

Edgar Filing: GENERAL MILLS INC - Form DEFA14A

GENERAL MILLS INC
Form DEFA14A
September 04, 2003

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14A
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant [X]
Filed by a Party other than the Registrant []

Check the appropriate box:

<input type="checkbox"/> Preliminary Proxy Statement	<input type="checkbox"/> Confidential, For Use of the
<input type="checkbox"/> Definitive Proxy Statement	Commission Only (as permitted
<input checked="" type="checkbox"/> Definitive Additional Materials	by Rule 14a-6(e) (2))
<input type="checkbox"/> Soliciting Material Under Rule 14a-12	

General Mills, Inc.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

[X] No fee required.
[] Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class 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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- 1) Amount previously paid:
- 2) Form, Schedule or Registration Statement No.:
- 3) Filing Party:
- 4) Date Filed:

On September 4, 2003, James A. Lawrence, Executive Vice President and Chief Financial Officer of General Mills, Inc., made a webcast presentation to investors. Selected pages from the script and slides for the presentation are attached to this Schedule.

For more than 15 years, General Mills has sponsored long-term compensation plans designed to ensure all employees are owners. These plans are part of an overall compensation system that is highly dependent on performance. Base salaries at General Mills are generally lower than those at peer companies. These salaries are coupled with annual cash incentives determined by individual, business unit and overall company performance. So we earn above-average compensation in years when our performance is strong, and our compensation falls when results don't meet our goals.

Long-term compensation has been entirely stock-based, with programs ranging from all-employee option grants to an innovative salary replacement program that allowed eligible employees to forego their annual merit salary increases and choose stock options instead.

These programs did exactly what they were designed to do -- they made our employees shareholders, and they strengthened everyone's focus on the importance of making business decisions that lead to sustained business growth and returns. Our stock plans also have created a large balance of options outstanding, because they have been extended to all employees, they typically require a 4-year vesting period, and our track record of consistent growth causes many people to wait until close to the 10-year expiration date before they exercise.

SLIDE 39 - GMI COMPENSATION PHILOSOPHY

GENERAL MILLS
COMPENSATION PHILOSOPHY

- o Stock Ownership is Emphasized
- o Pay is Performance-based

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- o Long-term Compensation is Stock-based
 - All-employee Stock Option Grants
 - Innovative Programs to Build Employee Ownership

[LOGO] G

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We've been modifying our stock-based plans over the last several years in order to begin reducing our options overhang. The 2003 stock plan shareholders are being asked to approve at our annual meeting later this month will continue this process, because it calls for a blend of restricted stock and stock options, rather than options alone. The grant size will vary with company performance against financial measures set at the beginning of each year. We think this plan strikes a good balance of reducing our option overhang and sustaining our commitment to stock-based compensation as a means of aligning company and shareholder interests. I hope those of you in the audience who are General Mills shareholders will review the background materials we've provided in the proxy and vote in support of this plan.

SLIDE 40 - 2003 STOCK PLAN

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2003 STOCK PLAN

- o A Blend of Stock Options and Restricted Stock
- o Size of Stock Grant is Based on Company Performance
- o Reduces Company's Stock Usage Rate

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