills 2011 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 26, 2011, 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.

Sincerely,

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**NOTICE OF  
2011 ANNUAL MEETING OF STOCKHOLDERS  
SEPTEMBER 26, 2011**

August 10, 2011

Dear Stockholder:

The Annual Meeting of Stockholders of General Mills, Inc. will be held on Monday, September 26, 2011, 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. Approve the 2011 Stock Compensation Plan;
3. Approve the 2011 Compensation Plan for Non-Employee Directors;
4. Cast an advisory vote on executive compensation;
5. Cast an advisory vote on the frequency of the advisory vote on executive compensation;
6. Ratify the appointment of KPMG LLP as General Mills' independent registered public accounting firm for our fiscal year ending May 27, 2012; and
7. Transact any other business that properly comes before the meeting.

The record date for the Annual Meeting is July 28, 2011. 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.**

Sincerely,

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE  
ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON SEPTEMBER 26, 2011**

**Our Notice of 2011 Annual Meeting of Stockholders, Proxy Statement and Annual Report to  
Stockholders are available on the General Mills website at [www.generalmills.com](http://www.generalmills.com)  
in the Investors section.**

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**GENERAL MILLS, INC  
PROXY STATEMENT  
FOR ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON  
MONDAY, SEPTEMBER 26, 2011**

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 26, 2011. 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 10, 2011.

**PROPOSAL NUMBER 1**

**ELECTION OF DIRECTORS**

The 13 director nominees presented below are recommended for re-election to the board of directors. 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.

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.

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. 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.

We have well-defined selection criteria for individual directors that require 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.

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 directors qualify as audit committee financial experts.

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***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.

**Bradbury H. Anderson**

Director since 2007

Bradbury H. Anderson, age 62, served as Vice Chairman of the Board of Best Buy Co., Inc., an electronics retailer, from 2002 until his retirement in June 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.

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 59, 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. 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

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Paul Danos, age 69, 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.

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**William T. Esrey**

Director since 1989

William T. Esrey, age 71, 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 70, has been a Professor at the Harvard Business School since July 2006. He 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 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 Presiding 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.

**Judith Richards Hope**

Director since 1989

Judith Richards Hope, age 70, 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.

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**Heidi G. Miller**

Director since 1999

Heidi G. Miller, age 58, was appointed in June 2010 as President of JPMorgan International, a division of JPMorgan Chase & Co. which focuses on growth in emerging markets and expanding the bank's global corporate bank. 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.

**Hilda Ochoa-Brillembourg**

Director since 2002

Hilda Ochoa-Brillembourg, age 67, is the founder and has been since 1987 the President and Chief Executive Officer and Chief Investment Officer of Strategic Investment Group and Director of Emerging Markets Investment Corporation, both investment advisory firms. 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.

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 52, joined the faculty of the College of Business at Florida Atlantic University in 2011. 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, 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.



**Table of Contents****Kendall J. Powell**

Director since 2006

Kendall J. Powell, age 57, 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.

During Mr. Powell's tenure as Chairman and Chief Executive Officer, the company has experienced successive years of strong sales, profit and earnings growth, coupled with strong returns to stockholders. Mr. Powell has 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. His 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 of the Board.

**Michael D. Rose**

Director from 1985 to 2000 and since 2004

Michael D. Rose, age 69, has been Chairman of the Board of First Horizon National Corporation, a banking and financial services company, and its subsidiary, First Tennessee Bank National Association, since 2007. 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. He served as a director at SteinMart, Inc. from 1998 to 2006, and at FelCor Lodging Trust from 1998 to 2006.

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 at Darden Restaurants.

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**Robert L. Ryan**

Director since 2005

Robert L. Ryan, age 68, 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 March 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 high level of 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 66, is the Managing Director of FirstCap Advisors, a venture capital and advisory services firm that she founded in October 2010. She was a limited partner of First Light Capital, a venture capital firm, from 2003 until October 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.**

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**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 can 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 Appendix A of this Proxy Statement.

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.

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**

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.

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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.

The corporate governance committee reviewed and ratified a number of commercial and charitable transactions in fiscal 2011, including the following: Hilda Ochoa-Brillembourg, a General Mills director, is a director and minority owner of Emerging Markets Investors Corporation ( EMI ), and as a result, had an indirect interest in its affiliate, Emerging Markets Management LLC ( EMM ). Approximately \$122.9 million of General Mills retirement plan assets are invested in an EMM fund named the Emerging Markets Investors Fund (the EMM Fund ), and the EMM Fund received management fees of approximately \$1,295,280 attributable to these investments during fiscal 2011. Based on her ownership interest in EMI, Ms. Ochoa-Brillembourg had a financial interest of approximately \$136,000 in the management fees. In determining that these relationships are consistent with the best interests of the company and its stockholders, and do not impair her independence, the committee considered the following factors:

Our relationship with EMI pre-dates Ms. Ochoa-Brillembourg's election to our board of directors, and she was not involved in establishing the relationship with EMI.

Ms. Ochoa-Brillembourg was not involved in the day-to-day operation of the EMM Fund.

She never had any direct involvement in providing services to our benefit plans.

The compensation paid to the EMM Fund was determined through arms-length negotiations and is customary in amount.

The board has determined that her financial interest in the transaction did not impact her willingness or ability to act independently from management.

Effective as of May 31, 2011, Ms. Ochoa-Brillembourg sold her entire indirect stake in EMM.

**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

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recommended for election at the 2011 Annual Meeting, all nominees were elected as directors at our 2010 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 2012 Annual Meeting, stockholders should submit the required information to the Corporate Secretary by April 12, 2012.

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 2011, 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 2012 Annual Meeting are required to notify the Corporate Secretary in writing and provide the information described in our By-laws no earlier than May 29, 2012 and no later than June 28, 2012. Director nominees submitted through this process will be eligible for election at the 2012 Annual Meeting, but will not be included in proxy materials sent to stockholders prior to the meeting.

## **Board Leadership**

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, the chair of the corporate governance committee:

- acts as the presiding 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;

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 presiding director.



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**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 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 reviewed 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 began with a mapping of the company's incentive programs, by employee type and level as well as across business units. Management then analyzed 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 considered our practices that mitigate risk.

Management discussed 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.

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**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, 2011:

**Audit Committee**

Number of meetings in fiscal 2011: Six

- 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.

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**Compensation Committee**

Number of meetings in fiscal 2011: 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 2011: Three

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 2011: Six

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 2011: 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](http://www.generalmills.com) in the Investors section under Corporate Governance.

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 14 directors in office at the time attended the 2010 Annual Meeting of Stockholders. During fiscal 2011, the board of directors met six 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 2011.

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**Determining Executive Compensation**

At the beginning 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 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 performance objectives for the next fiscal year. 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 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. In addition to management's and the consultant's recommendations, which are accompanied by competitive market data from the consumer packaged goods industry peer group, the compensation committee bases its decisions on corporate performance as measured by our incentive programs; for the Chief Executive Officer, the committee's evaluation of his performance against the fiscal year's objectives; and for other executive officers, the recommendations of the Chief Executive Officer. 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 compensation committee conducts 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.

The independent compensation consultant periodically conducts a detailed review of the consumer packaged goods industry peer group and internal equity comparisons to support the compensation committee's review process, including benchmarking on pay philosophies, compensation elements separately and in total, and incentive mix. The independent compensation consultant advises the compensation committee on director and executive compensation, but performs no other services for General Mills.

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.

**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](http://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

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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 presiding 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.

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**DIRECTOR COMPENSATION AND BENEFITS**

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 28, 2011, all non-employee directors had met or exceeded these stock ownership requirements, except for those directors who were elected within the past three years and who are still accumulating shares.

***Restricted Stock Units.*** Upon attending their first board meeting and at each re-election, each non-employee director receives restricted stock units with a value of \$90,000. 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 2006 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. Under the proposed 2011 Directors Plan, dividend equivalents will be distributed only to the extent the underlying restricted stock units vest.

***Stock Options.*** Upon attending their first board meeting and at each re-election, each non-employee director receives stock options to purchase a certain number of shares for every restricted stock unit that they receive. This award may be periodically re-adjusted with the intent that 50% of the value of their equity award is delivered in stock options, and 50% of the value is delivered in restricted stock units. Options are granted under the 2006 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 options 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 directors 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.

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We then receive the life insurance proceeds. We have calculated the change in the accrued liability for the benefit in fiscal 2011 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.

The fiscal 2011 compensation of our non-employee directors is shown in the following table.

**DIRECTOR COMPENSATION FOR FISCAL 2011**

<b>Name</b>	<b>Fees Earned or Paid in Cash<sup>(1)</sup> (\$)</b>	<b>Stock Awards<sup>(2)</sup> (\$)</b>	<b>Option Awards<sup>(3)</sup> (\$)</b>	<b>All Other Compensation<sup>(4)</sup> (\$)</b>	<b>Total (\$)</b>
Bradbury H. Anderson	75,000	90,013	66,874		231,887
R. Kerry Clark	83,750	90,013	66,874		240,637
Paul Danos	80,000	90,013	66,874	30,249	267,136
William T. Esrey	90,000	90,013	66,874	49,077	295,964
Raymond V. Gilmartin	85,000	90,013	66,874	37,182	279,069
Judith Richards Hope	90,000	90,013	66,874	41,818	288,705
Heidi G. Miller	75,000	90,013	66,874	14,446	246,333
Hilda Ochoa-Brillembourg	75,000	90,013	66,874	36,273	268,160
Steve Odland	75,000	90,013	66,874	21,921	253,808
Lois E. Quam	37,500	90,013	66,874	22,750	217,137
Michael D. Rose	85,000	90,013	66,874	42,749	284,636
Robert L. Ryan	80,000	90,013	66,874	39,332	276,219
Dorothy A. Terrell	81,250	90,013	66,874	39,455	277,592

- (1) Includes the annual retainer and additional fees for directors who chair a board committee or who serve on the audit committee. Mr. Anderson received \$18,750 of his fees in common stock (531 shares valued at the closing price of our common stock on the New York Stock Exchange on the retainer payment dates). Ms. Quam resigned from the board on January 24, 2011, and consequently forfeited the balance of her annual retainer.
- (2) Includes the grant date fair value for 2,450 restricted stock units granted to each director upon re-election in fiscal 2011, calculated in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 ( FASB ASC Topic 718 ). For fiscal 2011, 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 29, 2011.

The grant date fair value is based on \$36.74 per share, the closing price of our common stock on the New York Stock Exchange on the grant date, September 27, 2010.

At fiscal year end, each non-employee director held 2,450 restricted stock units, except for Mr. Anderson, Mr. Clark, Mr. Danos, Ms. Hope, Ms. Miller, Ms. Ochoa-Brillembourg, Mr. Odland and Mr. Rose, who each reinvested their dividends and held 2,506 restricted stock units. Ms. Quam forfeited all unvested stock awards at the time of her resignation from the board.

- (3) Includes the grant date fair value for 12,248 stock options granted to each director upon re-election in fiscal 2011, calculated in accordance with FASB ASC Topic 718. For fiscal 2011, 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 29, 2011.

The grant date fair value is based on a Black-Scholes model valuation of \$5.46 per share. The following assumptions were used in the calculation: expected term of 9.5 years; dividend yield of 3.1% annually; a risk-free interest rate of 2.8%; and expected price volatility of 18.5%.

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At fiscal year end, the total number of stock options held by each non-employee director was as follows: Mr. Anderson 60,288; Mr. Clark 44,244; Mr. Danos 120,288; Mr. Esrey 180,288; Mr. Gilmartin 180,288; Ms. Hope 160,288; Ms. Miller 160,288; Ms. Ochoa-Brillembourg 160,288; Mr. Odland 120,288; Mr. Rose 140,288; Mr. Ryan 60,288; and Ms. Terrell 40,288. Ms. Quam forfeited all unvested option awards at the time of her resignation from the board.

(4) All Other Compensation includes:

**All Other Compensation**

<b>Name</b>	<b>Planned Gift Program<sup>(5)</sup> (\$)</b>	<b>Charitable Matching Gifts (\$)</b>	<b>Total (\$)</b>
B. H. Anderson			
R. K. Clark			
P. Danos	25,249	5,000	30,249
W. T. Esrey	27,127	21,950	49,077
R. V. Gilmartin	26,182	11,000	37,182
J. R. Hope	24,685	17,133	41,818
H. G. Miller	14,446		14,446
H. Ochoa-Brillembourg	21,273	15,000	36,273
S. Odland	12,587	9,334	21,921
L. E. Quam		22,750	22,750
M. D. Rose	25,249	17,500	42,749
R. L. Ryan	24,332	15,000	39,332
D. A. Terrell	20,455	19,000	39,455

(5) Includes interest cost recognized in fiscal 2011 in connection with the Planned Gift Program. Calculations assume 5.80% discount rate at the end of fiscal 2011; benefit payment immediately upon death; and mortality rates based on RP2000 Combined Healthy Mortality Table, projected to 2010 with Scale AA.

**Table of 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 28, 2011, and the stockholders listed in the table have sole voting and investment power with respect to the shares owned by them.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership		Percent of Class
	Shares <sup>(1)</sup>	Exercisable Options <sup>(2)</sup>	
B. H. Anderson	19,687 <sup>(3)</sup>	60,288	*
R. K. Clark	9,117	44,244	*
P. Danos	17,749	120,288	*
W. T. Esrey	80,843	180,288	*
I. R. Friendly	187,724 <sup>(4)</sup>	746,000	*
R. V. Gilmartin	82,885	180,288	*
J. R. Hope	61,954	160,288	*
H. G. Miller	29,404	160,288	*
D. L. Mulligan	58,910 <sup>(5)</sup>	237,826	*
H. Ochoa-Brillembourg	22,755	160,288	*
S. Odland	17,763	120,288	*
C. D. O Leary	87,707	816,100	*
R. A. Palmore	26,406		
K. J. Powell	250,958	1,201,338	*
M. D. Rose	60,610 <sup>(6)</sup>	140,288	*
R. L. Ryan	14,610	60,288	*
D. A. Terrell	42,565	40,288	*
All directors, nominees and executive officers as a group (25 persons)	1,661,933 <sup>(7)</sup>	7,127,880	1.3
BlackRock, Inc.	38,616,774 <sup>(8)</sup>		6.0
State Street Corporation	40,826,761 <sup>(9)</sup>		6.3

\* 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 28, 2011, as to which the beneficial owner currently has no voting or investment power: 2,450 restricted stock units for each non-employee director, except for

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Mr. Anderson, Mr. Clark, Mr. Danos, Ms. Hope, Ms. Miller, Ms. Ochoa-Brillembourg, Mr. Odland and Mr. Rose, who each reinvested their dividends and held 2,506 restricted stock units; and 29,851 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: 3,125 units for Mr. Anderson; 4,036 units for Mr. Clark; 15,243 units for Mr. Danos; 24,188 units for Mr. Esrey; 123,096 units for Mr. Friendly; 20,071 units for Mr. Gilmartin; 50,070 units for Ms. Hope; 12,136 units for Ms. Miller; 20,249 units for Ms. Ochoa-Brillembourg;

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15,256 units for Mr. Odland; 17,716 units for Mr. Rose; 11,110 units for Mr. Ryan; 33,635 units for Ms. Terrell; and 515,369 units for all directors, nominees and executive officers as a group.

- (2) Includes options that were exercisable on July 28, 2011 and options that become exercisable within 60 days of July 28, 2011.
- (3) Includes 2,800 shares held in individual trusts by either Mr. Anderson or his spouse, for which they serve as trustees.
- (4) Includes 2,256 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.
- (5) Includes 55,326 shares owned jointly by Mr. Mulligan and his spouse.
- (6) Includes 20,388 shares held in a margin account and deemed to be pledged and 20,000 shares held by Midaro 2000, an investment fund controlled by Mr. Rose.
- (7) Includes 244,230 shares held solely by, jointly by, or in trust for the benefit of family members. Also includes 20,000 shares held by Midaro 2000, an investment fund controlled by Mr. Rose.
- (8) Based on information contained in a Schedule 13G/A that BlackRock, Inc. and its subsidiaries ( Black Rock ), at 40 East 52nd Street, New York, New York 10022, filed with the SEC on February 4, 2011. The filing indicated that as of December 31, 2010, BlackRock had sole investment power and sole voting power over all of these shares.
- (9) 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 11, 2011. The filing indicated that as of December 31, 2010, State Street had shared investment power and shared voting power over all of these shares. State Street expressly disclaims beneficial ownership of all shares reported.

**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 2011, except that due to administrative errors, each of our executive officers filed a late report for a stock award. John R. Church, our Senior Vice President, Supply Chain, also filed a late report for a purchase of common stock.

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**PROPOSAL NUMBER 2**

**ADOPTION OF THE 2011 STOCK COMPENSATION PLAN**

**Introduction**

Stockholders are asked to vote to approve the General Mills, Inc. 2011 Stock Compensation Plan (the 2011 Plan ). The 2011 Plan would replace the General Mills, Inc. 2009 Stock Compensation Plan (the 2009 Plan ), which terminates according to its terms on December 31, 2011. If stockholders approve the 2011 Plan, we will issue no additional shares under the 2009 Plan. Shares which are forfeited, cancelled or terminated under the 2009 Plan (or other prior plans) will not be available for future grant.

The purpose of the 2011 Plan is to provide a compensation program that:

Rewards superior individual and company performance;

Attracts and retains management talent capable of achieving consistently superior business results; and

Aligns the interests of company managers with those of stockholders by linking a portion of their compensation directly to increases in stockholder value.

The company has long had an ownership culture in which its managers are required to build and hold significant amounts of General Mills stock over the course of their careers, thereby aligning their interests with those of non-employee stockholders. We require senior vice presidents and above to own more than five-times their base salary in company stock, and the stock ownership target for the Chief Executive Officer is double this amount (ten-times base salary); actual stock ownership by senior executives on average is double these ownership expectations. We have the longest vesting period for stock options and restricted stock units granted to managers in the consumer packaged goods industry (four-year cliff vesting versus the three-year ratable vesting which is the most common industry practice). Our managers hold their stock options for the longest period of time relative to their peers in the consumer packaged goods industry, with the average stock option held for eight years of its ten-year term, and with an unusually high percentage of stock options not exercised until well into the final year.

The company provides the stock compensation program to approximately 2,800 employees worldwide who are at a senior manager, director or officer level, which is approximately 15% of all employees in professional positions. In addition to the annual awards, we pay a portion of annual incentives in restricted stock units, which help motivate long-term performance.

Since the adoption of the 2009 Plan, which stockholders approved by a 75% vote, General Mills has made important progress in all four of its key Corporate Performance Measures: net sales growth, segment operating profit growth, earnings per share growth, and improvement in return on average total capital. During the same time period, voluntary professional turnover for our more than 2,800 stock plan participants has been below 4% per year, which is less than half the rate of turnover experienced by other major companies. We believe the ownership culture at General Mills motivates the achievement of superior company performance, and also plays an essential role in retaining top talent.

To continue the financial performance that has been achieved over the life of the expiring 2009 Plan, it is important that stockholders approve the 2011 Plan to ensure the company has sufficient shares authorized for issuance under our compensation plans. Highlights from the recommended 2011 Plan are as follows:



The 2011 Plan will maintain low rates of annual share usage over an extended term. The 2011 Plan requests the authorization of 40 million shares (or approximately 6.2% of outstanding shares), which the company expects to issue over the next three to four years, versus the 24 million shares over a two-year term in the 2009 Plan and the 20 million shares over a two-year term in the 2007 Stock Compensation Plan (the 2007 Plan ). The number of shares requested reflects the company's intent to maintain moderate stock compensation share usage during the term of the 2011 Plan.

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The 2011 Plan will not result in additional share dilution. General Mills intends to continue its long standing practice of opportunistically repurchasing shares of its common stock in excess of new shares issued under the company's stock compensation plans. General Mills has repurchased approximately 7% of its outstanding shares (in excess of 44 million shares) over the term of the expiring 2009 Plan. With planned future repurchases, we do not expect there to be dilution of company shares as a result of the adoption of the 2011 Plan.

The 2011 Plan will provide for a pool of shares equal to 5% of the authorized shares, which the company may use to grant awards with no vesting period or vesting periods shorter than the standard four-year cliff vesting. We intend to grant these awards in international markets where four-year cliff vesting may not serve our retention needs.

Terms of the 2011 Plan are otherwise nearly identical to the 2007 and 2009 Plans, which were approved by stockholders by wide vote margins (79% and 75%, respectively, of the votes cast).

The 2011 Plan limits the issuance of full value performance awards, restricted stock and restricted stock units to 30% of authorized shares. Any full value award settled in stock above that limit decreases the number of authorized shares by six shares for each share granted.

Like the 2009 Plan, the 2011 Plan provides for performance awards. The compensation committee may issue performance awards that vest upon the accomplishment of performance goals over one year or multiple years. Applicable performance goals and performance periods will be established by the committee. Performance awards may be denominated in shares of the company's common stock or notionally represented by a monetary value.

The 2011 Plan generally has a minimum four-year cliff vesting schedule for awards, and a prohibition on reusing shares that are cancelled under prior plans.

The 2011 Plan has a double-trigger requirement for change of control vesting. The change of control must have been consummated, and the participant must have been involuntarily terminated other than for cause, death or disability, or must have voluntarily terminated with good reason within two years of the change of control.

Awards issued under the 2011 Plan are subject to the company's clawback policy. If the company must restate its financial results, and an officer's actions or omissions are a significant contributing factor to the cause of the restatement, then the compensation committee may use its discretion to adjust the officer's future compensation, cancel outstanding awards or require repayment of gains realized during a period when inaccurate financial results were publicly reported without correction.

The 2011 Plan incorporates a broad range of other compensation and governance practices to protect stockholders' interests, such as a limit on restricted stock and restricted stock unit awards; no discounted options or stock appreciation rights; prohibition on repricing; no reload options or loans to pay for awards; dividends on restricted stock and restricted stock units payable only at vesting; no dividend rights on options or stock appreciation rights; no transfer of shares for consideration to third parties; and restrictive share counting provisions that prohibit counting of shares on a net basis for issuance of options and stock appreciation rights.

Upon approval of the 2011 Plan, no further grants will be made from the 2009 Plan. Approximately 10.2 million shares remaining in the 2009 Plan will no longer be available for grant. All new stock grants will be made from the 2011 Plan.

General Mills has significantly reduced both its annual share usage and its stock overhang during the terms of the 2007 and 2009 Plans. Annual share usage (as a percent of shares outstanding) continues to decline since the adoption of the 2009 Plan to a current annual target level of 1.2% and a maximum limit of 2.0%. Our stock overhang (options outstanding plus shares available for a grant, as a percent of shares outstanding) has been reduced by approximately 30% since the adoption of the 2009 Plan, and is currently 12%. In addition, 20% of total

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stock options outstanding will expire within 18 months of the 2011 Annual Meeting, further reducing our stock overhang by another 2%. A portion of these options that will expire in the next 18 months are the last grants issued as part of the legacy all-employee grant and salary replacement programs that are no longer in place.

**Summary of Material Features of the 2011 Plan**

The summary of the material features of the 2011 Plan that follows is subject to the full text of the 2011 Plan that is contained in Appendix B to this Proxy Statement.

Plan Term: September 26, 2011 through September 30, 2021, or until all shares are utilized, whichever occurs first

Eligible Participants: Employees selected by the compensation committee (typically managers and above)

Only employees of General Mills and its subsidiaries and affiliates are eligible to receive awards under the 2011 Plan. The compensation committee determines which employees are eligible to participate. The primary recipients of awards under the 2011 Plan will be our officers, other key employees and managers. As of May 29, 2011, there were approximately 35,000 full- and part-time employees of General Mills and its subsidiaries, of which approximately 2,800 were officers, other key employees and managers.

Shares Authorized: 40 million shares of General Mills common stock

Shares Authorized as a Percentage of Outstanding Common Stock: Approximately 6.2% of shares outstanding at July 28, 2011

Recent Market Value per Share: \$37.29 closing sales price on the New York Stock Exchange at July 28, 2011

Award Types: (1) Non-qualified stock options, (2) restricted stock, (3) unrestricted stock, (4) restricted stock units, (5) stock appreciation rights and (6) performance awards. Other than options, which are always settled in shares of company stock, awards may be paid in cash or stock as determined by the compensation committee.

Awards under the 2011 Plan will be either performance-based and designed to comply with Section 162(m) of the Internal Revenue Code (the Code) or discretionary. Subject to the 2011 Plan limits, the compensation committee has the discretionary authority to determine the size of an award, if it will be tied to meeting performance-based requirements and if any performance awards, stock appreciation rights or restricted stock units will be settled in common stock or cash. In order for any participant to be awarded performance awards, restricted stock or restricted stock units based on performance in a fiscal year, the company's net earnings from continuing operations, excluding items identified and disclosed by the company as non-recurring or special costs for that fiscal year, must be greater than zero.

Award Limits: Performance awards, restricted stock and restricted stock units settled in shares of common stock are limited to 30% of the total number of shares available, subject to the share counting provisions below.

Awards in excess of 2 million shares or units in the aggregate may not be issued to any single participant per fiscal year.

The total value of performance awards payable to any single participant for a fiscal year may not exceed \$20 million.

In no event will the total value of a performance award granted to any participant for any one performance period exceed the lesser of 0.5% of the company's net earnings for that period or the limits stated above.

Share Counting:

Shares subject to stock options and stock appreciation rights will reduce the shares available for awards by one share for every one share granted.

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Performance awards, restricted stock and restricted stock units settled in shares of common stock reduce the shares available for awards by one share for every one share awarded, up to 30% of the total number of shares available; beyond that, they reduce the number of shares available for awards by six shares for every one share awarded.

Awards settled in cash do not count against the pool of available shares.

Shares tendered or withheld to pay taxes or an option's exercise price are not available for re-issuance and count against the pool of available shares.

Forfeited awards are not counted against the maximum.

Cancelled, terminated, forfeited or expired shares under prior plans cannot be reissued under the 2011 Plan.

Exercise of Stock Options and Stock Appreciation Rights:

The exercise price of stock options and stock appreciation rights granted under the 2011 Plan may not be less than the fair market value of our common stock on the date of grant, and the term may not be longer than 10 years and one month.

Vesting:

Determined by compensation committee, but generally not less than four years for stock options, stock appreciation rights, restricted stock and restricted stock units. Up to 5% of authorized shares may be granted with vesting periods shorter than four-year cliff vesting.

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.

Performance awards vest upon the accomplishment of performance goals over one year or multiple years. Applicable performance goals and performance periods will be established by the compensation committee. The committee may adjust the value of awards based on performance criteria or as it otherwise determines in its discretion to be appropriate. It may also require forfeiture of all or part of the performance award in the event that additional conditions are not met, for example, if the participant is terminated prior to the expiration of any service conditions.

Deposits:

The compensation committee may require deposits of General Mills common stock owned by the participant as a condition to restricted stock and restricted stock unit awards.

Adjustments:

In the event of certain corporate transactions, including a special dividend, recapitalization, stock split, reverse stock split, combination of shares, reorganization, merger, consolidation, spin-off, repurchase or exchange of our common stock or similar event affecting our common stock, the number and kind of shares granted under the 2011 Plan will be adjusted appropriately.

Transferability:

Stock options and stock appreciation rights granted under the 2011 Plan are transferable only as provided by the rules of the compensation committee, by the participant's last will and testament, or by the applicable laws of descent

Change of Control:

and distribution. Restricted stock, restricted stock units and performance awards may not be sold, transferred, assigned, pledged or otherwise encumbered or disposed of until the applicable restrictions lapse. Vesting of outstanding awards accelerates upon the consummation of a change of control and one of the following double-trigger vesting requirements: (1) involuntary termination other than for cause within 24 months of the change of control, (2) voluntary termination for good reason within 24 months of the change of control for certain senior executives, or (3) there is no adequate replacement award and/or the awards are not assumed. In addition, the compensation committee may cancel and settle stock options and stock appreciation rights for cash.

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**Termination, Death and Retirement:** If a participant voluntarily resigns or is terminated for cause, vested stock options and stock appreciation rights will expire three months after the termination of the participant's employment. If a participant dies while employed by us, outstanding stock options and stock appreciation rights will fully vest and may be exercised by the person's designated beneficiary, or in the absence of such designation, by the participant's estate for the original term. Unless otherwise provided by the compensation committee at the time of grant, if a participant retires on or after age 55 with at least five years of service, or if a participant is involuntarily terminated when their age plus years of service with the company equals or exceeds 70, outstanding stock options and stock appreciation rights will continue to vest, and the participant may exercise stock options or stock appreciation rights according to their original terms. For senior vice presidents and above who are involuntarily terminated, but whose age plus years of service are less than 70, their stock options and stock appreciation rights will vest and remain exercisable for the lesser of one year or the original term.

Subject to certain exceptions, performance awards, restricted stock and restricted stock units will be forfeited if they are not vested when the participant terminates employment. If a participant dies while employed by us, performance awards, restricted stock and restricted stock units will fully vest. Unless otherwise provided by the compensation committee at the time of grant, if a participant retires on or after age 55 and five years of service, or if a participant is involuntarily terminated when their age plus years of service with the company equals or exceeds 70, performance awards, restricted stock and restricted stock units will fully vest.

**Administration:** The 2011 Plan will be administered by the compensation committee. The compensation committee will select employees who shall receive awards, determine the number of shares covered thereby, and establish the terms, conditions and other provisions of the awards. The compensation committee may interpret the 2011 Plan and establish, amend and rescind any rules relating to the 2011 Plan. The compensation committee may delegate all or part of its responsibilities.

**Amendments:** Subject to approval of the board of directors, where required, the compensation committee may terminate, amend or suspend the 2011 Plan, provided that no action may be taken by the compensation committee or the board of directors (except those described earlier in the Adjustments section) without the approval of the stockholders to: (1) increase the number of shares that may be issued; (2) permit granting of stock options or stock appreciation rights having an exercise price less than fair market value; (3) permit the repricing of outstanding stock options or stock appreciation rights; or (4) amend individual limits on awards.

**U.S. Federal Income Tax Consequences**

***Stock Options and Stock Appreciation Rights.*** Generally, no federal income tax is payable by a participant upon the grant of a stock option or stock appreciation right and we are not entitled to claim a tax deduction upon the grant. Under current tax laws, if a participant exercises a non-qualified stock option or stock appreciation right he or she will



be taxed at ordinary income rates on the difference between the fair market value of the common stock on the exercise date and the option price or, in the case of a stock appreciation right, the fair market value of the stock on the date of grant. The company will be entitled to a corresponding deduction at the time the participant recognizes ordinary income, to the extent that the amount of income satisfies the general rules regarding deductibility of compensation, including those in Section 162(m) of the Internal Revenue Code.

***Performance Awards, Restricted Stock and Restricted Stock Units.*** Performance awards and awards of restricted stock and restricted stock units under the 2011 Plan generally are not subject to federal income tax

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when awarded and the company is not entitled to claim a tax deduction at the time of the award. Restricted stock is generally subject to ordinary income tax at the time the restrictions lapse, unless the participant properly files an election with the Internal Revenue Service to accelerate tax recognition to the date of the award. Performance awards and restricted stock units are generally subject to ordinary income tax at the time of payment. Any dividends or dividend equivalents received with respect to restricted stock, restricted stock units, or performance awards will be taxable as ordinary income at the time of payment. In these cases, the company is entitled to a corresponding deduction at the time the participant recognizes ordinary income, to the extent that the amount of income satisfies the general rules regarding deductibility of compensation, including those in Section 162(m) of the Internal Revenue Code.

***Unrestricted Stock.*** For grants of unrestricted stock made under the 2011 Plan, the participant must recognize ordinary income equal to the excess of the fair market value of the shares received (determined as of the date of receipt) over the amount, if any, paid for the shares. The company will be entitled to a corresponding deduction at the time the participant recognizes ordinary income, to the extent that the amount of income satisfies the general rules regarding deductibility of compensation, including those in Section 162(m) of the Internal Revenue Code.

***Application of Section 16.*** Special rules may apply in the case of participants subject to Section 16(b) of the Securities Exchange Act of 1934. Unless a special election with the Internal Revenue Service to accelerate tax recognition to the time of exercise is made under the tax laws, shares of stock acquired pursuant to an award may be treated as restricted for a period of up to six months after the date of exercise. Accordingly, the amount of ordinary income recognized, and the amount of the company's deduction, may be determined based on the fair market value of the stock as of the end of that period.

Taxable ordinary income recognized by a participant upon exercise of a stock option or stock appreciation right; lapse of restrictions on restricted stock or restricted stock units; and payment of a performance award, dividend or dividend equivalent will be treated as wages subject to income and employment tax withholding. With respect to stock awards other than stock options or stock appreciation rights, employment taxes (*e.g.*, FICA) are generally payable upon lapse of applicable forfeiture restrictions, even if payment of underlying shares occurs at a later date.

The 2011 Plan is intended to comply with Section 409A of the Internal Revenue Code.

**New Plan Benefits**

No benefits or amounts have been granted, awarded or received under the 2011 Plan that were subject to stockholder approval. In addition, the compensation committee will determine the number and types of awards that will be granted under the 2011 Plan. Thus, it is not possible to determine the benefits that will be received by eligible participants if the 2011 Plan is approved by our stockholders.

**The board of directors unanimously recommends a vote FOR the adoption of the General Mills, Inc. 2011 Stock Compensation Plan.**

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**PROPOSAL NUMBER 3**

**ADOPTION OF THE 2011 COMPENSATION PLAN  
FOR NON-EMPLOYEE DIRECTORS**

**Introduction**

Stockholders are asked to vote to approve the General Mills, Inc. 2011 Compensation Plan for Non-Employee Directors (the 2011 Directors Plan ). The 2011 Directors Plan is intended to replace the General Mills, Inc. 2006 Compensation Plan for Non-Employee Directors (the 2006 Directors Plan ), which terminates on September 30, 2011.

The purpose of the 2011 Directors Plan is to provide a compensation program that:

Attracts and retains qualified individuals to serve on the company's board of directors; and

Awards stock options and restricted stock units payable in General Mills common stock in order to align the interests of non-employee directors with those of stockholders by providing that a portion of their compensation is linked directly to increases in stockholder value.

Highlights from the recommended 2011 Directors Plan are as follows:

Overall design of the 2011 Directors Plan is substantially similar to the 2006 Directors Plan, which was approved by stockholders by 73.2% of the votes cast. The 2011 Directors Plan has the same number of authorized shares to be issued.

The 2011 Directors Plan reflects compensation and governance best practices, such as no stock option repricing, no discounted options, no reload options, a limitation on the number of shares that can be utilized in a given year, a limitation on the total number of shares that can be granted as restricted stock units over the term of the Plan, no dividends on options, and the avoidance of expansive share-counting features.

Upon approval of the 2011 Directors Plan, no further grants will be made under the 2006 Directors Plan. Approximately 253,428 unissued shares under the 2006 Directors Plan will be cancelled. All new stock grants will be made under the 2011 Directors Plan.

**Summary of Material Features of the 2011 Directors Plan**

The summary of the material features of the 2011 Directors Plan that follows is subject to the full text of the 2011 Directors Plan that is contained in Appendix C to this Proxy Statement.

Plan Term:	September 26, 2011 through September 30, 2016
Eligible Participants:	Members of the board of directors who are not employees of the company or any of its subsidiaries, currently 12 individuals
Shares Authorized:	1.4 million shares of General Mills common stock
Shares Authorized as a Percentage of Outstanding Common Stock:	Approximately 0.2% of shares outstanding at July 28, 2011
Recent Market Value per Share:	\$37.29 closing sales price on the New York Stock Exchange at July 28, 2011

Award Types:

(1) Non-qualified stock options, (2) restricted stock units and (3) cash retainers

Each non-employee director will be granted a non-qualified option to purchase shares of company common stock on the effective date of the 2011 Directors' Plan (or, on the date a non-employee director is first elected after the effective date of the Plan) and on each successive annual stockholders' meeting date when the director is re-elected.

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On the effective date of the 2011 Directors' Plan (or, on the date a non-employee director is first elected after the effective date of the Plan) and on each successive annual stockholders' meeting date when he or she is re-elected, each non-employee director shall receive an award of restricted stock units.

Award Limits: Each non-employee director will receive an annual retainer for serving on the board. Each non-employee director may elect to receive all or a portion of the retainer in the form of cash, deferred cash and/or common stock. The maximum number of shares authorized to be issued in a single plan year is 320,000.

Share Counting: Shares subject to stock options will reduce the shares available for awards by one share for every one share granted.

Restricted stock units settled in shares of common stock reduce the shares available for awards by one share for every one share awarded, up to 30% of the total number of shares available; beyond that, they reduce the number of shares available for awards by six shares for every one share awarded.

Shares tendered or withheld to pay taxes or an option's exercise price are not available for re-issuance and count against the pool of available shares.

Forfeited awards are not counted against the maximum.

Exercise of Stock Options: Cancelled, terminated, forfeited or expired shares under prior plans cannot be reissued under the 2011 Directors' Plan.

The exercise price of stock options granted under the 2011 Directors' Plan may not be less than the fair market value of our common stock on the date of grant, and the term may not be longer than 10 years.

Vesting: Each option will vest and become exercisable on the annual meeting date following the grant date and will expire ten years from the grant date. Restricted stock units vest on the annual stockholders' meeting date following the grant date, at which time the company delivers shares of its common stock to the non-employee director, unless the director elected to defer the award. 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.

Adjustments: All stock awards will be subject to adjustment for corporate transactions that may otherwise cause a dilution or enlargement of the rights of participants.

Transferability: Stock options granted under the 2011 Directors' Plan are transferable only as provided by the rules of the compensation committee, by the participant's last will and testament, or by the applicable laws of descent and distribution. Restricted stock units may not be sold, transferred, assigned, pledged or otherwise encumbered or disposed of until the applicable restrictions lapse.

Change of Control: In the event of a change of control of the company, stock options will immediately vest and become exercisable, and restricted stock units will immediately vest.

Termination, Death and Retirement:

Stock options and restricted stock units will be forfeited to the company if the non-employee director terminates service on the board prior to vesting at the next annual meeting date. The balance of any retainer due to the director in that quarter shall also be forfeited. If a non-employee director dies prior to the vesting of stock options or restricted stock units at the next annual meeting date, those stock awards shall fully vest as of the date of his or her death.

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Administration:	The compensation committee will administer the 2011 Directors Plan. The committee will have the full power to interpret its terms and formulate additional details and regulations to carry out the provisions of the Plan.
Amendments:	The compensation committee may amend, modify or terminate the 2011 Directors Plan at any time; however, no action may be taken by the compensation committee or the board of directors (except for Adjustments as referenced above) without the approval of the stockholders to: (1) Increase the number of shares that may be issued under the Plan; (2) Permit granting of stock options at less than fair market value; (3) Permit the repricing of outstanding stock options; or (4) Amend the maximum shares that may be granted as awards to any participant.

**U.S. Federal Income Tax Consequences**

**Cash Retainers.** Cash retainers result in ordinary income to the non-employee director, and a corresponding deduction to the company, when paid. If a non-employee director elects pursuant to the terms of the 2011 Directors Plan to defer payment of cash retainers, the director will recognize taxable ordinary income, and the company will receive a corresponding deduction, at the time when the deferred payment is made.

**Stock Options.** Stock options granted under the 2011 Directors Plan will be non-qualified options governed by Section 83 of the Internal Revenue Code. The grant of options will not result in taxable income to the non-employee director or a tax deduction for the company. Under current tax law the exercise of an option will result in taxable ordinary income to the non-employee director and a corresponding deduction to the company, equal to the difference between the fair market value of the shares on the date the option was granted and the fair market value of those shares on the date the option was exercised.

**Restricted Stock Units.** The grant of restricted stock units will not result in taxable income to the non-employee director or a tax deduction for the company. At the time the shares underlying restricted stock units are paid, a non-employee director will recognize taxable ordinary income and the company will receive a corresponding deduction, equal to the fair market value of those shares on the date payment is made. If a non-employee director elects pursuant to the terms of the 2011 Directors Plan to defer payment of restricted stock units beyond the vesting date, the director will recognize taxable ordinary income, and the company will receive a corresponding deduction, at the time when the deferred payment is made in an amount equal to the fair market value of the shares received as of that time.

**Application of Section 16.** Special rules may apply to individuals, including non-employee directors, subject to Section 16 of the Securities Exchange Act of 1934 if they purchase shares of our stock in a transaction that is not exempt under Section 16 within six months of an option exercise or the vesting or deferred payment date of stock restricted units. In that case, unless a special election is made pursuant to the Internal Revenue Code, shares received through exercise of a stock option, vesting or deferred payment of restricted stock units may be treated as restricted as to transferability and subject to a substantial risk of forfeiture for a period of up to six months after the date of exercise, vesting or deferred payment. Accordingly, the amount of any ordinary income recognized, and the amount of the company's deduction, are determined based on the fair market value of the shares as of the end of that period.

Non-employee directors are responsible for the payment of all federal, state and local taxes, including those of any jurisdiction outside the United States, in respect of awards under the 2011 Directors Plan.

The Plan is intended to comply with Section 409A of the Internal Revenue Code.





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**New Plan Benefits**

If our stockholders approve the 2011 Directors Plan, we will use the Plan to pay retainer fees and make awards of stock options and restricted stock units to our non-employee directors as of the 2011 Annual Meeting. The compensation committee has discretion to determine the amount, number and types of awards that will be granted under the 2011 Directors Plan. The current terms of these awards and payments are described under Director Compensation and Benefits.

**The Board of Directors unanimously recommends a vote FOR adoption of the General Mills, Inc. 2011 Compensation Plan for Non-Employee Directors.**

**Table of Contents****EQUITY COMPENSATION PLAN INFORMATION**

The following table provides certain information as of May 29, 2011 with respect to our equity compensation plans.

<b>Plan Category</b>	<b>Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (a)</b>	<b>Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)<sup>(1)</sup></b>	<b>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)</b>
Equity compensation plans approved by security holders	73,533,931 <sup>(2)</sup>	\$ 27.09	16,942,290 <sup>(4)(5)</sup>
Equity compensation plans not approved by security holders	5,666,111 <sup>(3)</sup>	\$ 23.62	
<b>Total</b>	<b>79,200,042</b>	<b>\$ 26.82</b>	<b>16,942,290</b>

(1) Weighted-average term of outstanding options is 4.78 years.

(2) Includes 62,226,807 stock options, 9,607,129 restricted stock units, and 1,699,995 restricted stock units that have vested and been deferred. We granted these awards under the following active stockholder-approved plans: 2009 Stock Compensation Plan, 2006 Compensation Plan for Non-Employee Directors, and the Executive Incentive Plan; and the following stockholder-approved plans which have been discontinued: 1990 Stock Plan for Non-Employee Directors, Stock Option and Long-Term Incentive Plan of 1993, 1995 Salary Replacement Stock Option Plan, 1996 Compensation Plan for Non-Employee Directors, 1998 Senior Management Stock Plan, 2001 Compensation Plan for Non-Employee Directors, 2003 Stock Compensation Plan, 2005 Stock Compensation Plan, and 2007 Stock Compensation Plan. No future awards may be granted under any of the discontinued plans.

(3) Includes 5,320,535 stock options and 345,576 restricted stock units that have vested and been deferred. These awards include stock options granted to a broad group of employees in fiscal 2000 and 2002, and grants in lieu of salary increases and certain other compensation and benefits. We granted these awards under our 1998 Employee Stock Plan, which provided for the issuance of stock options, restricted stock and restricted stock units to attract and retain employees, and to align their interests with those of stockholders. We discontinued the 1998 Employee Stock Plan in September 2003, and no future awards may be granted under that plan.

(4)

Includes stock options, restricted stock, restricted stock units, stock appreciation rights and performance awards that we may award under our 2009 Stock Compensation Plan, which had 16,688,862 shares available for grant at fiscal year end. Also includes stock options and restricted stock units that we may award under our 2006 Compensation Plan for Non-Employee Directors, which had 253,428 shares available for grant at fiscal year end. Excludes shares that would be available under the current Executive Incentive Plan, based on company and individual performance subject to certain limits.

- (5) The table above shows our outstanding equity awards as of fiscal year end. After fiscal year end, the company issued equity awards to its employees based on fiscal 2011 performance. A total of 3,932,214 options and 2,571,432 restricted stock units were issued under the 2009 Stock Compensation Plan to approximately 2,800 employees. Both the options and the restricted stock units had a four-year cliff vesting schedule; a small percentage of these awards had a five-year cliff vesting schedule for added retention value. The awards reduced the number of shares currently available under the 2009 Stock

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Compensation Plan. As of July 28, 2011, our outstanding equity awards and shares currently available were as follows:

28,829,502 options have been outstanding for longer than six years, with a weighted average price of \$23.0483 and a weighted average remaining term of 2.09; of this total, 14,033,546 options will expire within 18 months of the 2011 Annual Meeting;

41,956,822 options have been outstanding for less than six years with a weighted average price of \$30.4069 and a weighted average remaining term of 6.91 years;

9,541,533 unvested restricted stock units are outstanding, of which 166,617 units will vest shortly after the 2011 Annual Meeting; and

10,186,911 shares remain available for issuance under the 2009 Stock Compensation Plan.

However, no additional shares will be issued under the 2009 Stock Compensation Plan after the 2011 Annual Meeting if the 2011 Stock Compensation Plan is approved. A total of 1,221,625 cash-settled restricted stock units have been granted under the 2009 Stock Compensation Plan. They did not reduce the number of shares available for other awards.

Our common shares outstanding as of July 28, 2011, the record date for the 2011 Annual Meeting, was approximately 646,597,602 shares. The number of common shares outstanding as of the record date reflects reductions as a result of share repurchases from May through July.

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**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 29, 2011.

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 2011 Company Performance and Compensation Actions**

General Mills strives to achieve financial performance that consistently ranks in the top quartile 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 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 return on average total capital improvement. 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. Our consumer packaged goods industry peer group is described on page 35.

Overall, fiscal 2011 presented a challenging operating environment for food manufacturers, reflecting the return and rapid acceleration of cost inflation for various food ingredients and energy. We continued to focus on our five key drivers for continued long-term growth: innovation, brand-building, leading customer growth, international expansion, and margin expansion. Following five years of top quartile results versus our consumer packaged goods industry peer group, our fiscal 2011 financial performance fell slightly below the median performance range established at the start of the fiscal year for our Corporate Performance Measures. Fiscal 2011 performance results included: +8% adjusted earnings per share growth, +2% net sales growth, +4% segment operating profit growth, and flat adjusted return on average total capital. These financial results are reflective of strong results in our international and bakeries and foodservice segments, with a more challenging year for U.S. retail operations following a superior fiscal 2010. 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 2011 performance results reflect adjustments for certain items affecting comparability as described on page 40.

Fiscal 2011 continued our trend of strong returns to General Mills stockholders. For the year, the General Mills stock price appreciated 10% to reach nearly \$40 per share. Stock price appreciation plus reinvested dividends represented a 14% one-year total return to stockholders in fiscal 2011. Although this was below the comparable return for the S&P 500 and the return for our consumer packaged goods industry peer group, it followed our superior 43% one-year total return to stockholders in fiscal 2010. Over the past three years, General Mills has produced an annualized total return to stockholders of 12%. This is well above the 1% three-year return for the S&P 500 and above the 10% three-year

return of our consumer packaged goods industry peer group. In recognition of our consistent long-term business growth and stock performance, we declared a 2-for-1 stock split at the end of fiscal 2010.

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,

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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 2011:

***Performance-based (at risk) compensation lower than last year, consistent with performance.*** Consistent with our pay-for-performance philosophy, the annual incentive payouts and long-term incentive awards granted to named executive officers for fiscal 2011 performance were slightly below the median range of potential payout opportunity, consistent with financial performance that fell slightly below the median performance range established for our Corporate Performance Measures. While competitive and appropriate for fiscal 2011 results, this performance-based compensation was lower than the amounts paid for superior performance in fiscal 2010.

The tables below outline the year-over-year change in performance-based (at risk) compensation for our Chairman and Chief Executive Officer:

**Year-Over-Year Change in CEO Annual Incentive Payouts**

<b>Fiscal Year</b>	<b>Annual Incentive Cash Portion (\$)</b>	<b>Annual Incentive Restricted Stock Unit Match Portion (\$)</b>	<b>Total Incentive Earned (\$)</b>	<b>FY11 vs FY10 (% change)</b>
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 Stock Awards**

<b>Fiscal Year</b>	<b>Restricted Stock Units Granted (# of shares)</b>	<b>Stock Options Granted (# of shares)</b>	<b>FY11 vs FY10 (% change)</b>
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 2011, base salaries for named executive officers were increased to a more competitive level following the completion of a competitive market compensation assessment of our compensation peer group by the independent consultant, and a superior fiscal 2010 in terms of individual and company performance. 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. When combined with performance-based compensation opportunities, the total compensation paid to our named executive officers will vary from lower quartile positioning for lower quartile performance to upper quartile positioning for upper quartile performance relative to the compensation peer group.



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The table below outlines the year-over-year change in base salary earnings for our Chairman and Chief Executive Officer:

**Year-Over-Year Change in CEO Base Salary Earnings**

<b>Fiscal Year</b>	<b>Base Salary Earnings (\$)</b>	<b>FY11 vs FY10 (% change)</b>
2011	1,059,883	+9%
2010	973,042	

**98.5% stockholder support for our executive compensation program.** General Mills has a long-standing practice of engagement and open communication with investors. The board of directors enhanced this practice by voluntarily providing stockholders with an advisory vote on executive compensation at the 2010 Annual Meeting. 98.5% of votes cast by stockholders endorsed our executive compensation philosophy, policies and practices.

**More stringent stock ownership requirements.** Management reviewed the stock ownership requirements that have been in place since 1991, and, with the compensation committee's approval, updated the policy to reflect best practices while maintaining aggressive minimum holding requirements for our executives versus our consumer packaged goods industry peer group and the broader industry. Minimum ownership requirements remain at ten times salary for the chief executive officer and five times salary for other named executive officers. As of fiscal 2011, executives are no longer able to consider the after-tax value of vested, unexercised stock option gains in the overall computation of executive stock ownership. Direct and family-owned shares of stock, deferred stock units, unvested restricted stock units, and stock units in the General Mills 401(k) continue to be included in the computation. All named executive officers greatly exceed these minimum stock ownership requirements.

**Further elimination of executive medical benefit.** As reported in last year's Proxy Statement, the company closed executive medical coverage to new participants as of December 2009. During fiscal 2011, further action was taken to terminate all executive medical plan coverage for current executives by the end of calendar 2011, transitioning them into the medical coverage provided to all U.S. salaried employees. Affected executives received compensation payments as part of this transition, including the named executive officers whose payments are included in this year's compensation table disclosures.

**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 and accumulated by the named executive officers, referred to as tally sheets. These tally sheets were provided for the compensation committee's review at every meeting during the fiscal year, so all compensation decisions were made 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, during fiscal 2011, 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.

### **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

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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.

***Stock Ownership is Emphasized:*** Broad and deep employee stock ownership aligns the interests of employees with those of stockholders. Programs have been created to encourage employees to build and maintain an ownership interest in the company. We have established specific stock ownership policies for employees in key management positions throughout the company.

***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:

***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.

***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.

## **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

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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>	<b>Sales*</b>	<b>Market Capitalization**</b>	<b>Total Assets*</b>
<i>75th Percentile</i>	\$51,365	\$95,721	\$69,345
<i>Median</i>	17,655	34,245	15,856
<i>25th Percentile</i>	10,718	12,149	9,766
General Mills	\$14,880	\$25,334	\$18,675

Source: Standard & Poor's Capital IQ

\* As of and for the most recent fiscal year

\*\* As of May 29, 2011

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.

**Elements of the General Mills Total Rewards Program**

During fiscal 2011, the General Mills executive pay program elements consisted of base salary, annual incentive, long-term incentive, broad-based benefits and other prerequisites. 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:

Why General Mills chooses to pay each element;

What each element is designed to reward; and

How we determine the amount for each element.

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<b>Element</b>	<b>Objective &amp; Basis</b>	<b>Market Positioning</b>
<b>Base Salary</b>	<p><b>To provide fixed income based on:</b></p> <ul style="list-style-type: none"> <li>Size, scope and complexity of the individual's role</li> <li>Individual's current and historical performance</li> <li>Relative position compared to market pay information</li> </ul>	<p><b>Compensation Peer Group Median or Below</b></p>
<b>Annual Incentive</b>	<p><b>To provide focus and rewards for achievement of annual corporate and individual performance:</b></p> <ul style="list-style-type: none"> <li>Corporate Performance Measures (25% each)                             <ul style="list-style-type: none"> <li>Net sales growth</li> <li>Segment operating profit growth</li> <li>Earnings per share growth</li> <li>Return on average total capital improvement</li> </ul> </li> <li>Individual Performance Measures                             <ul style="list-style-type: none"> <li>Specific business goals</li> <li>Strategic projects or initiatives</li> <li>Organizational/diversity goals</li> <li>Leadership behaviors and impact</li> </ul> </li> </ul> <p>Officers below the named executive officer level who are in key divisional roles also have unit performance measures incorporated into their annual incentive.</p> <p>Awards are made in cash and restricted stock unit matches that require an equivalent deposit of personally-owned shares.</p> <p>The restricted stock unit match can increase or decrease by up to 30% based on corporate performance.</p>	<p><b>Performance Based:</b></p> <ul style="list-style-type: none"> <li>Awards range from below to above median of the compensation peer group based on individual and corporate performance</li> <li>Awards are well above median of the compensation peer group when corporate performance ranks in the top quartile of our industry peer group</li> </ul>
<b>Long-term Incentive</b>	<p><b>To provide incentive for delivering long-term stockholder value and to retain executives.</b></p>	<p><b>Performance Based:</b></p>

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Awards are made in restricted stock unit grants and stock option grants.

Awards can increase or decrease by up to 30% based on corporate performance.

Awards range from below to above median of the compensation peer group based on corporate performance

Grants are well above median of the compensation peer group when corporate performance ranks in the top quartile of the industry peer group

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<b>Element</b>	<b>Objective &amp; Basis</b>	<b>Market Positioning</b>
<b>Retirement and Health Benefits</b>	<b>To provide competitive retirement security and health benefits.</b>	<b>Compensation Peer Group Median</b>
	<p>General Mills named executive officers participate in most of the same benefit plans made available to the company's U.S.-based employees. They include:</p> <p>Disability and life insurance</p> <p>Pension Plan and Supplemental Retirement Plan (a restoration plan)</p> <p>401(k) Plan and Supplemental Savings Plan with a company match that varies based on corporate performance</p> <p>The Supplemental Retirement Plan and Supplemental Savings Plan are restoration plans providing non-qualified benefits that are identical to the broad-based plans but on income above the limits imposed by the Internal Revenue Code under the qualified plans. For more information on our retirement benefits, see Pension Benefits and Other Retirement Savings Plans.</p> <p>Named executive officers also participate in an executive insurance plan that provides health and dental benefits. As of December 2009, executive medical coverage was closed to new participants, and at the end of calendar year 2011, coverage will be terminated for all active employees.</p>	
<b>Perquisites</b>	<b>To provide competitive executive perquisites.</b>	<b>Compensation Peer Group Median or Below</b>
	<p>All of our named executive officers receive the following perquisites:</p> <p>Company provided automobile</p> <p>Reimbursement for a limited amount of financial counseling</p>	

For reasons of security and efficient time management, the compensation committee encourages the Chief Executive Officer to utilize corporate aircraft for personal use. Mr. Powell is required to reimburse the company for the annual cost of any personal use of corporate aircraft in excess of \$100,000. He did not exceed this limit in fiscal 2011.

**Table of 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 80% 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-Based (At Risk) Compensation: 88%**

**Performance-Based (At Risk) Compensation: 80%**

*Performance Measurement*

The annual Corporate Performance Rating, as reviewed and approved by the compensation committee, is used in calculations 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:

<b>Estimated Performance Relative To Industry Peer Group</b>	<b>Corporate Performance Rating</b>
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
General Mills performance below peer group median:	0.00 to 1.29 rating



**Table of 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 2001 through 2011), Corporate Performance Ratings have ranged from a low of 1.16 to a high of 1.80. In the past 20 years (fiscal years 1992 through 2011), Corporate Performance Ratings have ranged from 0 to 1.80. Over this 20-year period, annual Corporate Performance Ratings have averaged 1.49.

Fiscal 2011 results on the four Corporate Performance Measures are set forth below and led to a 1.28 Corporate Performance Rating.

<b>Corporate Performance Measures (as adjusted for items affecting comparability*)</b>	<b>Fiscal 2011 Performance Results*</b>
Net Sales Growth	+2%
Segment Operating Profit Growth	+4%
Earnings Per Share Growth	+8%
Return on Average Total Capital Improvement	0 bps

\* 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 2011 performance results reflect adjustments for certain items affecting comparability. Net sales growth for the purpose of our Corporate Performance Measures is adjusted to exclude foreign currency translation and the effects of acquisitions and divestitures. These adjustments did not change our net sales growth from the growth reported in our annual report on Form 10-K for the fiscal year ended May 29, 2011 (10-K). Adjusted earnings per share growth excludes the impact of mark-to-market valuation of certain commodity positions and grain inventories, the effects of court decisions on uncertain tax matters and an enactment date tax charge related to health care reform legislation. See page 37 of our 10-K 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 38 of our 10-K was -10 basis points (bps). For the purpose of our Corporate Performance Measures, ROC was adjusted to 0 bps to reflect the effect of a settlement with the Internal Revenue Service concerning certain income tax adjustments for fiscal years 2002 to 2008.

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*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 well above the total returns delivered by an index of our consumer packaged goods industry peer group and the Standard & Poor's 500 Index.

Source: Bloomberg

*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 2011 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.

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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.

*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 2010 Annual Meeting. The balance of the annual incentive award is paid in a restricted stock unit match from the 2009 Stock Compensation Plan that requires deposit of an equivalent number of personally-owned shares for the duration of the vesting period.

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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 increased or decreased by as much as 30% based on the Corporate Performance Rating for that fiscal year. In contrast to fiscal 2010, when there was a 26% increase in grant size due to superior performance, there was a 2% decrease in grant size in fiscal 2011 based on the 1.28 Corporate Performance Rating, which is slightly 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.

**Annual Incentive Cash Portion**

$$\text{Annual Incentive Cash} = \text{Salary} \times \text{Base Incentive Rate}^* \times \text{Corporate Performance Rating} \times \text{Individual Performance Rating}$$

\* 45%-85% based on level of responsibility

**Annual Incentive Restricted Stock Unit Match Portion**

$$\text{Annual Incentive RSU} = \text{Annual Incentive Cash} \times 30\% \times \text{Corporate Performance Rating Adjustment} \times \text{Stock Price on Grant Date}$$

Individual Performance Ratings are based on the achievement of specific annual objectives such as business goals, financial and operating results, completion of strategic initiatives, the 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 be eligible to receive these restricted stock units, each named executive officer must put an equal number of personally-owned shares of General Mills stock on deposit 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. For awards made prior to June 2009, dividend equivalents are paid quarterly in cash.

*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 2009 Stock Compensation Plan. We will continue to grant these awards under the 2011 Stock Compensation Plan if it is approved by the stockholders at the 2011 Annual Meeting.

Awards for each fiscal year are granted annually in June just after fiscal year end. The size of the awards 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 increased or decreased by as much as 30% based on the Corporate Performance Rating for the fiscal year. In contrast to fiscal 2010, when there was a 26% increase in grant size due to superior performance, there was a 2% decrease in grant size in fiscal 2011 based on the 1.28 Corporate Performance Rating, which is slightly below the

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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. 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. For awards made prior to June 2009, dividend equivalents are paid quarterly in cash.

The options issued as part of the long-term incentive awards granted for fiscal 2011 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. 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.

The current 2009 Stock Compensation Plan expires in 2011, and we are asking that stockholders approve a new plan at this time. See Proposal Number 2 Adoption of the 2011 Stock Compensation Plan.

**CEO Performance and Compensation**

Based on the most recent proxy analysis conducted by the independent compensation consultant, Mr. Powell's total direct compensation for fiscal 2011 is positioned at the 25th percentile of chief executive officer compensation for U.S. companies in the consumer packaged goods industry peer group.

At the beginning of fiscal 2011, Mr. Powell's base salary and base incentive rate were increased to a more competitive level following the completion of the competitive market compensation assessment by the independent consultant and following his superior performance in fiscal 2010. His base salary was increased on August 1, 2010 from \$984,000 to \$1,075,000, and his base incentive rate was increased from 75% to 85%.

In assessing Mr. Powell's individual performance for fiscal 2011, the compensation committee solicited written feedback from all non-employee directors and subsequently discussed the consolidated input with all non-employee directors in executive session. The criteria used to measure Mr. Powell's performance included: the company's financial and operational performance for fiscal 2011, his overall level of leadership, and his continued ability to develop and implement strategies to enhance stockholder value. The compensation committee 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 2011, 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:

An increase in base salary to \$1,115,000 effective August 1, 2011.

An annual incentive payout of \$1,695,135 in cash and a 13,394 restricted stock unit match requiring a deposit of an equivalent number of personally-owned shares. In contrast to fiscal 2010, when there was a 26% increase in grant size due to superior performance, there was a 2% decrease in grant size in fiscal 2011 based on the 1.28 Corporate Performance Rating, which is slightly 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.

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An annual long-term incentive award comprised of 71,505 restricted stock units and 357,525 stock options, reflecting a 2% decrease based on the Corporate Performance Rating of 1.28.

A special one-time restricted stock unit award of 4,546 shares in conjunction with the termination of the executive medical plan.

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

Element	Compensation Philosophy Target Positioning	Fiscal 2011 CEO Compensation Market Positioning
<b>Base Salary</b>	<b>Compensation Peer Group Median</b>	Base salary at approximately the 25th percentile of the compensation peer group
<b>Annual Incentive</b>	<b>Performance Based:</b>  Awards range from below to above median based on performance.  Awards are well above median when corporate performance ranks in the top quartile.	Including both the cash and restricted stock unit match portions of the annual incentive, award was slightly below the median for the compensation peer group  Fiscal 2011 performance slightly below the median for the consumer packaged goods industry peer group
<b>Long-term Incentive</b>	<b>Performance Based:</b>  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 below the 25th percentile for the compensation peer group  Fiscal 2011 performance slightly below the median for the consumer packaged goods industry peer group

**Compensation Policies**

*Stock Ownership Requirements*

Management reviewed the stock ownership guidelines that have been in place since 1991 and, with the compensation committee's approval, updated the policy to reflect best practices while maintaining aggressive minimum holding

requirements for our executives versus our consumer packaged goods industry peer group and the broader industry. Minimum ownership requirements remain at ten times salary for the chief executive officer, 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 fiscal 2011, executives are no longer able to consider the after-tax value of vested, unexercised stock option gains in the overall computation of executive stock ownership. As of July 28, 2011, all of our named executive officers had stock ownership levels at or 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 General Mills 401(k).

**Table of Contents****Stock Ownership for Named Executive Officers**

<b>Name</b>	<b>Base Salary Multiple Requirement</b>	<b>Shares Owned</b>	<b>Base Salary Multiple</b>
Kendall J. Powell Chairman and CEO	10x	701,752	24x
Donal L. Mulligan EVP, CFO	5x	182,954	12x
Ian R. Friendly EVP, COO, U.S. Retail	5x	340,212	23x
Christopher D. O Leary EVP, COO, International	5x	239,156	16x
Roderick A. Palmore EVP, GC and Secretary	5x	205,873	13x

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.

*Stock Compensation Award Approval*

We have strict administrative guidelines on the timing and approval of stock compensation awards. The compensation committee pre-approves all awards to senior vice presidents and higher-level executive officers, and the board pre-approves awards to the Chief Executive Officer. They typically approve these awards at the regularly scheduled June board meeting, when the rest of the annual and long-term incentive awards are granted to our employees. Under the terms of the 2009 Stock Compensation Plan and the proposed 2011 Stock Compensation Plan, the company cannot grant stock options at a discount to fair market value on the grant date. Except for the annual June grant, awards to executive officers may not be approved during trading blackout periods.

*Independent Compensation Consultant Engagement*

The compensation committee has a policy for engagement of 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 2011. This firm advises the compensation committee on executive and director compensation but performs no other services for 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

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where it reasonably believes the company's Employee Code of Conduct or the terms of a separation agreement have been violated.

*Tax Deductibility of Compensation*

Our Executive Incentive Plan, the 2009 Stock Compensation Plan, and the proposed 2011 Stock Compensation Plan have each been structured with the intention that cash incentive payments, restricted stock units, stock options, stock appreciation rights and performance awards under these plans can qualify as performance-based compensation, which is tax-deductible to the company under Section 162(m) of the Internal Revenue Code.

**SUMMARY COMPENSATION TABLE**

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 2011, and for each of the other three most highly-compensated executive officers who were serving as executive officers at the end of fiscal 2011 (the "named executive officers"). Mr. Palmore was not a named executive officer in fiscal 2009 or fiscal 2010, and therefore information about his compensation for those fiscal years is not included.

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 2011 compensation includes stock and option awards based on fiscal 2010 performance.



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- (1) We awarded bonuses based on our achievement of certain performance goals established at the beginning of each fiscal year. Accordingly, bonuses are disclosed under the Non-Equity Incentive Plan Compensation column of this table.
- (2) Includes the grant date fair value of (a) restricted stock units granted during fiscal 2011 as annual and long-term incentive awards and (b) 4,546 restricted stock units granted to each named executive officer on April 26, 2011, vesting 100% on April 26, 2016. The latter awards approximate the actuarial present value of the executive medical plan benefit that is being terminated for active employees at the end of calendar 2011, as calculated by a third-party actuary.

Excludes awards based on fiscal 2011 performance but granted after fiscal year end in June 2011. 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 2011, 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 29, 2011.

The grant date fair value of each stock award granted in fiscal 2011 equals the closing price of our common stock on the New York Stock Exchange on the grant date. The values shown have not been adjusted to reflect that these units are subject to forfeiture.

- (3) Includes the grant date fair value of options granted during fiscal 2011. Excludes awards based on fiscal 2011 performance but granted after fiscal year end in June 2011. 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 2011 equals \$4.08 per share based on our previous Black-Scholes option pricing model. The following assumptions were used in the calculation: expected term of 8.5 years; dividend yield of 3.0% annually; a risk-free interest rate of 2.9%; and expected price volatility of 18.5%. The values shown have not been adjusted to reflect that these options are subject to forfeiture.

Effective for grants made on or after June 28, 2011, we transitioned to a Bloomberg Black-Scholes option pricing model, which is used to value option awards shown under the subsequent table, Total Direct Compensation Earned for Fiscal Year Performance.

- (4) 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 2011 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 2011 Performance**

<b>Non-Equity Incentive Plan Compensation</b>	<b>Value of RSU Match</b>	<b>Total</b>
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<b>Name</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>
K. J. Powell	1,695,135	498,370	2,193,505
D. L. Mulligan	625,536	183,908	809,444
I. R. Friendly	621,666	182,770	804,436
C. D. O Leary	625,159	183,797	808,956
R. A. Palmore	507,788	149,290	657,078

(5) 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.

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(6) All Other Compensation for fiscal 2011 includes the following amounts:

**All Other Compensation**

<b>Name</b>	<b>Matching Contributions on Retirement Savings Plans<sup>(7)</sup> (\$)</b>	<b>Tax Reimburse- ments<sup>(8)</sup> (\$)</b>	<b>Perquisites and Other Personal Benefits<sup>(9)</sup> (\$)</b>	<b>Total (\$)</b>
K. J. Powell	102,736	7,932	168,977	279,645
D. L. Mulligan	41,672	501	61,751	103,924
I. R. Friendly	45,597	2,686	68,743	117,026
C. D. O Leary	42,415	706	58,294	101,415
R. A. Palmore	37,844	1,236	59,935	99,015