

CAMPBELL SOUP CO  
Form DEF 14A  
October 10, 2007

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**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934**

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 Section 240.14a-11(c) or Section 240.14a-12

**Campbell Soup Company**

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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)(1) 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 by written 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.

(1) Amount Previously Paid:

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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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**Campbell Soup Company  
1 Campbell Place  
Camden, New Jersey 08103-1799  
856-342-4800**

**October 10, 2007**

**Notice of Annual Meeting of Shareowners**

**Friday, November 16, 2007  
9:30 a.m. Central Time  
Love Civic Center  
2025 South Collegiate Drive  
Paris, Texas 75460**

**AGENDA**

- 1. Elect Directors.**
- 2. Ratify Appointment of Independent Registered Public Accounting Firm.**
- 3. Transact any other business properly brought before the meeting.**

Shareowners of record at the close of business on September 19, 2007 will be entitled to vote.

Your vote is important. In order to have as many shares as possible represented, kindly **SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD IN THE ENVELOPE PROVIDED OR VOTE BY PHONE OR THE INTERNET** (see instructions on the proxy card).

By Order of the Board of Directors,

John J. Furey  
Vice President and Corporate Secretary

**Important**

Please note that an admission ticket is required in order to attend the Annual Meeting. If you plan to attend, please request a ticket. If shares were registered in your name as of September 19, 2007, please check the appropriate box on your proxy card or when voting on the Internet, or indicate when prompted if voting by telephone. A ticket of admission will be forwarded to you. If your shares are held in the name of a broker or other nominee, please follow the instructions on page 45 to obtain an admission ticket. If you plan to attend the meeting, please bring government-issued photographic identification. You will need an admission ticket and this identification in order to be admitted to the meeting.

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n Denotes items to be voted on at the meeting.

**Note: Shareowners may receive copies of the Company's Annual Report on Form 10-K for the year ended July 29, 2007, Code of Business Conduct and Ethics, Corporate Governance Standards, and the charters of the four standing committees of the Board of Directors, without charge, by:**

- (1) writing to Investor Relations, Campbell Soup Company, 1 Campbell Place, Camden, NJ 08103-1799;
- (2) calling 1-888-SIP-SOUP (1-888-747-7687); or
- (3) leaving a message on Campbell's home page at [www.campbellsoupcompany.com](http://www.campbellsoupcompany.com).

These documents are also available in the governance section of the company's Web site at [www.campbellsoupcompany.com](http://www.campbellsoupcompany.com)

**Note: Shareowners may elect to receive future distributions of Annual Reports and Proxy Statements by electronic delivery and vote Campbell shares on-line. To take advantage of this service you will need an electronic mail (e-mail) account and access to an Internet browser. To enroll, go to the investor center section on [www.campbellsoupcompany.com](http://www.campbellsoupcompany.com) and click on E-Delivery of Materials. If your shares are registered in your name, you will be asked to enter your account number, which is printed on your dividend check or Dividend Reinvestment Statement. If your shares are held by a broker, you will need your account number with the broker.**



Table of Contents**Item 1****Election of Directors****The Board of Directors Recommends a Vote For ALL Nominees**

The Board of Directors of the Company, pursuant to the By-Laws, has determined that the number of directors of the Company shall be 16. The directors are to be elected to hold office until the next Annual Meeting of the Shareowners and until their successors are elected and shall have qualified. Directors are elected by a plurality of the votes cast. Except as otherwise specified in the proxy, proxies will be voted for election of the nominees named below.

The current 16 directors are standing for reelection. All of the nominees are independent directors, except for Mr. Conant.

If a nominee becomes unable or unwilling to serve, proxies will be voted for election of such person as shall be designated by the Board of Directors. Management knows of no reason why any nominee shall be unable or unwilling to serve.

The following table sets forth certain information concerning the nominees at October 1, 2007:

Name	(1) Principal Occupation or Employment (2) Other Business Affiliations	Age	Director Since
Edmund M. Carpenter	(1) Retired President and Chief Executive Officer of Barnes Group, Inc. (1998-2006). Previously Senior Managing Director of Clayton Dubilier & Rice. Former Chairman and Chief Executive Officer of General Signal Corporation.  (2) Director of Dana Corporation	65	1990
Paul R. Charron	(1) Retired Chairman (1996-2006) and Chief Executive Officer (1995-2006) of Liz Claiborne Inc.	65	2003
Douglas R. Conant	(1) President and Chief Executive Officer of Campbell Soup Company since January 2001. Previously President of Nabisco Foods Company.  (2) Director of Applebee's International, Inc.	56	2001





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<b>Name</b>	<b>(1) Principal Occupation or Employment (2) Other Business Affiliations</b>	<b>Age</b>	<b>Director Since</b>
Bennett Dorrance	(1) Private investor and Chairman and Managing Director of DMB Associates in Phoenix, Arizona.  (2) Director of Insight Enterprises, Inc.	61	1989
Kent B. Foster	(1) Retired Chairman (2000-2007) and Chief Executive Officer (2000-2005) of Ingram Micro, Inc. Former President of GTE Corp.  (2) Director of J.C. Penney Company, Inc. and New York Life Insurance Company.	64	1996
Harvey Golub	(1) Non-executive Chairman of Campbell Soup Company since November 2004. Retired Chairman and Chief Executive Officer of American Express Company (1993-2001).  (2) Director of Dow Jones & Company, Inc.	68	1996
Randall W. Larrimore	(1) Former non-executive Chairman of Olin Corporation (2003-2005). Retired President and Chief Executive Officer of United Stationers Inc. (1997-2003).  (2) Director of Olin Corporation.	60	2002

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<b>Name</b>	<b>(1) Principal Occupation or Employment (2) Other Business Affiliations</b>	<b>Age</b>	<b>Director Since</b>
Philip E. Lippincott	(1) Former non-executive Chairman of Campbell Soup Company (1999-2001). Retired Chairman and Chief Executive Officer of Scott Paper Company (1983-1994).  (2) Director of Exxon Mobil Corporation. Trustee of The Penn Mutual Life Insurance Company.	71	1984
Mary Alice D. Malone	(1) Private investor and President of Iron Spring Farm, Inc.	57	1990
Sara Mathew	(1) President and Chief Operating Officer (since March 2007) of The Dun and Bradstreet Corporation and Former Chief Financial Officer (2001-2007) and President-U.S. (2006-2007) of D&B. Previously Vice President Finance, ASEAN Region, The Procter & Gamble Company.	52	2005
David C. Patterson	(1) Founder and Chairman, Brandywine Trust Company since 1989.	59	2002

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<b>Name</b>	<b>(1) Principal Occupation or Employment (2) Other Business Affiliations</b>	<b>Age</b>	<b>Director Since</b>
Charles R. Perrin	(1) Non-executive Chairman of Warnaco Group, Inc. since March 2004. Retired Chairman and Chief Executive Officer of Avon Products, Inc. (1998-1999). Former Chairman and Chief Executive Officer of Duracell International, Inc. (1994-1996).  (2) Director of Warnaco Group, Inc.	62	1999
A. Barry Rand	(1) Retired Chairman and Chief Executive Officer of Equitant, Inc. (2003-2005). Previously Chairman and Chief Executive Officer of Avis Group (1999-2001).  (2) Director of Agilent Technologies, Inc.	62	2005
George Strawbridge, Jr.	(1) Private investor and President of Augustin Stables, Inc.	69	1988
Les C. Vinney	(1) Senior Advisor of STERIS Corporation. Former President and Chief Executive Officer of STERIS from 2000 to October 1, 2007. Previously Senior Vice President, Finance and Operations, of STERIS. Former Senior Vice President and Chief Financial Officer of the B.F. Goodrich Company.	58	2003
Charlotte C. Weber	(1) Private investor and President and Chief Executive Officer of Live Oak Properties.	64	1990

**Table of Contents****Security Ownership of Directors and Executive Officers**

The following table sets forth information regarding beneficial ownership of Campbell's Capital Stock by each director, the Company's Chief Executive Officer, Chief Financial Officer and the three most highly compensated executive officers, and the directors and executive officers as a group, and also sets forth Campbell stock units credited to the individual's deferred compensation account. The account reflects the deferral of previously earned compensation and/or pending awards of restricted stock into Campbell stock units. The individuals are fully at risk as to the price of Campbell stock in their deferred stock accounts. Additional stock units are credited to the accounts to reflect accrual of dividends. The stock units do not carry any voting rights. Unrestricted deferred Campbell stock units are included in calculating the stock ownership required by the Company for directors and executives.

	Number of Shares	Vested Options as of November 19, 2007(a)	Total Beneficial(a)	Campbell Stock Deferred	Total Number of Shares and Deferred Stock
Edmund M. Carpenter	14,375	73,860	88,235	14,149	102,384
Paul R. Charron	2,000	17,552	19,552	6,744	26,296
Douglas R. Conant	209,403	4,414,000	4,623,403	575,170	5,198,573
Bennett Dorrance(b)	48,130,029	80,476	48,210,505	14,576	48,225,081
Kent B. Foster	0	55,033	55,033	22,333	77,366
Harvey Golub	4,812	96,758	101,570	55,661	157,231
Randall W. Larrimore	9,721	25,687	35,408	0	35,408
Phillip E. Lippincott	33,322	89,088	122,410	5,087	127,497
Mary Alice D. Malone(c)	54,178,927	45,613	54,224,540	22,958	54,247,498
Sara Mathew	0	3,100	3,100	5,972	9,072
David C. Patterson(d)	34,894,400	33,820	34,928,220	0	34,928,220
Charles R. Perrin	10,000	42,604	52,604	15,205	67,809
A. Barry Rand	0	3,100	3,100	3,767	6,867
George Strawbridge, Jr.(e)	8,103,684	86,314	8,189,998	4,161	8,194,159
Les C. Vinney	9,041	17,293	26,334	0	26,334
Charlotte C. Weber(f)	15,492,114	45,613	15,537,727	13,230	15,550,957
Mark A. Sarvary	167,329	275,000	442,329	2,148	444,477
Ellen O. Kaden	160,429	469,700	630,129	33,848	663,977
Robert A. Schiffner	133,854	439,750	573,604	2,650	576,254
Larry S. McWilliams	149,209	314,945	464,154	1,678	465,832
<b>TOTAL</b>	<b>163,220,616</b>	<b>7,899,446</b>	<b>171,120,062</b>	<b>1,070,502</b>	<b>172,190,564</b>
All directors and executive officers as a group (27 persons)					

(a)

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The shares shown include shares of Campbell stock as to which directors and executive officers can acquire beneficial ownership because of stock options that are currently vested or that will vest as of November 19, 2007. All persons listed own less than 1% of the Company's outstanding shares of Capital Stock, except:

	<b>% of Outstanding Shares</b>
Bennett Dorrance	12.5%
Mary Alice D. Malone	14.1%
David C. Patterson	9.0%
George Strawbridge, Jr.	2.1%
Charlotte C. Weber	4.0%

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All directors and executive officers (27 persons) as a group beneficially own 44.5% of the outstanding shares.

- (b) Bennett Dorrance is a grandson of John T. Dorrance, the brother of Mary Alice D. Malone, and a first cousin of George Strawbridge and Charlotte C. Weber. Share ownership shown includes 39,776,085 shares that are pledged to banks as collateral for loans. Share ownership shown does not include 1,105,142 shares held by trusts for his children, as to which shares he disclaims beneficial ownership. Share ownership shown does not include shares held by the Dorrance Family Foundation. See also Principal Shareowners below.
- (c) Mary Alice D. Malone is a granddaughter of John T. Dorrance, the sister of Bennett Dorrance and a first cousin of George Strawbridge and Charlotte C. Weber. Share ownership shown does not include 75,277 shares held by trusts for her children, as to which shares she disclaims beneficial ownership. See also Principal Shareowners below.
- (d) Share ownership shown for David C. Patterson includes 35,263,089 shares held by the Voting Trust (defined in Principal Shareowners below) over which he, as a Trustee, has shared voting power. Reference is also made to Principal Shareowners. In 2002 the Voting Trust described below recommended that the Company's Governance Committee nominate David C. Patterson as a candidate for election as a director. Also includes 371,590 shares held by the Brandywine Trust Company of which Mr. Patterson is the Chairman and for which he has shared dispositive power.
- (e) George Strawbridge is a grandson of John T. Dorrance and a first cousin of Charlotte C. Weber, Bennett Dorrance and Mary Alice D. Malone. Share ownership shown does not include 11,935,559 shares held by various trusts, of which he is a trustee, for the benefit of his sister and her children, as to which shares he disclaims beneficial ownership. Share ownership shown does not include 2,386,246 shares held by trusts for the benefit of his descendants, as to which shares he disclaims beneficial ownership.
- (f) Charlotte C. Weber is a granddaughter of John T. Dorrance and a first cousin of George Strawbridge, Bennett Dorrance and Mary Alice D. Malone. Share ownership shown includes 15,475,908 shares held indirectly and for which she has shared voting and dispositive power. Share ownership shown includes 1,430,000 shares that are pledged to a bank as security for a revolving credit loan.

**Table of Contents****Security Ownership of Certain Beneficial Owners**

At the close of business on September 19, 2007, the record date for the meeting, there were outstanding and entitled to vote 383,919,064 shares of Campbell Capital Stock, all of one class and each having one vote. The holders of a majority of the shares outstanding and entitled to vote, present in person or represented by proxy, constitute a quorum for the meeting.

**Principal Shareowners**

Information concerning the owners of more than 5% of the outstanding Campbell Common Stock as of the record date for the meeting follows:

Name/Address	Amount/Nature of Beneficial Ownership	Percent of Outstanding Stock
Bennett Dorrance DMB Associates 7600 E. Doubletree Ranch Road Scottsdale, AZ 85258	48,210,505 Note (1)	12.5%
Mary Alice D. Malone Iron Spring Farm, Inc. 75 Old Stottsville Road Coatesville, PA 19320	54,272,885 Note (2)	14.1%
John A. van Beuren and David C Patterson, Voting Trustees under the Major Stockholders Voting Trust dated as of June 2, 1990 ( Voting Trust ) and related persons P.O. Box 4098 Middletown, RI 02842 Note(4)	38,241,598 Note (3)	10%

- (1) A director nominee. See note (b) on page 6. The shares shown include 80,476 shares with respect to which Bennett Dorrance has the right to acquire beneficial ownership because of vested stock options.
- (2) A director nominee. See note (c) on page 6. The shares shown include 45,613 shares with respect to which Mary Alice D. Malone has the right to acquire beneficial ownership because of vested stock options.
- (3) David C. Patterson is a director nominee. See note (d) on page 6. Includes 34,513,089 shares (9% of the outstanding shares) held by the Voting Trustees with sole voting power and 3,728,509 shares held by participants outside the Voting Trust or by persons related to them, for a total of 38,241,598 shares (10% of the outstanding shares). Includes 1,808,506 shares with sole dispositive power held by Hope H. van Beuren and 2,993,279 shares with sole dispositive power held by her husband, John van Beuren, P.O. Box 4098, Middletown, RI 02842. John and Hope van Beuren also hold 15,963,350 shares with shared dispositive power, including shares held by family partnerships, family trusts and a corporation for a total of 5.4% of the

outstanding shares. David C. Patterson has shared dispositive power over 371,590 shares as Chairman of Brandywine Trust Company, a corporate trustee. Participants in the Voting Trust have certain rights to withdraw shares deposited with the Voting Trustees, including the right to withdraw these shares prior to any annual or special meeting of the Company's shareowners. Dispositive power as used above means the power to direct the sale of the shares; in some cases it does not include the power to direct how the proceeds of a sale can be used. The Voting Trust was formed by certain descendants (and spouses, fiduciaries and a related foundation) of the late John T. Dorrance. The participants have indicated that they formed the Voting Trust as a vehicle for acting together as to matters which may arise affecting the Company's business, in order to obtain their objective of maximizing the value of their shares. The Trustees will act for participants in communications with the Company's Board of Directors. Participants believe the Voting Trust may also facilitate communications between the Board and the participants.



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- (4) Under the Voting Trust Agreement, all shares held by the Voting Trust will be voted by the Trustees, whose decision must be approved by two Trustees if there are two Trustees then acting. The Voting Trust continues until June 1, 2008, unless it is sooner terminated or extended.

The foregoing information relating to Principal Shareowners is based upon the Company's stock records and data supplied to the Company by the holders as of the record date for the meeting.

## **Corporate Governance**

The Board of Directors is responsible for overseeing the business of the Company, and the competence and integrity of its management, to serve the long-term interests of the shareowners. The Board believes that sound corporate governance is essential to diligent and effective fulfillment of its oversight responsibilities.

### **Corporate Governance Standards and Committee Charters**

Campbell first published Corporate Governance Standards in its proxy statement in 1992. The Standards are reviewed annually by the Governance Committee and approved by the Board. In 2003, the Governance Committee and the Board undertook a comprehensive review of the Corporate Governance Standards, the charters of the standing committees, and the overall governance structure of the Company, in light of new statutory and regulatory requirements, proposed new rules and recommendations of the New York Stock Exchange, and the ongoing discussion of effective means for raising the standards of governance of public companies. Revised Corporate Governance Standards and committee charters that were developed and approved by the Board in the course of that review were included in the 2003 proxy statement. In 2004, these documents were further revised to reflect the provisions of the final New York Stock Exchange Corporate Governance Listing Standards approved by the Securities and Exchange Commission in November 2003. Additional modifications have been made since that time to take account of subsequent changes in regulatory requirements and the Board's experience with the revised governance procedures.

The Company's current Corporate Governance Standards appear in Appendix A. Also set forth in Appendix A are procedures by which interested persons can communicate concerns to the Board of Directors and the Audit Committee.

### **Director Independence**

A statement of standards that the Board has adopted to assist it in evaluating the independence of Campbell directors is set forth in Appendix A, and appears in the governance section of the Company's Web site at [www.campbellsoupcompany.com](http://www.campbellsoupcompany.com). The Standards for the Determination of Director Independence (the Standards) describe various types of relationships that could potentially exist between a director and the Company, and define the thresholds at which such relationships would be deemed material. The Board will deem a director to be independent if (i) no relationship exists that would disqualify the director under the guidelines set forth in paragraphs 1 and 2 of the Standards, and (ii) the Board has determined that, based on all relevant facts and circumstances, any other relationship between the director and the Company, not covered by paragraphs 1 and 2, is not material. In any case in which the Board makes the latter determination, the relationship will be disclosed in the proxy statement, along with the basis for the Board's conclusion that it is not material.

The Board has determined that no relationship exists between the Company and any nominee for director listed in this proxy statement, except Mr. Conant, that would influence or impair the nominee's independence as a director. In making this determination, the Board considered certain transactions or relationships between the Company and

entities in which individual nominees serve as a director, executive officer or operating partner, including transactions or relationships involving purchases by the Company of product ingredients or packaging supplies (Messrs. Carpenter and Patterson), business information services and advertising (Mr. Golub and Ms. Mathew), and information technology services (Messrs. Dorrance and Rand). In each case, the aggregate dollar amounts of the purchases are not material to the Company or the entity from which they are made, and the nominee plays no role in any of the transactions.

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The Board has determined that each of the following director nominees is independent under the rules of the New York Stock Exchange and the Standards set forth in Appendix A:

Edmund M. Carpenter  
 Paul R. Charron  
 Bennett Dorrance  
 Kent B. Foster  
 Harvey Golub  
 Randall W. Larrimore  
 Philip E. Lippincott  
 Mary Alice D. Malone

Sara Mathew  
 David C. Patterson  
 Charles R. Perrin  
 A. Barry Rand  
 George Strawbridge, Jr.  
 Les C. Vinney  
 Charlotte C. Weber

**Board Committees**

Pursuant to the By-Laws, the Board had established four standing committees as of the record date, which are the Audit Committee, the Compensation and Organization Committee, the Finance and Corporate Development Committee, and the Governance Committee. Each of the standing committees has a charter that is reviewed annually by the committee. Proposed changes to the charter of any standing committee are reviewed by the Governance Committee and approved by the Board. The committee charters are available in the governance section of the Company's Web site at [www.campbellsoupcompany.com](http://www.campbellsoupcompany.com).

All members of the Audit Committee, the Compensation and Organization Committee and the Governance Committee are independent directors as defined by the rules of the New York Stock Exchange and the Standards set forth in Appendix A. All members of the Audit Committee also satisfy the independence requirements for audit committee members set forth in the rules of the Securities and Exchange Commission.

Membership in the standing committees as of the record date was as follows:

**Audit**

Edmund M. Carpenter, Chair\*  
 Randall W. Larrimore  
 Sara Mathew  
 Charles R. Perrin  
 George Strawbridge, Jr.  
 Les C. Vinney

**Compensation and Organization**

Charles R. Perrin, Chair  
 Paul R. Charron  
 Bennett Dorrance  
 Kent B. Foster  
 Philip E. Lippincott  
 A. Barry Rand  
 Charlotte C. Weber

**Finance and Corporate Development**

Philip E. Lippincott, Chair  
 Edmund M. Carpenter

**Governance**

Kent B. Foster, Chair  
 Bennett Dorrance

Paul R. Charron  
Douglas R. Conant  
Mary Alice D. Malone  
David C. Patterson  
A. Barry Rand  
George Strawbridge, Jr.

Randall W. Larrimore  
Mary Alice D. Malone  
David C. Patterson  
Les C. Vinney  
Charlotte C. Weber

\* The Board has determined that Edmund M. Carpenter is an audit committee financial expert as defined by the SEC rules.

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The principal responsibilities of the standing committees, and the number of meetings held by each committee in fiscal 2007, were as follows:

**Audit Committee** 10 meetings in fiscal 2007

- 1 Evaluates the performance of and selects the Company's independent registered public accounting firm, subject only to ratification by the shareowners;
- 1 Reviews the scope and results of the audit plans of the independent registered public accounting firm and the internal auditors;
- 1 Oversees the adequacy and effectiveness of the Company's internal controls and disclosure controls and procedures;
- 1 Reviews the performance and resources of the internal audit function, which reports directly to the Committee;
- 1 Confers independently with the internal auditors and the independent registered public accounting firm;
- 1 Reviews the Company's financial reporting and accounting principles and standards and the audited financial statements to be included in the annual report;
- 1 Reviews the Company's quarterly financial results and related disclosures;
- 1 Approves all permissible non-audit services to be performed by the independent registered public accounting firm and all relationships the independent registered public accounting firm has with the Company; and
- 1 Determines the appropriateness of fees for audit and non-audit services performed by the independent registered public accounting firm.
- 1 Reviews the Company's compliance and ethics program and Code of Business Conduct and Ethics

**Compensation and Organization Committee** 6 meetings in fiscal 2007

- 1 Conducts an annual performance evaluation of the Chief Executive Officer by all independent directors;
- 1 Determines and approves the salary and incentive compensation, including bonus and restricted stock, for the Chief Executive Officer, with input from the other independent directors;
- 1 Reviews and approves the salaries and incentive compensation for senior executives;
- 1 Reviews and approves the short-term and long-term incentive compensation programs, including the performance goals;
- 1 Reviews the executive salary structure and the apportionment of compensation among salary and short-term and long-term incentive compensation;
- 1 Reviews and approves the total incentive compensation to be allocated annually to employees;

- 1 Reviews and recommends to the Board significant changes in the design of employee benefit plans;
- 1 Reviews major organizational changes; and
- 1 Reviews executive organization and principal programs for executive development, and annually reports to the Board on management development and succession planning.

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**Finance and Corporate Development Committee**

7 meetings in fiscal 2007

- 1 Reviews and recommends to the Board all issuances, sales or repurchases of equity and long-term debt;
- 1 Reviews and recommends changes in the Company's capital structure;
- 1 Reviews and recommends the capital budget and capital expenditure program;
- 1 Reviews and recommends acquisitions, divestitures, joint ventures, partnerships or combinations of business interests;
- 1 Recommends proposed appointments to the Administrative Committee of the Company's 401(k) savings plans and pension plans; and
- 1 Oversees the administration and the investment policies and practices of the Company's 401(k) savings plans and pension plans.

**Governance Committee**

3 meetings in fiscal 2007

Reviews and makes recommendations to the Board regarding:

- 1 The organization and structure of the Board;
- 1 Qualifications for director candidates;
- 1 Candidates for election to the Board;
- 1 Evaluation of the Chairman's performance;
- 1 Candidate for the position of Chairman of the Board;
- 1 Chairpersons and members for appointment to the Board Committees;
- 1 Remuneration for Board members who are not employees; and
- 1 The role and effectiveness of the Board, the respective Board Committees and the individual directors in the Company's corporate governance process.

The Governance Committee determines the amount and design of all compensation provided to independent directors. The Senior Vice President-Law and Government Affairs and the Vice President & Corporate Secretary make recommendations to the Governance Committee regarding changes to the director compensation program. The Governance Committee also reviews any transaction with a related person, in accordance with the Board's policy concerning such transactions.

The Governance Committee seeks potential nominees for Board membership in various ways and will consider suggestions submitted by shareowners. See page 13 regarding the procedures for submitting nominee information.

Actions taken by any of the standing committees are reported to the Board. All members of the Board receive copies of the minutes of all committee meetings and copies of the materials distributed in advance of the meetings for all of the committees.

**Compensation and Organization Committee Interlocks and Insider Participation**

There are no Compensation and Organization Committee interlocks and all members of the Committee are independent.

**Evaluations of Board Performance**

Since 1995, the Board's Governance Committee has led annual evaluations of Board performance. The evaluation process is designed to facilitate ongoing, systematic examination of the Board's effectiveness and accountability, and to identify opportunities for improving its operations and procedures.



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In accordance with the requirements of the Corporate Governance Listing Standards of the New York Stock Exchange, in 2007 the Board completed an evaluation process focusing on the effectiveness of the performance of the Board as a whole, and each standing committee conducted a separate evaluation of its own performance and of the adequacy of its charter. The Governance Committee designed and coordinated the Board evaluation and reported on its results. Each committee also reported to the Board on the results of its annual self-evaluation.

In the Board evaluation process, each director completed an evaluation form that solicited directors' comments and numerical ratings on 30 questions relating to the qualifications and responsibilities of directors, the effectiveness of Board and committee operations, and the oversight of management. Following review and discussion of a composite report by the Governance Committee, the Chair of the Committee presented a report to the Board that provided recommendations to enhance Board effectiveness based upon the responses received in this process.

In the committee evaluation process, the members of each standing committee completed an evaluation form that elicited numerical ratings of and written comments on the appropriateness of the committee's charter and the adequacy of the written materials distributed in advance of meetings, the time available for discussion of important policy matters, and the manner in which specific committee responsibilities were discharged. Following discussion of a composite report within each committee, the chair of the committee reported to the Board regarding its overall findings and recommendations to improve committee operations.

## **Director Continuing Education**

Since fiscal 2005, the Company has maintained a formal program of continuing education for directors. The curriculum for fiscal 2007 included eight hours of instruction, including a two-hour program on developments and trends in the consumer packaged goods (CPG) industry, presented by outside specialists; a 1 1/2 hour program on business strategies of successful CPG companies; a two-hour program focusing on the business and regulatory issues associated with the development, commercialization, advertising and promotion of new food products; a one-hour program focusing on the current issues and trends in corporate disclosure; and two 45-minute online courses, one on financial integrity and the other on the Company's policies on conflicts of interests and gifts. Most directors participated in all of these programs. The Company also encourages and supports directors who wish to participate in continuing education programs for directors conducted by outside parties in addition to, or in lieu of, a portion of the Company's program.

## **Nomination and Evaluation of Candidates for Director**

The Governance Committee is responsible for investigating, reviewing and evaluating the qualifications of candidates for membership on the Board and for assessing the contributions and performance of directors eligible for re-election. It is also responsible for recommending director nominees for approval by the Board and nomination for election at the Annual Meeting of Shareowners.

***Recommendation of New Nominees.*** When vacancies on the Board arise due to the retirement or resignation of directors, the Governance Committee may consult with other directors and/or with senior management to obtain recommendations of potential candidates to fill these positions, and may also retain a search firm to assist it in identifying and evaluating candidates. The Governance Committee also considers candidates for election to the Board who are recommended to the Committee by shareowners.

The Governance Committee believes that a nominee for election to the Campbell Board should, at minimum:

- 1 be a person of the highest integrity;

- 1 have the ability to exercise independent judgment;
- 1 be committed to act in the best interest of all shareowners;
- 1 abide by exemplary standards of business and professional conduct;

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- 1 have the skills and judgment to discharge the duties and responsibilities of a director;
- 1 be willing and able to devote the proper time and attention to fulfill the responsibilities of a director;
- 1 have no conflicts of interest arising from other relationships or obligations; and
- 1 have the ability to provide active, objective and constructive input at meetings of the Board and committees.

In addition, the Committee believes that, collectively, the Board should include directors who are:

- 1 reasonably sophisticated about the duties and responsibilities of directors of a public company;
- 1 knowledgeable about the consumer products industry, business operations, marketing, the operations of retail businesses, and finance and accounting;
- 1 respected in the business community;
- 1 knowledgeable about general economic trends; and
- 1 knowledgeable about the standards and practices of good corporate governance.

All candidates considered by the Governance Committee for potential recommendation to the Board as director nominees are evaluated by the Governance Committee in light of the minimum qualifications listed above. When vacancies occur, the Governance Committee also reviews the overall composition of the Board to determine whether the addition of a director with one or more of the additional skills or qualities listed above would be desirable to enhance the effectiveness of the Board, and whether candidates with other specific experience or expertise should be sought at that particular time. If a search firm is retained to assist in identifying and evaluating candidates, the Governance Committee also considers the assessments of the search firm and the background information it provides on the persons recommended for consideration. The Chairman of the Board, the Chair of the Governance Committee and the Chief Executive Officer customarily interview leading candidates. Other directors and/or members of senior management may also interview these candidates. Candidates recommended by shareowners will be evaluated using the same process that is employed to evaluate any other candidate.

***Re-Nomination of Incumbent Directors.*** The Company's Corporate Governance Standards require the Governance Committee to assess the performance of each director eligible for re-election at the Annual Meeting. The Governance Committee's annual agenda contemplates that these assessments will occur shortly before the Governance Committee recommends a slate of director nominees for approval by the Board. In the individual director assessment conducted by the Governance Committee in 2007, each director was evaluated in light of the criteria set forth in the Corporate Governance Standards with respect to the qualification of directors and the composition of the Board. In addition, the Chair of the Governance Committee solicited from the Chairman of the Board his assessment of the contributions of directors.

***2007 Nominees.*** All of the director nominees listed in this proxy statement were also nominated by the Board and elected by the shareowners in 2006.

***Shareowner Recommendations.*** Shareowners who wish to recommend candidates for nomination for election to the Board may do so by writing to the Corporate Secretary of Campbell Soup Company at 1 Campbell Place, Camden, New Jersey 08103-1799. The recommendation must include the following information:

1. The candidate's name and business address;
2. A resume or curriculum vitae which describes the candidate's background and demonstrates that he or she meets the minimum qualifications set forth above;
3. A letter from the candidate stating that he or she is willing to serve on the Board if elected, and identifying any legal or regulatory proceedings in which he or she has been involved in during the last five years; and

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4. A statement from the shareowner recommending the candidate, indicating that he or she is the registered owner of Campbell shares, or a written statement from the record holder of Campbell shares indicating that the shareowner is the beneficial owner of such shares.

**Requirement of Majority Shareowner Votes in Uncontested Director Elections.**

In 2007 the Board adopted a policy, set forth in the Company's Corporate Governance Standards, which provides that any nominee for director in an uncontested election who receives more votes withheld from his or her election than votes for his or her election shall immediately tender an offer of resignation following certification of the shareowner vote. The Board will accept the resignation unless there is compelling reason for the director to remain on the Board, and will promptly disclose the action it has taken and the reasons for it.

**Director Attendance at Board and Committee Meetings**

Directors meet their responsibilities by preparing for and attending Board and Committee meetings, and through communication with the Chairman, the Chief Executive Officer and other members of management on matters affecting the Company. During fiscal 2007, the Board of Directors met for six regular meetings and one special meeting. All directors attended at least 75% of scheduled Board meetings and meetings held by Committees of which they were members.

**Director Attendance at Annual Meeting of Shareowners**

It is the Company's policy that the Chairman of the Board, the CEO, and the Chairs of the Audit Committee, the Compensation and Organization Committee and the Governance Committee are expected to attend the Annual Meeting of Shareowners. The five directors who occupied these positions, as well as Messrs. Dorrance, Larrimore, Lippincott, Patterson, Rand, Strawbridge and Vinney, and Mses. Mathew, Malone and Weber, attended the 2006 Annual Meeting of Shareowners.

The Corporate Governance section beginning on page 8 was reviewed and discussed by the Governance Committee, and the Governance Committee recommended to the Board that it be included in this proxy statement.

**Governance Committee**

Kent B. Foster, Chairman  
Bennett Dorrance  
Randall W. Larrimore  
Mary Alice D. Malone

David C. Patterson  
Les C. Vinney  
Charlotte C. Weber

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**Transactions with Related Persons**

Under the Company's written Policy Concerning Transactions with Related Persons (the "Related Persons Policy"), the Governance Committee is required to review and, in appropriate circumstances, approve or ratify any transaction in which the Company was or is to be a participant, the amount involved exceeded or is expected to exceed \$120,000, and any related person had or will have a direct or indirect interest, as well as any material amendment to or modification of such a transaction.

Management has established procedures for identifying and monitoring transactions that may be subject to Governance Committee review under the Related Persons Policy or disclosure under SEC rules. Under the Company's conflicts of interest policy, directors and executive officers have a duty to report transactions in which they or their immediate family members have a direct or indirect interest and which might be deemed to constitute related person transactions. Directors and executive officers also annually complete a proxy questionnaire in which they are asked to identify all for-profit and not-for-profit entities with which they are associated. Based on the disclosures in the proxy questionnaires, management ascertains whether the Company has engaged or is expected to engage in any transactions involving these entities, directly or indirectly, of which the relevant director or executive officer may be unaware.

The Related Persons Policy specifies that the Governance Committee shall review the material terms of such a transaction, including the approximate dollar amount, and the material facts as to the related person's direct or indirect interest in, or relationship to, the transaction. In determining whether to approve or ratify a transaction, the Governance Committee is directed to consider, among other factors it may deem appropriate, whether the transaction was or will be on terms no less favorable than those generally available to an unaffiliated third party under the same or similar circumstances. No director may participate in the discussion or approval of a transaction in which he or she, or a member of his or her immediate family, has a direct or indirect interest.

The Chair of the Governance Committee (or, if a transaction involves the Committee Chair, the Chairman of the Board) may approve or ratify a related person transaction in which the aggregate amount involved is less than \$1 million. Any transaction approved by the Chair or the Chairman is to be reported to the Governance Committee at its next regularly scheduled meeting.

The following types of transactions are deemed by the Policy Concerning Transactions with Related Persons to have been approved in advance by the Governance Committee, even if the aggregate amount involved exceeded or will exceed \$120,000:

- 1 Compensation paid by the Company to a director or executive officer for services rendered to the Company as a director or executive officer.
- 1 Transactions with other entities in which a related person has a direct or indirect interest solely as a result of being a director of the other entity or of owning, with all other related persons, a less than 10% equity or limited partnership interest in the entity, and the aggregate amount of the transaction does not exceed the greater of \$1 million or 2% of that entity's total annual revenues.
- 1 Contributions by the Company to charitable organizations with which a related person's relationship is solely that of an employee (other than a executive officer), director or trustee, and the aggregate amount of the contribution does not exceed the lesser of \$25,000 or 2% of the charitable organization's annual receipts.
- 1 Transactions in which a related person's only interest is as a holder of the Company's stock, and all holders received or will receive proportional benefits (such as the payment of regular quarterly dividends).

- 1 Transactions involving competitive bids.
- 1 Transactions in which the rates or charges are regulated by law or government authority.
- 1 Transactions involving services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or similar services.

There were no transactions during the period from July 31, 2006 to October 1, 2007, and none are currently proposed, in which the Company was or is to be a participant, the amount involved exceeded or is expected to exceed \$120,000, and any related person had or will have a direct or indirect material interest.

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**Audit Committee Report**

The Audit Committee is comprised of the six directors named below. The Board has determined that each member of the Committee meets the current requirements as to independence, experience and expertise established by the New York Stock Exchange and applicable rules and regulations. In addition, the Board of Directors has determined that Edmund M. Carpenter is an audit committee financial expert as defined by SEC rules. A copy of the Audit Committee Charter, as most recently updated in September 2004, is available at the Company's corporate web site at [www.campbellsoupcompany.com](http://www.campbellsoupcompany.com) in the governance section under Board Committees.

One of the Audit Committee's primary responsibilities is to assist the Board in its oversight of the integrity of the Company's financial statements and financial reporting process.

To fulfill these oversight responsibilities, the Committee has reviewed and discussed with management and the independent registered public accounting firm the audited financial statements included in the Company's Annual Report on Form 10-K for the fiscal year ended July 29, 2007, and has reviewed and discussed with the independent registered public accounting firm the matters required to be discussed by Statement on Auditing Standards No. 90, *Audit Committee Communications*. In addition, the Committee has received from the independent auditors a written report stating that they are not aware of any relationships between the registered public accounting firm and the Company that, in their professional judgment, may reasonably be thought to bear on their independence, consistent with Independence Standards Board Standard Number 1, *Independence Discussions with Audit Committees*, and has discussed with the independent registered public accounting firm the registered public accounting firm's objectivity and independence. The Committee has also considered whether the provision of non-audit services by the independent registered public accounting firm to the Company for the most recent fiscal year and the fees and costs billed and expected to be billed by the independent registered public accounting firm for those services are compatible with maintaining its independence.

The Audit Committee discussed with the Company's internal auditors and independent registered public accounting firm the overall scope and plans for their respective audits. The Committee has reviewed with the internal auditors and independent registered public accounting firm, with and without members of management present, the results of their examinations, their assessment of the Company's internal controls and the overall quality of the Company's financial reporting. In addition, the Audit Committee has discussed with the Chief Executive Officer and the Chief Financial Officer the processes that they have undertaken to evaluate the accuracy and fair presentation of the Company's financial statements and the effectiveness of the Company's system of disclosure controls and procedures.

Based on the review and discussions described in this report, the Audit Committee recommended to the Board of Directors that Campbell's audited consolidated financial statements be included in Campbell's Annual Report on Form 10-K for the fiscal year ended July 29, 2007, for filing with the Securities and Exchange Commission. The Audit Committee also recommended to the Board that PricewaterhouseCoopers LLP be appointed independent registered public accounting firm for the Company for fiscal 2008.

**Audit Committee**

Edmund M. Carpenter, Chairman  
Randall W. Larrimore  
Sara Mathew  
Charles R. Perrin  
George W. Strawbridge, Jr.  
Les C. Vinney





**Table of Contents****Independent Registered Public Accounting Firm Fees and Services**

The aggregate fees, including expenses, billed by PricewaterhouseCoopers LLP ( PwC ), Campbell's independent registered public accounting firm, for professional services in Fiscal 2007 and 2006 were as follows:

<b>Services Rendered</b>	<b>Fiscal 2007</b>	<b>Fiscal 2006</b>
Audit Fees	\$ 5,343,000	\$ 5,133,000
Audit-Related Fees	\$ 206,000	\$ 553,000
Tax Fees	\$ 687,000	\$ 734,000
All Other Fees	0	0

The Audit Committee's Charter provides that the Committee will pre-approve all audit services and all permissible non-audit services (including the fees and terms thereof) to be performed for the Company by its independent registered public accounting firm. From time to time, the Committee may delegate its authority to pre-approve non-audit services to one or more Committee members. Any such approvals shall be reported at the next Audit Committee meeting.

The audit fees for the years ended July 29, 2007 and July 30, 2006 include fees for professional services rendered for the audits of the consolidated financial statements and the effectiveness of internal control over financial reporting of the Company, quarterly reviews and statutory audits.

The audit-related fees for the years ended July 29, 2007 and July 30, 2006 include fees for services related to employee benefit plan audits, certain agreed-upon procedures reports, accounting consultations, SAP pre-implementation controls reviews, and work related to the divestiture of the Company's U.K. and Ireland businesses.

Tax fees for the years ended July 29, 2007 and July 30, 2006 include fees for services related to tax compliance, including the preparation of tax returns and tax assistance with transfer pricing and tax audits.

In fiscal 2007 and 2006, 100% of the audit fees, audit-related fees, and tax fees were approved either by the Audit Committee or its designee.

**Compensation and Organization Committee Report**

The Compensation and Organization Committee has reviewed and discussed the following Compensation Discussion and Analysis with management, and based on such reviews and discussions, the Committee recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement.

**Compensation and Organization Committee**

Charles R. Perrin, Chair  
 Paul R. Charron  
 Bennett Dorrance  
 Kent B. Foster  
 Philip E. Lippincott  
 A. Barry Rand

Charlotte C. Weber

**Compensation Discussion and Analysis ( CD&A )**

**Corporate Governance of Executive Compensation**

The Compensation and Organization Committee ( Committee ) approves the Company s executive compensation policies and programs and reviews major organizational changes and the Company s succession planning and leadership development processes. The Committee s charter is available in the

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governance section of the Company's Web site at [www.campbellsoupcompany.com](http://www.campbellsoupcompany.com). The Board has determined that all members of the Committee are independent directors as defined by the New York Stock Exchange rules.

The Committee approves the design of all executive compensation programs and all compensation actions for approximately the top 40 senior executive positions in the Company. The Chief Executive Officer ( CEO ) and the Senior Vice President & Chief Human Resources and Communications Officer provide recommendations to the Committee on compensation actions for these senior executives, and on potential changes in the design of executive compensation programs. By the terms of its charter, the Committee has delegated to the Chair of the Compensation and Organization Committee the authority to approve compensation actions for the Company's senior executives between Committee meetings when necessary for business continuity purposes.

The Committee annually reviews the Company's compensation strategy, principles and policies, including the apportionment of pay between fixed compensation elements and incentive compensation, and the design of incentive compensation programs. The Committee approves all compensation and benefits for senior executives, authorizes the aggregate amount of annual incentive awards for all eligible participants under the Annual Incentive Plan ( AIP ) and the Long-Term Incentive Program ( LTIP ), and authorizes the CEO to allocate the other awards, up to the aggregate amounts.

Each September, the Committee reviews the performance of the senior executives and approves for each executive his or her base salary, annual incentive payment and long-term incentive grant. This review of all major elements of executive compensation at one time provides the Committee with a comprehensive analysis of the dollar amount of compensation being delivered by each element of compensation, assuming the required performance goals are 100% attained.

In fiscal 2007, the Committee retained Frederic W. Cook & Co., Inc., an independent compensation consultant, who reported directly to the Committee and advised the Committee on CEO compensation, compensation trends, governance issues, and projects of current interest to the Committee. The consultant has been retained directly by the Committee since 2003, and may not be directly retained by management for any projects unless such projects are approved by the Committee. The consultant did not provide any services to management in fiscal 2007, other than a survey on the compensation paid to non-executive chairmen of companies with revenues in excess of \$5 billion and a study on long-term incentive practices. The consultant provides its advice about any proposed changes to the design of the executive compensation program directly to the Committee.

The Senior Vice President – Law & Government Affairs and the Senior Vice President & Chief Human Resources and Communications Officer work with the Committee to develop the annual list of agenda items and the annual schedule of meetings for the Committee. The list of agenda items, which is approved by the Committee, includes reviews of the Company's compensation principles and policies and the design of the executive compensation program. The CEO and the Senior Vice President & Chief Human Resources and Communications Officer recommend to the Committee all compensation actions for approximately the top 40 executive positions, and any design changes to the executive compensation program.

## **Compensation Principles and Policies**

The Committee annually reviews and the Board approves the principles and policies for executive compensation. The principles and policies are:

- 1 Campbell offers a total compensation package that is designed to attract, motivate and retain talent of the caliber needed to deliver successful business performance in absolute terms and relative to competition.

- 1 Campbell's compensation program is designed to link pay to Company, business unit and individual performance in absolute terms and relative to competition.

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- 1 Compensation levels are set by comparing Campbell's pay levels and practices to the practices of other food, beverage and consumer products companies in the Compensation Peer Group (see below) where the Company primarily competes for executive talent. Composition of this group is reviewed annually by the Committee.
- 1 In fiscal 2007, Campbell targeted base salaries, annual incentives, and total annual cash compensation to the median of the Compensation Peer Group, and long-term incentives were targeted significantly above the median. Total direct compensation, consisting of salary, annual incentives and long-term incentives, was targeted 15% to 25% above the median. The Company's competitive position is reviewed annually by the Committee.
- 1 In fiscal 2007, the Committee completed a comprehensive review of the competitive position of the executive compensation program. Long-term incentive targets were positioned significantly above the median in prior years in order to attract the necessary executive talent to execute the Company's transformation plan initiated in fiscal 2002. Due to this positioning and to a reduction in market-competitive long-term incentive grant levels, target total direct compensation in fiscal 2007 was 15% to 25% above the median of the Compensation Peer Group. In September 2008, the Committee plans to reduce the long-term incentive grant levels so that target total direct compensation will be 10% to 15% above the median. The Committee believes that this level of compensation will be needed in order to continue to attract and retain executives with the strong functional or international capabilities that are required to execute the Company's business strategies.
- 1 Annual incentive payments are based on annual performance compared to pre-established goals in four categories: financial, marketplace, operational, and strategic. The Committee evaluates performance compared to goals each year and determines the total AIP pool available.
- 1 Long-term incentive grants are delivered in a combination of performance-restricted shares and time-lapse restricted shares, with the mix varying by level of responsibility within the organization. Employees with higher levels of responsibility receive a higher percentage of performance-restricted shares.
- 1 Senior Executives have a substantial portion of compensation at risk based upon achieving the performance goals for annual incentive payments and the performance goals for long-term incentives. When Company performance is strong, senior executives will receive compensation that is well above the median of the Compensation Peer Group. When Company performance is weak, senior executives will receive compensation well below the median. A higher proportion of incentive compensation is delivered to senior executives through long-term incentives which are paid out depending upon the Company's total return to shareowners. This fully aligns senior executives' interests with those of shareowners.

## **Compensation Objectives**

The objectives of the Company's executive compensation program are to:

- 1 Align the financial interests of the Company's executives with those of its shareowners, in both the short and long term;
- 1 Provide incentives for achieving and exceeding the Company's short-term and long-term goals;
- 1 Attract, motivate and retain highly competent executives by providing total compensation that is competitive with compensation paid at other well-managed companies in the food, beverage and consumer products industries; and

- 1 Differentiate the level of compensation paid to executives based on individual and business unit performance, leadership potential, and level of responsibility within the organization. Individual performance is rated based upon demonstrated leadership skills, accomplishment of objectives, business unit or functional accountabilities, and personal contributions.

**Table of Contents****Peer Groups and Benchmarking**

The Committee identifies both a Compensation Peer Group and a Performance Peer Group in designing and determining compensation for its executive officers. In order to determine total compensation paid by companies that compete with Campbell for executive talent, the Committee compares Campbell's total compensation levels with the levels at 29 companies in the food, beverage and consumer products industries ( Compensation Peer Group ). A regression analysis is performed to adjust the compensation data for the top positions for differences in the total revenues of the various companies compared to Campbell's total revenue. The Committee believes that use of the Compensation Peer Group is the most effective method to determine and set the compensation needed to attract, motivate and retain the executive talent to successfully manage the Company's businesses and operations, because these companies are the primary ones with which Campbell competes for senior executives. It also represents a broad data base that allows Campbell to obtain accurate, representative survey information for all its positions. The Compensation Peer Group is approved by the Committee each fiscal year after reviewing the opinion of the independent compensation consultant regarding its appropriateness, and for fiscal 2007 it consisted of the following companies:

**Compensation Peer Group**

Altria	H. J. Heinz Company (1)	PepsiCo, Inc.
Anheuser-Busch Companies, Inc.	Hershey Foods Corporation (1)	Pfizer Inc.
The Clorox Company	Hormel, Inc.	The Procter & Gamble Company
The Coca-Cola Company	Johnson & Johnson Company	Reynolds American Inc.
Colgate-Palmolive Company	Kellogg Company (1)	S.C. Johnson
ConAgra Foods, Inc. (1)	Kimberly-Clark Corporation	Sara Lee Corporation (1)
Dean Foods (1)	Kraft Foods, Inc. (1)	Tyson Foods (1)
Del Monte Foods Company	Mars, Inc.	Unilever United States, Inc.
Diageo North America, Inc.	McCormick & Company, Inc. (1)	Wm. Wrigley Jr. Company (1)
General Mills, Inc. (1)	Nestle USA, Inc.	

- (1) These companies, plus Campbell, constitute the S&P Packaged Foods Group ( Performance Peer Group ), which is used to measure Total Shareowner Return ( TSR ) performance for calculation of the pay out from the LTIP.

The Committee uses the Compensation Peer Group to evaluate the competitiveness of executive compensation and uses the Performance Peer Group to measure the competitiveness of the Company's TSR performance. The Performance Peer Group is independently selected by Standard and Poor's based upon the similarities of the companies' businesses in the packaged food industry and has remained relatively stable over a long period of time. Companies that are added to and deleted from the S&P Packaged Foods Group are automatically added to or deleted from the list of companies whose TSR rankings are compared to Campbell's ranking for TSR performance-restricted stock (see below). The list of companies in the S&P Packaged Food Group is readily available through S&P. The Committee and management exercise no discretion in selecting which companies are included in the S&P Packaged Foods Group. The independent compensation consultant recommended the use of the Performance Peer Group for the long-term incentive program. The Committee believes that the Performance Peer Group is the appropriate group in Campbell's industry against which to measure the Company's TSR performance because the TSR performance of the companies in the Compensation Peer Group that are not in the packaged food industry are more likely to be affected by economic developments that do not affect the packaged food industry, and these developments could distort the comparison.





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### **Elements of Executive Compensation**

The elements of Campbell's executive compensation program are:

- 1 base salary;
- 1 performance-based annual incentive compensation;
- 1 long-term equity incentive compensation;
- 1 pension and nonqualified deferred compensation benefits;
- 1 perquisites; and
- 1 post termination compensation and benefits.

The proportion of compensation delivered in each of these elements is designed to:

- 1 Put more compensation at risk based upon Company or business unit and individual performance for senior executives whose performance is more likely to influence the results of the executive's business unit or function, or the results of the Company;
- 1 Provide the opportunity for executives to earn above-median compensation primarily through annual and long-term incentives, with performance goals that align executives' interests directly with those of Campbell's shareowners;
- 1 Provide consistency over time in the proportion of compensation opportunity among the elements, while varying actual pay based upon Company, business unit and individual performance; and
- 1 Be competitive with the practices in the Compensation Peer Group in order to attract, motivate and retain key executives.

### **Base Salary**

Base salaries are intended to provide a base level of income that is competitive in relation to the responsibilities of each executive's position. Midpoints of base salary ranges are targeted at the median of the Compensation Peer Group. Salary ranges and individual salaries for senior executives are reviewed annually by the Committee. In determining individual salaries, the Committee considers the scope of job responsibilities, individual contributions, business performance, job market conditions, the Company's salary budget guidelines and current compensation as compared to practices in the Compensation Peer Group. The Committee considers salary levels for senior executives each September when it also reviews the performance of those executives. Merit increases are based on the CEO's and Committee's assessment of individual performance. Targets for annual incentive payments and long-term incentive grants are a percentage of base salary (see below).

### **Annual Incentive Plan ( AIP )**

Annual incentives are intended to motivate and reward the achievement of business goals approved by the Board of Directors in the annual Operating Plan and three-year Strategic Plan, and to assure that these goals are achieved in a

manner that strengthens the business for the long term. Annual incentive targets are set at the median of the Compensation Peer Group. At the beginning of each fiscal year, the Committee establishes a competitive annual incentive target, expressed as a percent of base salary, for each executive salary level. In fiscal 2007, the annual incentive targets for senior executives, other than the CEO, ranged from 55% to 100% of base salary, with executives at the higher levels having a higher percentage at risk. The CEO's target was 175% of base salary. Annual incentive targets for other participants range from 5% to 50% of base salary. The sum of the individual incentive targets for all participants (approximately 1,900 executives and managers) comprises the target incentive pool.

At the beginning of the fiscal year, the Committee establishes an Internal Revenue Code ( IRC ) section 162(m) performance goal that applies only to executive officers ( 162(m) performance goal ). This

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performance goal requires that the Company attain 80% of the Company's EPS goal for the fiscal year. In fiscal 2007, the goal for adjusted EPS from continuing operations was \$1.82 excluding any changes in accounting method, certain tax matters and other transactions not considered to be part of the ongoing business. The 162(m) performance goal must be achieved in order for executive officers to be eligible to receive a maximum payout of 175% of AIP target. If the 162(m) performance goal is achieved, the Committee can exercise negative discretion in determining annual incentive awards to executive officers based upon the executive officer's business unit or function performance, and his or her individual performance.

Since fiscal 2003, the Committee has used a total Company scorecard approach to set annual incentive performance goals and evaluate performance in order to establish the incentive pool. Under this approach, performance goals are established and approved by the Committee at the beginning of the fiscal year in the following four key measurement areas: (1) financial, (2) marketplace, (3) operational and (4) strategic. In assessing performance against these goals, the Committee considers a mix of quantitative and qualitative criteria. In the financial area, the quantitative measures include net sales, earnings, profit margins, marketing expenditures, working capital and performance versus the Performance Peer Group in sales and earnings growth. In fiscal 2007, the adjusted EPS goal from continuing operations was \$1.82, and the goal for net sales was \$7.7 billion, excluding the impact of currency. In the marketplace area, the quantitative measures are consumption and market share changes for 21 businesses. For the operational and strategic areas, progress toward achievement of 79 business and workplace initiatives to deliver the annual Operating Plan and the three-year Strategic Plan are assessed. The goals in the four measurement areas require effective execution of business plans, and are difficult to attain.

Following the end of the fiscal year, the Committee assesses total Company performance and establishes the total annual incentive pool based on overall business performance. The total pool is calculated by multiplying the target annual incentive pool by the approved Company performance factor, which can range from 0% to 175%. AIP awards to each executive, within the limits of the approved total pool, are based on business unit/function performance and individual performance, and can vary for executive officers from 0 to 175% of the individual's incentive target. The sum of individual awards can not exceed the approved total annual incentive pool. Extraordinary items, such as major restructuring and accounting changes, are excluded in determining the AIP pool.

For fiscal 2007, the Committee determined the achievement of financial and strategic goals were significantly above target. The operational and marketplace goals were above target. The Committee assessed the quality of the results of the total Company and awarded an annual incentive pool of 140% of the target pool. The Committee's assessment of these results was based on its judgment of overall performance. No weightings were applied to the various goals in the determination of the overall score. Incentive bonus payments to the named executive officers listed on page 27 for fiscal 2007 ranged from 140% to 155% of target incentive amount with an average of 144%. The annual incentive awards to the named executive officers are listed in the summary compensation table on page 27 in the Non-Equity Incentive Plan Compensation column.

## **Long-Term Incentive Compensation**

### **Prior Long-Term Incentive Programs**

Long-term incentives are intended to motivate and reward executives based upon the Company's success in delivering superior value to its shareowners, and to retain executives. For several years prior to fiscal 2006, Campbell used two long-term incentive programs for approximately 350 top executives, a time-lapse restricted stock program and a stock option program. The value delivered to these executives through each program was intended to be approximately 50% of total competitive long-term incentive value. For other participants (about 850 people) the long-term incentive program consisted entirely of stock options. While these programs were replaced in fiscal 2006 with a new long-term incentive program consisting entirely of restricted stock, grants under the former programs are still outstanding and

expense was incurred in fiscal 2007. The former programs were described in prior years proxy statements.

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**Current Long-Term Incentive Program ( LTIP )**

During fiscal 2005, the Committee conducted a comprehensive analysis of the Company’s LTIP during four separate meetings. The Committee’s independent consultant, Frederic W. Cook & Co., Inc., advised the Committee throughout this project. As a result of this analysis, the Committee approved a new LTIP recommended by the independent consultant beginning in fiscal 2006, consisting of three types of restricted shares: (1) TSR performance-restricted shares which are earned based on the Company’s TSR compared to the TSRs of the companies in the Performance Peer Group over a three year performance period; (2) EPS performance-restricted shares which are earned based on the achievement of a minimal level of EPS in each fiscal year in a three year performance period, which is designed to qualify the payment of the shares as tax deductible; and (3) time-lapse restricted shares which vest over three years based on continued employment.

In fiscal 2007, long-term incentives targets were significantly above the median of the Compensation Peer Group. The long-term incentive targets for senior executives, other than the CEO, ranged from 120% to 305% of base salary, with executives at the higher levels having a higher percentage at risk. The CEO’s long-term incentive target was 615% of base salary. Long-term incentive targets for other participants ranged from 10% to 120% of base salary. For executive officers, 70% of the long-term incentive opportunity is delivered in TSR performance-restricted shares and 30% in EPS performance-restricted shares. For senior executives who are not executive officers, 70% of the long-term incentive opportunity is delivered in TSR performance-restricted shares and 30% in time-lapse restricted shares. Linking a significant portion of long-term compensation to the Company’s TSR performance aligns the interests of executives with those of Campbell’s shareowners. Other participants in the program receive a higher proportion of time-lapse restricted shares and a lower proportion of TSR performance-restricted shares. Regular awards of stock options are not part of the current long-term incentive program and no stock options were granted to executives in fiscal 2006 or 2007.

Grants under the program are made annually at the beginning of the fiscal year to approximately 1,200 participants and the performance period for TSR shares is the current and subsequent two fiscal years. For the past four years, equity grants have been made by the Committee in September, which is near the beginning of the Company’s fiscal year. Individual grants were based on the executive’s level of responsibility in the Company, possession of critical skills, individual performance and future leadership potential as assessed in the Company’s human resources organization planning process. All shares used in the Company’s executive compensation programs are shares which were previously issued and outstanding and were reacquired by the Company.

TSR performance-restricted shares are paid out based upon the Company’s TSR performance over a three-year period compared to the TSRs of the 12 companies in the Performance Peer Group. The following percentage of TSR shares that were granted at the beginning of the three-year performance period will be paid out based upon the Company’s TSR performance ranking:

TSR Performance Rank	1	2	3	4	5	6	7	8	9	10	11
Percentage Payout	200 %	175%	150%	125%	125%	100%	85%	70%	50%	50%	0

In order to maintain focus and interest in the TSR share program during the first and second years of the performance period, one-third of the TSR shares initially granted can be earned at the end of the first year provided the Company’s TSR performance ranking is median (#6) or above during the one-year period. An additional one-third of the TSR shares initially granted can be earned at the end of the second year provided the Company’s TSR performance ranking

is median or above during the two-year period. At the end of the three-year performance period, a participant will be paid the greater of (i) the earned shares from the first two years or (ii) the TSR performance shares determined by the Company's TSR ranking for the full three-year period. The earned shares will be forfeited if the participant resigns prior to the pay-out date, which is two months following the end of the three-year performance period. At the time of payment, the Committee can exercise negative discretion in determining Campbell's ranking under the TSR share program in the event of extraordinary circumstances.

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EPS performance-restricted shares are paid out following the end of each fiscal year in the three-year performance period provided the EPS achieved in the fiscal year is at least 50% of the EPS goal for the AIP approved by the Committee for that fiscal year. The adjusted EPS goal from continuing operations for the AIP for fiscal 2007 was \$1.82. This performance goal is designed to qualify the payment of EPS performance-restricted shares as deductible under IRC section 162(m). The payout of EPS performance-restricted shares is either 0 or 100%. The estimated future payouts of TSR and EPS performance-restricted shares to the Company's CEO, CFO and the three other most highly compensated executive officers ( named executive officers or NEO ) are listed in the Grants of Plan-Based Awards table on page 30.

**Executive Stock Ownership**

Approximately the top 90 executives are required to achieve an ownership stake in the Company that is significant in comparison with the executive's salary. The Company requires senior executives to own shares to further align their interests with those of shareowners. Until the ownership level is achieved, executives must retain at least half of the after-tax value of each equity award in Campbell shares upon the vesting of restricted shares or exercise of options. Executive officers of the Company are prohibited from selling in a twelve-month period more than 50% of (1) the value of shares owned plus (2) the after-tax value of vested options, in excess of the applicable ownership standard.

The ownership requirements for corporate officers expressed in terms of the value of shares to be owned are as follows:

<b>Position</b>	<b>Required Ownership</b>
Chief Executive Officer	\$5,750,000
Executive Vice President	\$2,400,000
Senior Vice President	\$850,000 to \$2,000,000
Vice President	\$750,000 to \$1,000,000

Executives may count toward these requirements the value of shares owned and shares which are deferred and fully vested in the Company's 401(k) plan and other deferred compensation programs. Restricted shares and unexercised stock options are not counted in calculating ownership. Executive stock ownership requirements ranging from \$300,000 to \$1,500,000 apply to executives who are not corporate officers. Company policy prohibits executives from hedging the economic risk associated with fully owned shares, restricted shares and unexercised stock options.

**Retirement Plans**

The Company maintains three defined benefit plans: (1) Retirement and Pension Plan ( Qualified Plan ), (2) Supplemental Employees Retirement Plan ( SERP ), and (3) Mid-Career Hire Pension Plan ( MCHP ). The Qualified Plan provides funded, tax-qualified benefits up to the limits allowed under the Internal Revenue Code ( IRC ) for most of the Company's full-time U.S. employees. The SERP provides unfunded benefits in excess of the IRC limits applicable to the Qualified Plan to all participants in the Qualified Plan. The MCHP provides unfunded benefits for senior executives who are hired in the middle of their careers. Such executives give up future pension benefits that they would have earned if they remained with their prior employers. The MCHP is consistent with the Company's objective to attract and retain experienced senior executives in order to execute the Company's business strategies. MCHP benefits are offset by benefits under the Qualified Plan and the SERP.

These plans prohibit duplication of benefits. The Company adopted these plans as an additional means to attract and retain employees and to provide a competitive level of pension benefits. The retirement plans provide employees,



including the NEOs listed on page 27, the opportunity to plan for future financial needs

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during retirement. Other than the MCHP, the actual pension benefit is calculated on the same basis for all participants, and is based on:

length of service;

covered compensation (base salary and annual incentive); and

age at retirement.

Stock option gains, time-lapse restricted shares and performance-restricted shares, as well as any extraordinary remuneration, play no part in the calculation of retirement benefits. For a more detailed discussion of the retirement plans and the accumulated benefits under these plans, see the Pension Benefits table and the accompanying narrative on page 33.

## **Deferred Compensation Plans**

The Company adopted the Deferred Compensation Plans to provide an opportunity for the U.S.-based participants, including the eligible NEOs, to save for future financial needs. The amount of salary and annual incentive earned by the employee is not affected by the plans. The plans essentially operate as unfunded, tax-advantaged personal savings accounts of the employee, administered by the Company, and contribute to the Company's attractiveness as an employer. For a more detailed discussion of the deferred compensation arrangements relating to the NEOs, see the Nonqualified Deferred Compensation table and accompanying narrative on page 36.

## **Perquisites**

The Company's Personal Choice Program provides quarterly cash payments to executives in lieu of reimbursements for items such as tax or estate planning services or financial planning services. For NEOs the annual cash payments range from \$32,000 to \$48,000, and are included in the summary compensation table on page 27. The Committee believes that perquisite payments are appropriate to reimburse executives for financial and tax planning services or other purposes, so that the executives are not distracted from devoting their time and energy to their responsibilities to the Company. The Company also provides long-term disability protection for NEOs. Other perquisites provided by the Company to NEOs are the payment of car and driver expenses for Mr. Conant, driver expenses for Ms. Kaden and commuting expenses for Mr. Schiffner. When these executives were hired, the Company agreed to pay these expenses in lieu of paying for relocation expenses. The Company also provides the use of the Company aircraft to Mr. Conant to attend the meetings of an outside board.

## **Severance Plans**

The Company has severance plans for its U.S.-based exempt employees. All exempt salaried employees in the U.S., including NEOs, are covered by the plans, under which payments are based on level of responsibility, seniority and/or length of service. For the NEOs the maximum payment under the plans is two times base salary. The Company generally does not enter into employment contracts. The Company provides these plans to reassure employees of assistance in their transition to new employment in the event the Company terminates their employment. For a more detailed discussion of these severance arrangements, see Potential Payments on Termination or Change in Control beginning on page 37.

## **Change in Control Benefits**

The Company has entered into Special Change in Control Severance Protection Agreements ( Special CIC Agreements ) with the NEOs as well as all other executive officers. The Special CIC Agreements provide for severance pay and continuation of certain benefits should a change in control occur. The independent members of the Board of Directors unanimously approved entry into the Special CIC Agreements in 2000. The Committee believes that the Special CIC Agreements are necessary in order to retain stability in the senior executive team in the event there is a threatened or actual change in control. The Agreement requires the occurrence of the following two events in order for an executive to receive payments and benefits: 1) the

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executive's employment must be terminated involuntarily and without cause (whether actual or constructive); and 2) the termination must occur within two years following a change in control. The Company also has change in control provisions in its AIP, its long-term incentive plans and its U.S. retirement plans, and these provisions apply equally to all participants in the plans, including the NEOs.

## **Accounting and Tax Implications**

Section 162(m) of the IRC limits the tax deductibility of compensation paid to an NEO to \$1 million, except to the extent the compensation is performance based. The Committee's policy is to comply with the requirements of section 162(m) except where the Committee determines that compliance is not in the best interests of the Company and its shareowners. All annual incentive payments and restricted stock grants to executive officers for fiscal year 2007 met the requirements for deductibility under section 162(m).

Beginning on August 1, 2005, the Company began accounting for stock-based compensation, including unvested stock options and any restricted shares, in accordance with the requirements of Financial Accounting Standards Board Statement of Financial Accounting Standards No. 123 (revised 2004), *Share-Based Payment*, ( FAS 123R ).

## **CEO Compensation and Evaluation**

The compensation components for the CEO, Douglas R. Conant, are consistent with the program described above for the other executive officers of the Company. Mr. Conant's compensation is designed to be competitive with the CEO compensation paid in the Compensation Peer Group and his incentive compensation is directly linked to both Company performance and his performance. The process used to review and establish Mr. Conant's compensation in fiscal 2007 was as follows:

In March 2006, the Committee reviewed all elements of his compensation including cash, the value of past equity grants, deferred compensation and savings account balances, and the lump sum value of pension benefits and projected severance benefits.

In June 2006, the Committee reviewed Mr. Conant's salary and his proposed incentive targets for fiscal 2007 as a percentage of his salary for annual and long-term incentives compared to the CEO salary and incentive targets for the Compensation Peer Group. The Committee received the opinion of its independent compensation consultant, Frederic W. Cook & Co., Inc., regarding Mr. Conant's salary and his incentive targets. The Committee met in executive session to discuss the CEO's salary and targets, and the Committee's conclusions were discussed with the independent directors in an executive session.

In September 2006, the Committee considered the results of the CEO evaluation and the performance of the Company for fiscal 2006 and developed a final recommendation regarding a salary increase for Mr. Conant. The Committee also developed a final recommendation regarding the targets for his annual and long-term incentives for fiscal 2007. The Committee received the opinion of its independent compensation consultant regarding Mr. Conant's proposed salary and incentive targets. These recommendations were discussed by the Committee and the independent directors in an executive session, and then approved by the Committee.

The Board evaluated Mr. Conant's performance based on the Company's total performance as measured by the scorecard approach described above under Annual Incentive Plan, and evaluated his personal performance in the following areas:

development of a long-term strategy and timely progress toward strategic objectives;

development and communication of a clear and consistent vision of the Company's goals and values;

achievement of appropriate annual and longer-term financial goals;

continuous improvement of the quality, value and competitiveness of Campbell's products and business systems;

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management development and succession planning;

programs for the recruitment, training, compensation, retention and motivation of all employees;

spokesperson for the Company; and

relationship with the Board of Directors.

Based on the above review of competitive data, Company performance and Mr. Conant's performance on October 1, 2006, his salary was increased to \$1,140,000 and he received a grant of 125,934 TSR performance-restricted shares, and 53,971 EPS performance-restricted shares. His annual incentive award earned in fiscal 2007 was \$2,793,000. This bonus was based on Company performance compared to the goals for the annual incentive plan described on pages 21 and 22 and his performance as determined by the Board in the CEO evaluation process.

**Summary Compensation Table Fiscal 2007**

The following Summary Compensation Table (SCT) provides information concerning the compensation of the Company's Chief Executive Officer, Chief Financial Officer and the three other most highly compensated executive officers (named executive officers or NEOs) for fiscal 2007. For a complete understanding of the table, please read the narrative disclosures that follow the table.

Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	
	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
Chief Executive Officer	2007	\$ 1,133,333	0	\$ 6,495,915	\$ 1,782,073	\$ 2,793,000	\$ 883,755	\$ 339,645	\$
Chief Financial Officer	2007	\$ 491,667	0	\$ 1,104,393	\$ 181,589	\$ 667,359	\$ 676,227	\$ 92,829	\$
Chief Operating Officer	2007	\$ 631,667	0	\$ 1,385,598	\$ 213,516	\$ 985,203	\$ 263,675	\$ 85,043	\$

<b>Kaden</b>	2007	\$ 530,417	0	\$ 1,250,233	\$ 173,225	\$ 596,960	\$ 370,429	\$ 123,175	\$
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<b>s</b>	2007	\$ 516,667	0	\$ 1,143,478	\$ 176,601	\$ 582,400	\$ 252,640	\$ 68,544	\$
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(1) On October 4, 2007, the Company filed a Form 8-K disclosing that Mr. Sarvary will leave the Company.

**Salary (Column C)**

The amounts reported represent base salaries paid to each of the NEOs for fiscal 2007.

**Bonus (Column D)**

No discretionary bonus was paid to any NEO in fiscal 2007. Payments under the annual incentive plan are listed in column G.

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**Stock Awards (Column E)**

The amounts reported represent the compensation expense recognized for financial reporting purposes in accordance with FAS 123R for restricted share awards for each of the NEOs for financial reporting purposes for fiscal 2007. The assumptions used by the Company in calculating these amounts are included in Notes 1 and 11 to Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended July 29, 2007 ( Form 10-K ). Compensation expense includes amounts from awards granted in and prior to fiscal 2007. The FAS 123R value of a grant is amortized for financial reporting purposes over the number of months to vest, except for awards to retirement-eligible participants, which are amortized over an accelerated period. To see the value of awards made to the NEOs in fiscal 2007, see the Grants of Plan-Based Awards table on page 30. To see the value actually received by the NEOs in fiscal 2007, see the Option Exercises and Stock Vested table on page 32.

The amounts reported in the SCT for these awards may not represent the amounts that the NEOs will actually realize from the awards. Whether, and to what extent, a NEO realizes value will depend on the Company's actual operating performance, stock price fluctuations and the NEO's continued employment. Additional information on all outstanding stock awards is reflected in the Outstanding Equity Awards at Fiscal Year-End table on page 31.

**Option Awards (Column F)**

The amounts reported represent the compensation expense recognized for financial reporting purposes for the fiscal year ended July 29, 2007 for grants of options made prior to fiscal 2006, to each of the NEOs, calculated in accordance with the provisions of FAS 123R. The Company ceased issuing stock options to employees beginning in fiscal 2006. To see the value actually received by the NEOs in fiscal 2007, see the Option Exercises and Stock Vested table on page 32. Details for each of the outstanding option awards to NEOs can be found in the Outstanding Equity Awards at Fiscal Year-End Table on page 31.

The assumptions used by the Company in calculating these amounts are incorporated herein by reference to Notes 1 and 11 to Consolidated Financial Statements in the Form 10-K. The amounts reported in the SCT for these awards may not represent the amounts that the NEOs will actually realize from the awards. Whether, and to what extent, a NEO realizes value will depend on the Company's actual operating performance, stock price fluctuations and the NEO's continued employment. Additional information on all outstanding option awards is reflected in the Outstanding Equity Awards at Fiscal Year-End table on page 31.

**Non-Equity Incentive Plan Compensation (Column G)**

The amounts reported reflect the amounts earned and paid to each NEO for fiscal 2007 under the AIP. Payments under the AIP were calculated as described in the Compensation Discussion and Analysis beginning on page 21.

**Change in Pension Value and Nonqualified Deferred Compensation Earnings (Column H)**

The change in pension amounts reported are comprised of changes between July 30, 2006 and July 29, 2007 in the actuarial present value of the accumulated pension benefits for each of the NEOs. The NEOs receive pension benefits under the same formula applied to all U.S. salaried employees, except for benefits accrued under the Mid-Career Hire Pension program. The assumptions used by the Company in calculating the change in pension value are described beginning on page 35.

The values reported in this column are theoretical as those amounts are calculated pursuant to SEC requirements and are based on assumptions used in preparing the Company's consolidated audited financial statements for the years ended July 30, 2006 and July 29, 2007. The Company's pension plans utilize a different method of calculating actuarial



present value for the purpose of determining a lump sum payment, if any, under the plan. The change in pension value from year to year as reported in the table is subject to market volatility and may not represent the value that a NEO will actually accrue under the Company's pension plans

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during any given year. The material provisions of the Company's pension plans and deferred compensation plans are described beginning on page 33 and on page 36.

Messrs. Conant, Schiffner and McWilliams received above-market earnings (as this term is defined by the SEC) on their nonqualified deferred compensation accounts because part of their accounts were credited with interest at The Wall Street Journal indexed prime rate. This rate of 7.7% for fiscal 2007 exceeded 120% of the applicable federal long-term rate by 1.75%, and this additional amount is included in column H. The additional amount for these executives was as follows: Mr. Conant: \$46,901; Mr. Schiffner: \$35,991; and Mr. McWilliams: \$3,284.

The change in pension amounts for executives was as follows: Mr. Conant: \$836,854; Mr. Schiffner: \$640,236; Mr. Sarvary: \$263,675; Ms. Kaden: \$370,429; and Mr. McWilliams; \$249,356.

**All Other Compensation (Column I)**

The amounts reported reflect, for each NEO, the sum of (i) the incremental cost to the Company of all perquisites and other personal benefits; (ii) amounts contributed by the Company to the 401(k) plan, the 401(k) supplemental program, and (iii) the premiums paid by the Company for executive long-term disability benefits.

The following table outlines those (i) perquisites and other personal benefits and (ii) additional all other compensation required by the SEC rules to be separately quantified:

Name	Personal Choice(1)	401(k)		Long-Term Disability	Other	Total
		Company Contribution	Supplemental Company Contribution(2)			
Douglas R. Conant	\$ 48,000	\$ 6,750	\$ 114,600	\$ 5,847	\$ 164,448(3)	\$ 339,645
Robert A. Schiffner	\$ 32,000	\$ 6,750	\$ 26,329	\$ 3,750	\$ 24,000(4)	\$ 92,829
Mark A. Sarvary	\$ 32,000	\$ 6,750	\$ 41,633	\$ 4,660	\$ 0	\$ 85,043
Ellen Oran Kaden	\$ 47,000	\$ 6,750	\$ 28,316	\$ 5,557	\$ 35,552(5)	\$ 123,175
Larry S. McWilliams	\$ 32,000	\$ 6,750	\$ 26,100	\$ 3,694	\$ 0	\$ 68,544

- (1) See page 25 for a description of the Company's Personal Choice program
- (2) See page 36 for a description of the supplemental 401(k) program.
- (3) Other compensation consisted of \$100,383 for car and driver expenses and \$64,065 for use of the Company plane to attend meetings of an outside board.
- (4) Other compensation consisted of \$24,000 for commuting expenses.
- (5) Other compensation consisted of \$35,552 for driver expenses.

The incremental cost for use of the Company plane is calculated based on the average variable costs of operating the plane. Variable costs include fuel, repairs, travel expenses for the flight crews, and other miscellaneous expenses. The total annual variable costs are divided by the total number of hours the plane flew in fiscal 2007 to determine an average variable cost per hour. The average variable cost per hour is multiplied by the hours flown for personal use to

derive the incremental cost to the company. This methodology excludes fixed costs that do not change based on usage, such as salaries and benefits for the flight crews, taxes, rent, depreciation and insurance.

**Total Compensation (Column J)**

The amounts reported in column J are the sum of columns C through I for each of the NEOs. All compensation amounts reported in column J include amounts paid and amounts deferred.

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**Grants of Plan-Based Awards in Fiscal 2007**

	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards	All Other Stock Option Awards	Exercise or Base	Value of Stock
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)	# of	# of	Price of Underlying Option Awards (\$/sh)	
TSR Grant	9/28/2006				41,978	125,934	251,868				\$ 3,000
EPS Grant	9/28/2006				53,971	53,971	53,971				\$ 1,000
TSR Grant	9/28/2006				8,260	24,780	49,560				\$ 0
EPS Grant	9/28/2006				10,620	10,620	10,620				\$ 0
TSR Grant											\$ 0