

Sara Lee Corp  
Form DEF 14A  
September 14, 2010  
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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-11(c) or § 240.14a-12

**SARA LEE CORPORATION**

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(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

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

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

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

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(4) Proposed maximum aggregate value of transaction:

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(5) Total fee paid:

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Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

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

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(3) Filing Party:

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(4) Date Filed:

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September 14, 2010

**Dear Sara Lee Stockholder:**

It is my pleasure to invite you to Sara Lee Corporation's 2010 Annual Meeting of Stockholders. This year's meeting will be held on Thursday, October 28, 2010 at 9:30 a.m. (CDT), in the Oak Brook Hills Marriott Resort, 3500 Midwest Road, Oak Brook, Illinois. At the meeting, we will focus on the business items listed in the notice of the meeting, which follows on the next page.

We are pleased to again furnish our proxy materials to you over the Internet. We believe that this e-proxy process expedites stockholders' receipt of proxy materials, while also lowering the costs and reducing the environmental impact of our annual meeting. On September 14, 2010, we mailed to our U.S. and Canadian stockholders a Notice containing instructions on how to access our 2010 proxy statement and annual report and vote online. All other stockholders will receive a copy of the proxy statement and annual report by mail. The proxy statement contains instructions on how you can (i) receive a paper copy of the proxy statement and annual report, if you only received a Notice by mail, or (ii) elect to receive your proxy statement and annual report over the Internet next year, if you received them by mail this year.

Whether or not you plan to attend the meeting, your vote is important and we encourage you to vote promptly. You may vote your shares via a toll-free telephone number or over the Internet. If you received a paper copy of the proxy card by mail, you may vote by signing, dating and mailing the proxy card in the envelope provided. Instructions regarding these three methods of voting are contained on the Notice or proxy card.

We look forward to seeing you at the Annual Meeting.

Sincerely,

Marcel Smits

Interim Chief Executive Officer

**Important Notice Regarding the Availability of Proxy Materials for  
the Annual Meeting to be held on October 28, 2010**

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Sara Lee's proxy statement and 2010 annual report are available at [www.saralee.com/annualmeeting](http://www.saralee.com/annualmeeting).

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**NOTICE OF THE 2010  
ANNUAL MEETING OF STOCKHOLDERS**

The 2010 Annual Meeting of Stockholders of Sara Lee Corporation will be held on Thursday, October 28, 2010, at 9:30 a.m. (CDT), in the Oak Brook Hills Marriott Resort, 3500 Midwest Road, Oak Brook, Illinois 60523 for the following purposes:

1. to elect the 11 directors named in the attached proxy statement;
2. to vote on the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accountants for fiscal year 2011; and
3. to transact such other business as may properly come before the meeting.

Stockholders of record at the close of business on September 7, 2010 are entitled to notice of and to vote at the Annual Meeting.

***Your vote is important. Please note that if you hold your shares through a broker, your broker may no longer vote your shares on the election of directors in the absence of your specific instructions as to how to vote. In order for your vote to be counted, please make sure that you submit your vote to your broker.***

Whether or not you plan to attend the meeting, we urge you to vote your shares via the toll-free telephone number or over the Internet, as described in the enclosed materials. If you received a copy of the proxy card by mail, you may sign, date and mail the proxy card in the envelope provided.

By Order of the Board of Directors

Brett J. Hart  
Executive Vice President, General Counsel and

Corporate Secretary

September 14, 2010

#### **ADMISSION TO THE 2010 ANNUAL MEETING**

An admission ticket (or other proof of stock ownership) and some form of government-issued photo identification (such as a valid driver's license or passport) will be required for admission to the Annual Meeting. **Only stockholders who own Sara Lee common stock as of the close of business on September 7, 2010 will be entitled to attend the meeting. An admission ticket will serve as verification of your ownership.**

If your Sara Lee shares are registered in your name and you received your proxy materials by mail, an admission ticket is attached to your proxy card.

If your Sara Lee shares are registered in your name and you received or accessed your proxy materials electronically over the Internet, click the appropriate box on the electronic proxy card or follow the telephone instructions when prompted and an admission ticket will be held for you at the registration desk at the Annual Meeting.

If your Sara Lee shares are held in a bank or brokerage account, contact your bank or broker to obtain a written legal proxy in order to vote your shares at the meeting. If you do not obtain a legal proxy from your bank or broker, you will not be entitled to vote your shares, but you can still attend the Annual Meeting if you bring a recent bank or brokerage statement showing that you owned shares of Sara Lee common stock on September 7, 2010.

No cameras, recording devices or large packages will be permitted in the meeting room.

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**INFORMATION ABOUT SARA LEE CORPORATION**

Sara Lee is a global manufacturer and marketer of high-quality, brand name products for consumers throughout the world. The address of our principal executive office is 3500 Lacey Road, Downers Grove, Illinois 60515-5424 and our telephone number is +1.630.598.6000. Our corporate Web site is located at [www.saralee.com](http://www.saralee.com). Information contained on our Web site does not constitute part of this proxy statement.

**INFORMATION ABOUT THE ANNUAL MEETING**

***Information About Attending the Annual Meeting***

Our Annual Meeting will be held on Thursday, October 28, 2010, at 9:30 a.m. (CDT), in the Oak Brook Hills Marriott Resort, 3500 Midwest Road, Oak Brook, Illinois 60523. The telephone number of the Oak Brook Hills Marriott Resort is +1.630.850.5555. The doors to the meeting room will open for admission at 9:00 a.m. Directions to the Oak Brook Hills Marriott Resort are posted at [www.saralee.com](http://www.saralee.com).

An admission ticket (or other proof of stock ownership) and some form of government-issued photo identification (such as a valid driver's license or passport) will be required for admission to the Annual Meeting. **Only stockholders who own Sara Lee common stock as of the close of business on September 7, 2010 will be entitled to attend the meeting. An admission ticket will serve as verification of your ownership.** No cameras, recording devices or large packages will be permitted in the meeting room.

Under appropriate circumstances, we may provide assistance or a reasonable accommodation to attendees of the Annual Meeting who require assistance to gain access to the meeting or to receive communications made at the meeting. If you would like to request such assistance or accommodation, please contact our Investor Relations Department at Sara Lee Corporation, 3500 Lacey Road, Downers Grove, Illinois 60515-5424, or at (630) 598-8100 regarding your request as far in advance of the Annual Meeting as possible. Please note that we may not be able to accommodate all requests.

***Information About this Proxy Statement***

*Why you received this proxy statement.* You have received these proxy materials because Sara Lee's Board of Directors is soliciting your proxy to vote your shares at the Annual Meeting. This proxy statement includes information that we are required to provide to you under the rules of the Securities and Exchange Commission and that is designed to assist you in voting your shares. On September 14, 2010, we mailed to our U.S. and Canadian stockholders of record as of the close of business on September 7, 2010 a Notice containing instructions on how to access this proxy statement and our annual report online, and we began mailing these proxy materials to stockholders outside the U.S. and Canada. If you own Sara Lee common stock in more than one account, such as individually and also jointly with your spouse, you may receive more than one Notice or set of these proxy materials. To assist us in saving money and to serve you more efficiently, we encourage you to have all your accounts registered in the same name and address by contacting Sara Lee's transfer agent, BNY Mellon Shareowner Services, at +1.888.422.9881 (toll free) or +1.201.680.6678 (international), or [shrelations@mellon.com](mailto:shrelations@mellon.com).

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*Notice of Electronic Availability of Proxy Statement and Annual Report.* As permitted by Securities and Exchange Commission rules, Sara Lee is making this proxy statement and its annual report available to its stockholders electronically via the Internet. On September 14, 2010, we mailed to our U.S. and Canadian stockholders a Notice containing instructions on how to access this proxy statement and our annual report and vote online. If you received a Notice by mail, you will not receive a printed copy of the proxy materials in the mail. Instead, the Notice instructs you on how to access and review all of the important information contained in the proxy statement and annual report. The Notice also instructs you on how you may submit your proxy over the

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Internet. If you received a Notice by mail and would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting such materials contained on the Notice.

*Householding.* The Securities and Exchange Commission's rules permit us to deliver a single Notice or set of Annual Meeting materials to one address shared by two or more of our stockholders. This delivery method is referred to as "householding" and can result in significant cost savings. To take advantage of this opportunity, we have delivered only one Notice or set of Annual Meeting materials to multiple stockholders who share an address, unless we received contrary instructions from the impacted stockholders prior to the mailing date. We agree to deliver promptly, upon written or oral request, a separate copy of the Notice or Annual Meeting materials, as requested, to any stockholder at the shared address to which a single copy of those documents was delivered. If you prefer to receive separate copies of the Notice or Annual Meeting materials, contact Broadridge Financial Solutions, Inc. at +1.800.542.1061 or in writing at Broadridge, Householding Department, 51 Mercedes Way, Edgewood, New York 11717.

If you are currently a stockholder sharing an address with another stockholder and wish to receive only one copy of future Notices or Annual Meeting materials for your household, please contact Broadridge at the above phone number or address.

## ***Information About Voting***

Stockholders can vote in person at the Annual Meeting or by proxy. There are three ways to vote by proxy:

**By Telephone** Stockholders located in the United States can vote by telephone by calling +1.800.690.6903 and following the instructions on the proxy card;

**By Internet** You can vote over the Internet at [www.proxyvote.com](http://www.proxyvote.com) by following the instructions on the Notice or proxy card; or

**By Mail** If you received your proxy materials by mail, you can vote by mail by signing, dating and mailing the enclosed proxy card.

Telephone and Internet voting facilities for stockholders of record will be available 24 hours a day and will close at 11:59 p.m. (EDT) on October 27, 2010. If you hold shares in the Sara Lee Common Stock Fund under any of Sara Lee's retirement or savings plans, your voting instructions for those shares must be received by 5:00 p.m. (EDT) on October 25, 2010 to allow sufficient time for voting by the trustees and administrators of the plans.

If your shares are held in the name of a bank, broker or other holder of record, you will receive instructions from the holder of record. You must follow the instructions of the holder of record in order for your shares to be voted. Telephone and Internet voting also will be offered to stockholders owning shares through certain banks and brokers. If your shares are not registered in your own name and you plan to vote your shares in person at the Annual Meeting, you should contact your broker or agent to obtain a legal proxy or broker's proxy card and bring it to the Annual Meeting in order to vote. ***Please note that if you hold your shares through a broker, your broker may no longer vote your shares on the election of directors in the absence of your specific instructions as to how to vote. In order for your vote to be counted, please make sure that you submit your vote to your broker.***

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If you vote by proxy, the individuals named on the proxy card (your proxies) will vote your shares in the manner you indicate. You may specify whether your shares should be voted for or against all, some or none of the nominees for director and whether your shares should be voted for or against each of the other proposals. If you sign and return the proxy card without indicating your instructions, your shares will be voted as follows:

FOR the election of the 11 nominees for directors named in the attached proxy statement; and

FOR the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accountants for fiscal year 2011.

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You may revoke or change your proxy at any time before it is exercised by (1) delivering to us a signed proxy card with a date later than your previously delivered proxy, (2) voting in person at the Annual Meeting, (3) granting a subsequent proxy through the Internet or telephone, or (4) sending a written revocation to Sara Lee's Corporate Secretary, Brett J. Hart. Your most current proxy card or telephone or Internet proxy is the one that is counted.

Each share of Sara Lee common stock is entitled to one vote. The record date for determining stockholders entitled to notice of and to vote at the Annual Meeting is September 7, 2010. As of September 7, 2010, there were 639,246,565 shares of Sara Lee common stock outstanding.

### ***Information for Sara Lee Employees Who are Stockholders***

If you are a Sara Lee employee who is a stockholder, or if you hold shares in the Sara Lee Common Stock Fund under any of Sara Lee's retirement or savings plans (the "Savings Plans") or participate in the Sara Lee Corporation Direct Investment Plan, you will receive one proxy for all accounts registered in the same name. If all of your accounts are not registered in the same name, you will receive a separate proxy for each account that is registered in a different name. If you participate in the Savings Plans, your proxy card will serve as voting instructions to the trustees of those plans for shares allocated to your account, as well as a proportionate share of any unallocated shares and unvoted shares. If you fail to give voting instructions to the trustees, your shares will be voted by the trustees in the same proportion as shares held by the trustees for which voting instructions have been received. **To allow sufficient time for voting by the trustees and administrators of the Savings Plans, your voting instructions for shares held in the Savings Plans must be received by 5:00 p.m. (EDT) on October 25, 2010.**

### ***Information Regarding Tabulation of the Vote***

Sara Lee has a policy that all proxies, ballots and votes tabulated at a meeting of stockholders are confidential, and the votes will not be revealed to any Sara Lee employee or anyone else, other than to the non-management tabulator of votes or an independent election inspector, except (1) as necessary to meet applicable legal requirements, (2) if a stockholder writes comments on the proxy card directed to Sara Lee's Board or management, or (3) in the event a proxy solicitation in opposition to the election of the Board of Directors is initiated. Representatives of Broadridge Financial Solutions, Inc. will tabulate votes for this year's Annual Meeting.

### ***Quorum Requirement***

A quorum is necessary to hold a valid meeting. If stockholders entitled to cast a majority of all the votes entitled to be cast at the meeting are present in person or by proxy, a quorum will exist. Abstentions and broker non-votes are counted as present for establishing a quorum. A broker non-vote occurs when a broker does not vote on some matter on the proxy card because the broker does not have discretionary voting power for that particular item and has not received instructions from the beneficial owner.

### ***Information about Votes Necessary for Action to be Taken***

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Eleven directors have been nominated for election at the Annual Meeting. Sara Lee's Bylaws require that, in uncontested elections, each director be elected by the majority of votes cast with respect to such director. This means that the number of shares voted for a director nominee must exceed the number of votes cast against that nominee in order for that nominee to be elected. Only votes for or against are counted as votes cast with respect to a director. Abstentions and broker non-votes will have no effect. If a nominee who currently is serving as a director does not receive the affirmative vote of at least a majority of the votes cast, Maryland law provides that the director would continue to serve on Sara Lee's Board as a holdover director. However, under our Corporate Governance Guidelines, each holdover director is required to tender his or her resignation to the Board promptly after the stockholder vote has been certified. Under the Guidelines, the independent directors

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(excluding the director who tendered the resignation) will decide whether to accept the resignation or whether other action should be taken, and publicly disclose its decision and rationale, within 90 days.

For each other proposal, the affirmative vote of a majority of votes cast on the proposal is necessary for approval. Abstentions and broker non-votes will have no effect on either of these items because they are not considered votes cast.

### ***Other Business to be Considered***

The Board of Directors does not intend to present any business at the Annual Meeting other than the proposals described in this proxy statement. However, if any other matter properly comes before the Annual Meeting, including any stockholder proposal omitted from the proxy statement and form of proxy pursuant to Rule 14a-8 of the Securities Exchange Act of 1934, your proxies will act on such matter in their discretion.

## **CORPORATE GOVERNANCE**

### ***Corporate Governance Guidelines***

Sara Lee has adopted Corporate Governance Guidelines, which are available at [www.saralee.com](http://www.saralee.com) on the Investor Relations page under the link Corporate Governance. The Guidelines contain general principles regarding the functions of Sara Lee's Board of Directors and Board Committees.

### ***Director Independence***

Sara Lee's Corporate Governance Guidelines require that a substantial majority of the Board of Directors be comprised of independent directors. For a director to be considered independent under the listing standards of the New York Stock Exchange, the Board must affirmatively determine that a director has no direct or indirect material relationship with Sara Lee. The Board has adopted categorical standards to assist it in making determinations regarding independence. These standards are contained in Sara Lee's Corporate Governance Guidelines and conform to and exceed the independence criteria specified by the New York Stock Exchange. These categorical standards specify the criteria by which the independence of Sara Lee's directors will be determined, including whether a director or any member of the director's immediate family has any past employment or affiliation with Sara Lee or Sara Lee's independent registered public accountants.

After considering these categorical standards, the listing standards of the New York Stock Exchange and any other relationships between the directors and Sara Lee, the Board determined that Christopher B. Begley, Crandall C. Bowles, Virgis W. Colbert, James S. Crown, Laurette T. Koellner, Cornelis J.A. van Lede, Dr. John McAdam, Sir Ian Prosser, Norman R. Sorensen, Jeffrey W. Ubben and Jonathan P. Ward, constituting all of Sara Lee's directors, are independent.



*Process for Nominating Potential Director Candidates*

The Corporate Governance, Nominating and Policy Committee of Sara Lee's Board of Directors is responsible for screening potential director candidates and recommending qualified candidates to the full Board for nomination. In evaluating potential director candidates, the Committee considers the qualifications listed in Sara Lee's Corporate Governance Guidelines, which are available at [www.saralee.com](http://www.saralee.com) on the Investor Relations page under the link Corporate Governance. When assessing potential director candidates, the Corporate Governance, Nominating and Policy Committee considers diversity among the existing board members, including racial and ethnic background and gender, as outlined in the Board Membership Criteria section of the Corporate Governance Guidelines.

The Corporate Governance, Nominating and Policy Committee considers recommendations of potential candidates from incumbent directors, management and stockholders. Any recommendation submitted by a

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stockholder to the Corporate Governance, Nominating and Policy Committee must include the same information concerning the potential candidate and the stockholder, and must be received in the time frame, as would be required under Article I, Section 10 of Sara Lee's Bylaws if the stockholder wished to nominate the candidate directly. From time to time the Committee also retains search firms to assist it. The Committee applies the same standards in evaluating candidates submitted by stockholders as it does in evaluating candidates submitted by other sources. Suggestions regarding potential director candidates, together with the required information described above, should be submitted in writing to Sara Lee's Corporate Secretary, Brett J. Hart, at Sara Lee Corporation, 3500 Lacey Road, Downers Grove, Illinois 60515-5424.

### ***Code of Conduct***

Sara Lee's Global Business Standards, the company's written corporate code of business conduct and ethics, embody Sara Lee's long-standing history of requiring adherence to high standards of ethical conduct and business practices. The Global Business Standards are available on Sara Lee's Web site at [www.saralee.com](http://www.saralee.com) on the About Sara Lee page under the link Global Business Practices. All of Sara Lee's officers, directors and employees, including its Chief Executive Officer, Chief Financial Officer and principal accounting officer, are required to comply with the Global Business Standards.

### ***Communications with the Board of Directors***

Stockholders and other interested parties may communicate with one or more members of Sara Lee's Board of Directors, including the Chair of any Committee of the Board, by writing to the Board, or a specific Committee Chair or director at:

Board of Directors

(or specific Committee Chair or director)  
c/o Brett J. Hart, Corporate Secretary

Sara Lee Corporation

3500 Lacey Road

Downers Grove, Illinois 60515-5424

Sara Lee's Board of Directors has instructed the Corporate Secretary to forward communications to the Board or to individual directors, as appropriate; however, the Board also has instructed the Corporate Secretary to review all correspondence received and, in his discretion, not forward correspondence that is unrelated to the duties and responsibilities of the Board. Examples of such inappropriate communication include business solicitations, advertising and communication that is frivolous in nature, relates to routine business matters (such as product inquiries, complaints or suggestions), or raises grievances that are personal to the person submitting the communication. Upon request, any director may review communication that is not forwarded to the directors pursuant to this policy.

The Audit Committee of the Board of Directors has established procedures for employees, stockholders and others to submit confidential and anonymous reports of suspected illegal or unethical behavior, violations of Sara Lee's Global Business Standards or concerns regarding Sara Lee's accounting, internal accounting controls or auditing matters. Reports may be made by sending an email to [business.practices@saralee.com](mailto:business.practices@saralee.com), posting a report at [www.saraleeresourceline.com](http://www.saraleeresourceline.com) or by calling

+1.800.285.7964 (available toll-free outside the U.S. using the local AT&T Direct access number)

***Board Leadership Structure***

James S. Crown, an independent director, currently serves as our Chairman of the Board. Mr. Crown assumed the position of Chairman on May 14, 2010, when our then Chairman and Chief Executive Officer,

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Brenda C. Barnes, began a medical leave of absence. Prior to May 14, 2010, Mr. Crown served as our Lead Independent Director. Marcel Smits currently serves as our Interim Chief Executive Officer. Mr. Smits also assumed his position at the time Ms. Barnes began her medical leave of absence. Prior to such time, Mr. Smits served as our Executive Vice President and Chief Financial Officer.

The Board believes that this leadership structure is appropriate for Sara Lee at this time, particularly in light of its leadership transition, in that it ensures a greater role for the independent directors in the oversight and leadership of the Company. This structure is also consistent with our Corporate Governance Guidelines, which provide that, following the completion of Ms. Barnes' tenure as Chief Executive Officer, the Board would select as Chairman of the Board a director who meets the general standards for director independence established at such time by the New York Stock Exchange.

### ***Executive Sessions***

Pursuant to Sara Lee's Corporate Governance Guidelines, non-management directors meet in regularly scheduled executive sessions without management. The Chairman (or, when our Chairman was an executive officer, the Lead Independent Director) chairs all regularly scheduled executive sessions of the Board, and also has authority to convene meetings of the non-management directors at any time with appropriate notice.

### ***Risk Oversight***

Sara Lee's Board of Directors has overall responsibility for risk oversight. Each year, Sara Lee's management and the Board jointly develop and prioritize a list of the most significant risks facing the company. Throughout the year, the Board and committees of the Board dedicate a portion of their meetings to reviewing and discussing specific risks in greater detail. The Board as a whole exercises its oversight responsibilities with respect to strategic, operational and competitive risks, as well as risks related to succession of our Chief Executive Officer and other members of senior management, and has delegated responsibility for the oversight of specific risks to Board committees as follows: The Audit Committee oversees Sara Lee's risk policies and processes relating to our financial statements and financial reporting processes, and regulatory compliance risks. The Finance Committee oversees Sara Lee's risk policies and processes relating to capital, credit, pension plan and liquidity risks. The Corporate Governance, Nominating and Policy Committee oversees risks related to Sara Lee's governance structure and arising from related person transactions, and oversees processes and risks related to regulatory or legislative risks, our public policy initiatives and similar matters. The Compensation and Employee Benefits Committee provides oversight with respect to risks that may be created by our compensation programs and management resources, structure and succession planning.

### ***Compensation Risk***

The Compensation Committee has undertaken, with the assistance of its independent compensation consultant, a comprehensive review of compensation policies and practices throughout Sara Lee to assess the risks presented by such policies and practices. Based on this review, we have determined that such policies and practices are not reasonably likely to have a material adverse effect on Sara Lee. In reaching this determination, we have taken into account the following design elements of our compensation programs and policies and practices: mixture of cash and equity opportunities, mixture of performance time horizons, mixture of time-based and performance-based pay vehicles, use of financial metrics that are easily capable of audit, avoidance of uncapped rewards, use of required stock ownership amounts at senior management levels, a broad clawback policy and a rigorous auditing, monitoring and enforcement environment.

*Attendance at Annual Meeting*

As stated in Sara Lee's Corporate Governance Guidelines, each director is expected to attend all annual meetings of stockholders. All of the directors who were then serving on the Board except one attended the 2009 annual meeting.

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### ***Governance Documents***

All of Sara Lee's current corporate governance documents and policies, including its Corporate Governance Guidelines, committee charters and Global Business Standards, are available at [www.saralee.com](http://www.saralee.com) and in print to any stockholder who requests them.

### ***Review of Transactions with Related Persons***

The Board has adopted a written policy regarding the review and approval of transactions, involving certain persons, that Securities and Exchange Commission (SEC) regulations require to be disclosed in proxy statements, which are commonly referred to as related person transactions. A related person is defined under the applicable SEC regulation and includes our directors, executive officers and beneficial owners of 5% or more of our common stock. Under the written policy, Sara Lee's Corporate Governance, Nominating and Policy Committee is responsible for reviewing and approving any related person transactions and will consider factors it deems appropriate, including:

the approximate dollar amount involved in the transaction, including the amount payable to the related person;

the nature of the interest of the related person in the transaction;

whether the transaction may involve a conflict of interest;

whether the transaction involves the provision of goods or services to Sara Lee that are available from unaffiliated third parties and, if so, whether the related person transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances; and

the purpose of the transaction and any potential benefits to Sara Lee.

There are no related person transactions to report in this proxy statement.

### ***Relationship with Executive Compensation Consultant***

Sara Lee's Compensation and Employee Benefits Committee (the Committee) has retained Frederic W. Cook & Co., Inc. (FWCook) as its independent executive compensation consultant. FWCook reports directly to the Committee, and the Committee may replace FWCook or hire additional consultants at any time. Frederic Cook, principal of FWCook, attends meetings of the Committee, as requested, and communicates with the Chair of the Committee between meetings; however, the Committee makes all decisions regarding the compensation of Sara Lee's executive officers. None of Sara Lee's management participated in the Committee's decision to retain FWCook as the Committee's independent executive compensation consultant.

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FWCook provides various executive compensation services to the Committee with respect to Sara Lee's executive officers and other key employees pursuant to a written consulting agreement with the Committee. The services FWCook provides under the agreement include advising the Committee on the principal aspects of Sara Lee's executive compensation program and evolving best practices, and providing market information and analysis regarding the competitiveness of Sara Lee's program design and Sara Lee's award values in relationship to its performance.

The Committee regularly reviews the services provided by its outside consultants and believes that FWCook is independent in providing executive compensation consulting services to the Committee. The scope of FWCook's business is providing executive compensation consulting services and it does not provide, directly or indirectly through affiliates, any non-executive compensation services, such as pension consulting or human resource outsourcing. In addition, in its consulting agreement with the Committee, FWCook agrees to advise the Chair of the Committee if any potential conflicts of interest arise that could cause FWCook's independence and loyalty to be questioned, and to not undertake any projects for Sara Lee management except at the request of the Committee Chair and as agent for the Committee.

**Table of Contents****MEETINGS AND COMMITTEES OF THE BOARD**

The Board of Directors held eleven meetings during fiscal year 2010 and has the following standing committees: Audit, Compensation and Employee Benefits, Corporate Governance, Nominating and Policy, Executive, Finance and Qualified Legal Compliance. The following table shows the current membership of these committees. All of the directors attended at least 75% of the total of all the meetings of the Board and Board committees on which he or she served during fiscal year 2010.

Each standing Board committee operates pursuant to a written charter. Copies of the committee charters are available on Sara Lee's Web site at [www.saralee.com](http://www.saralee.com) on the About Sara Lee page under the link Board of Directors Committee Charters. The Board also formed a temporary special litigation committee, which is described below.

<b>Name</b>	<b>Audit</b>	<b>Compensation and Employee Benefits</b>	<b>Corporate Governance, Nominating and Policy</b>	<b>Executive</b>	<b>Finance</b>
Christopher B. Begley	X				X
Crandall C. Bowles		X			X
Virgis W. Colbert					X
James S. Crown		X	X*	X*	
Laurette T. Koellner	X*		X	X	
Cornelis J.A. van Lede	X		X		
Dr. John McAdam		X	X		
Sir Ian Prosser	X			X	X*
Norman R. Sorensen		X	X		
Jeffrey W. Ubben	X				X