
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended
February 1, 2015

Commission File Number
1-3822



CAMPBELL SOUP COMPANY

New Jersey
State of Incorporation

21-0419870
I.R.S. Employer Identification No.

**1 Campbell Place
Camden, New Jersey 08103-1799
Principal Executive Offices**

Telephone Number: (856) 342-4800

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. R Yes o No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). R Yes o No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer o Non-accelerated filer o Smaller reporting company o
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). o Yes R No

There were 311,790,489 shares of capital stock outstanding as of March 6, 2015.

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PART I

Item 1. Financial Information
CAMPBELL SOUP COMPANY
Consolidated Statements of Earnings
(unaudited)
(millions, except per share amounts)

	Three Months Ended		Six Months Ended	
	February 1, 2015	January 26, 2014	February 1, 2015	January 26, 2014
Net sales	\$ 2,234	\$ 2,281	\$ 4,489	\$ 4,446
Costs and expenses				
Cost of products sold	1,506	1,467	2,978	2,855
Marketing and selling expenses	242	268	489	529
Administrative expenses	140	142	275	290
Research and development expenses	27	27	56	58
Other expenses / (income)	7	3	11	14
Restructuring charges	—	13	—	34
Total costs and expenses	1,922	1,920	3,809	3,780
Earnings before interest and taxes	312	361	680	666
Interest expense	26	29	52	60
Interest income	1	—	2	1
Earnings before taxes	287	332	630	607
Taxes on earnings	80	104	189	199
Earnings from continuing operations	207	228	441	408
Earnings from discontinued operations	—	90	—	81
Net earnings	207	318	441	489
Less: Net earnings (loss) attributable to noncontrolling interests	—	(7)	—	(8)
Net earnings attributable to Campbell Soup Company	\$ 207	\$ 325	\$ 441	\$ 497
Per Share — Basic				
Earnings from continuing operations attributable to Campbell Soup Company	\$.66	\$.75	\$ 1.41	\$ 1.32
Earnings from discontinued operations	—	.29	—	.26
Net earnings attributable to Campbell Soup Company	\$.66	\$ 1.04	\$ 1.41	\$ 1.58
Dividends	\$.312	\$.312	\$.624	\$.624
Weighted average shares outstanding — basic	313	314	313	314
Per Share — Assuming Dilution				
Earnings from continuing operations attributable to Campbell Soup Company	\$.66	\$.74	\$ 1.40	\$ 1.32
Earnings from discontinued operations	—	.28	—	.26
Net earnings attributable to Campbell Soup Company	\$.66	\$ 1.03	\$ 1.40	\$ 1.57
Weighted average shares outstanding — assuming dilution	314	316	314	316

The sum of the individual per share amounts may not add due to rounding.

See accompanying Notes to Consolidated Financial Statements.

CAMPBELL SOUP COMPANY
Consolidated Statements of Comprehensive Income
(unaudited)
(millions)

	Three Months Ended					
	February 1, 2015			January 26, 2014		
	Pre-tax amount	Tax (expense) benefit	After-tax amount	Pre-tax amount	Tax (expense) benefit	After-tax amount
Net earnings			\$ 207			\$ 318
Other comprehensive income (loss):						
Foreign currency translation:						
Foreign currency translation adjustments	\$ (167)	\$ 1	(166)	\$ (117)	\$ 1	(116)
Reclassification of currency translation adjustments realized upon disposal of business	—	—	—	(22)	3	(19)
Cash-flow hedges:						
Unrealized gains (losses) arising during the period	(32)	13	(19)	4	(1)	3
Reclassification adjustment for (gains) losses included in net earnings	—	—	—	—	—	—
Pension and other postretirement benefits:						
Net actuarial gain (loss) arising during the period	13	(5)	8	8	(2)	6
Reclassification of prior service credit included in net earnings	(1)	—	(1)	(1)	—	(1)
Reclassification of net actuarial loss included in net earnings	24	(7)	17	25	(8)	17
Other comprehensive income (loss)	\$ (163)	\$ 2	(161)	\$ (103)	\$ (7)	(110)
Total comprehensive income (loss)			\$ 46			\$ 208
Total comprehensive income (loss) attributable to noncontrolling interests			—			(7)
Total comprehensive income (loss) attributable to Campbell Soup Company			\$ 46			\$ 215

	Six Months Ended					
	February 1, 2015			January 26, 2014		
	Pre-tax amount	Tax (expense) benefit	After-tax amount	Pre-tax amount	Tax (expense) benefit	After-tax amount
Net earnings			\$ 441			\$ 489
Other comprehensive income (loss):						
Foreign currency translation:						
Foreign currency translation adjustments	\$ (250)	\$ 1	(249)	\$ (69)	\$ (1)	(70)
Reclassification of currency translation adjustments realized upon disposal of business	—	—	—	(22)	3	(19)
Cash-flow hedges:						
Unrealized gains (losses) arising during period	(33)	13	(20)	1	—	1
Reclassification adjustment for (gains) losses included in net earnings	1	—	1	—	—	—
Pension and other postretirement benefits:						
Net actuarial gain (loss) arising during the period	17	(6)	11	8	(2)	6
Reclassification of prior service credit included in net earnings	(1)	—	(1)	(1)	—	(1)
Reclassification of net actuarial loss included in net earnings	48	(16)	32	47	(16)	31
Other comprehensive income (loss)	\$ (218)	\$ (8)	(226)	\$ (36)	\$ (16)	(52)
Total comprehensive income (loss)			\$ 215			\$ 437
Total comprehensive income (loss) attributable to noncontrolling interests			—			(9)
Total comprehensive income (loss) attributable to Campbell Soup Company			\$ 215			\$ 446

See accompanying Notes to Consolidated Financial Statements.

CAMPBELL SOUP COMPANY
Consolidated Balance Sheets
(unaudited)
(millions, except per share amounts)

	February 1, 2015	August 3, 2014
Current assets		
Cash and cash equivalents	\$ 201	\$ 232
Accounts receivable, net	794	670
Inventories	916	1,016
Other current assets	179	182
Total current assets	2,090	2,100
Plant assets, net of depreciation	2,257	2,318
Goodwill	2,271	2,433
Other intangible assets, net of amortization	1,139	1,175
Other assets	146	87
Total assets	\$ 7,903	\$ 8,113
Current liabilities		
Short-term borrowings	\$ 1,640	\$ 1,771
Payable to suppliers and others	510	527
Accrued liabilities	541	553
Dividend payable	100	101
Accrued income taxes	59	37
Total current liabilities	2,850	2,989
Long-term debt	2,253	2,244
Deferred taxes	547	548
Other liabilities	739	729
Total liabilities	6,389	6,510
Commitments and contingencies		
Campbell Soup Company shareholders' equity		
Preferred stock; authorized 40 shares; none issued	—	—
Capital stock, \$.0375 par value; authorized 560 shares; issued 323 shares	12	12
Additional paid-in capital	316	330
Earnings retained in the business	2,441	2,198
Capital stock in treasury, at cost	(448)	(356)
Accumulated other comprehensive loss	(795)	(569)
Total Campbell Soup Company shareholders' equity	1,526	1,615
Noncontrolling interests	(12)	(12)
Total equity	1,514	1,603
Total liabilities and equity	\$ 7,903	\$ 8,113

See accompanying Notes to Consolidated Financial Statements.

CAMPBELL SOUP COMPANY
Consolidated Statements of Cash Flows
(unaudited)
(millions)

	Six Months Ended	
	February 1, 2015	January 26, 2014
Cash flows from operating activities:		
Net earnings	\$ 441	\$ 489
Adjustments to reconcile net earnings to operating cash flow		
Restructuring charges	—	34
Stock-based compensation	31	37
Depreciation and amortization	149	148
Deferred income taxes	1	13
Gain on sale of business	—	(141)
Other, net	46	44
Changes in working capital		
Accounts receivable	(125)	(177)
Inventories	71	65
Prepaid assets	(3)	(17)
Accounts payable and accrued liabilities	(16)	(42)
Pension fund contributions	(2)	(44)
Receipts from (payments of) hedging activities	9	(22)
Other	(18)	(24)
Net cash provided by operating activities	584	363
Cash flows from investing activities:		
Purchases of plant assets	(143)	(127)
Sales of plant assets	8	20
Business acquired, net of cash acquired	—	(329)
Sale of business, net of cash divested	—	534
Other, net	(8)	(1)
Net cash provided by (used in) investing activities	(143)	97
Cash flows from financing activities:		
Net short-term borrowings (repayments)	171	(4)
Repayments of notes payable	(300)	(300)
Dividends paid	(199)	(195)
Treasury stock purchases	(133)	(76)
Treasury stock issuances	8	7
Excess tax benefits on stock-based compensation	5	10
Contribution from noncontrolling interest	—	5
Net cash used in financing activities	(448)	(553)
Effect of exchange rate changes on cash	(24)	(15)
Net change in cash and cash equivalents	(31)	(108)
Cash and cash equivalents continuing operations — beginning of period	232	333
Cash and cash equivalents discontinued operations — beginning of period	—	68
Cash and cash equivalents discontinued operations — end of period	—	—
Cash and cash equivalents continuing operations — end of period	\$ 201	\$ 293

See accompanying Notes to Consolidated Financial Statements.

CAMPBELL SOUP COMPANY
Consolidated Statements of Equity
(unaudited)
(millions, except per share amounts)

Campbell Soup Company Shareholders' Equity

	Capital Stock		Capital Stock		Additional Paid-in Capital	Earnings Retained in the Business	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total Equity
	Issued		In Treasury						
	Shares	Amount	Shares	Amount					
Balance at July 28, 2013	323	\$ 12	(11)	\$ (364)	\$ 362	\$ 1,772	\$ (565)	\$ (7)	\$ 1,210
Contribution from noncontrolling interest								5	5
Net earnings (loss)						497		(8)	489
Other comprehensive income (loss)							(51)	(1)	(52)
Dividends (\$.624 per share)						(196)			(196)
Treasury stock purchased			(2)	(76)					(76)
Treasury stock issued under management incentive and stock option plans			2	66	(47)				19
Balance at January 26, 2014	323	\$ 12	(11)	\$ (374)	\$ 315	\$ 2,073	\$ (616)	\$ (11)	\$ 1,399
Balance at August 3, 2014	323	\$ 12	(10)	\$ (356)	\$ 330	\$ 2,198	\$ (569)	\$ (12)	\$ 1,603
Net earnings (loss)						441		—	441
Other comprehensive income (loss)							(226)	—	(226)
Dividends (\$.624 per share)						(198)			(198)
Treasury stock purchased			(3)	(133)					(133)
Treasury stock issued under management incentive and stock option plans			2	41	(14)				27
Balance at February 1, 2015	323	\$ 12	(11)	\$ (448)	\$ 316	\$ 2,441	\$ (795)	\$ (12)	\$ 1,514

See accompanying Notes to Consolidated Financial Statements.

Notes to Consolidated Financial Statements
(unaudited)
(currency in millions, except per share amounts)

1. Basis of Presentation and Significant Accounting Policies

In this Form 10-Q, unless otherwise stated, the terms "we," "us" and "our" refer to Campbell Soup Company and its consolidated subsidiaries.

The financial statements reflect all adjustments which are, in our opinion, necessary for a fair presentation of the results of operations, financial position, and cash flows for the indicated periods. The accounting policies used in preparing these financial statements are substantially consistent with those applied in our Annual Report on Form 10-K for the year ended August 3, 2014. The results for the period are not necessarily indicative of the results to be expected for other interim periods or the full year. Our fiscal year ends on the Sunday nearest July 31. There were 53 weeks in 2014. There will be 52 weeks in 2015.

2. Recent Accounting Pronouncements

In February 2013, the Financial Accounting Standards Board (FASB) issued guidance for the recognition, measurement and disclosure of certain obligations resulting from joint and several liability arrangements for which the total amount is fixed. Such obligations may include debt arrangements, legal settlements, and other contractual arrangements. The guidance was effective for fiscal years, and interim periods within those years, beginning after December 15, 2013, and should be applied retrospectively to all prior periods presented for applicable obligations that existed as of the beginning of the fiscal year of adoption. We adopted the guidance in the first quarter of 2015. The adoption did not have an impact on our consolidated financial statements.

In March 2013, the FASB issued guidance on the accounting for the cumulative translation adjustment upon derecognition of certain subsidiaries or groups of assets within a foreign entity or of an investment in a foreign entity. The guidance was effective prospectively for fiscal years, and interim periods within those years, beginning after December 15, 2013. We adopted the guidance in the first quarter of 2015. The adoption did not have an impact on our consolidated financial statements.

In July 2013, the FASB issued guidance on the presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists. The guidance requires the netting of unrecognized tax benefits (UTBs) against a deferred tax asset for a loss or other carryforward that would apply in settlement of uncertain tax positions. Under the new standard, UTBs will be netted against all available same-jurisdiction loss or other tax carryforwards that would be utilized, rather than only against carryforwards that are created by the UTBs. The guidance was effective for fiscal years, and interim periods within those years, beginning after December 15, 2013, and should be applied prospectively to all UTBs that exist at the effective date. We adopted the guidance prospectively in the first quarter of 2015. The adoption did not have a material impact on our consolidated financial statements.

In April 2014, the FASB issued revised guidance that modifies the criteria for determining which disposals can be presented as discontinued operations and requires additional disclosures. The guidance is effective for fiscal years beginning on or after December 15, 2014, and interim periods within those years. Early adoption is permitted. We will prospectively apply the guidance to applicable transactions.

In May 2014, the FASB issued revised guidance on the recognition of revenue from contracts with customers. The guidance is designed to create greater comparability for financial statement users across industries and jurisdictions. The guidance also requires enhanced disclosures. The guidance is effective for fiscal years, and interim periods within those years, beginning after December 15, 2016. Early adoption is not permitted. The guidance permits the use of either the retrospective or cumulative effect transition method. We are currently evaluating the impact that the new guidance will have on our consolidated financial statements.

3. Acquisitions

On August 8, 2013, we completed the acquisition of Kelsen Group A/S (Kelsen). The final all-cash purchase price was \$331. Kelsen is a producer of quality baked snacks that are sold in approximately 85 countries around the world. Its primary brands include *Kjeldsens* and *Royal Dansk*.

For the three-month period ended January 26, 2014, the Kelsen acquisition contributed \$92 to Net sales and \$11 to Net earnings. The acquisition also contributed \$144 to Net sales and \$11 to Net earnings from August 8, 2013 to January 26, 2014.

The following unaudited summary information is presented on a consolidated pro forma basis as if the Kelsen acquisition had occurred on July 30, 2012:

	Six Months Ended	
	January 26, 2014	
Net sales	\$	4,450
Earnings from continuing operations attributable to Campbell Soup Company	\$	417
Earnings per share from continuing operations attributable to Campbell Soup Company	\$	1.32

The pro forma amounts include additional interest expense on the debt issued to finance the purchase, amortization and depreciation expense based on the estimated fair value and useful lives of intangible assets and plant assets, and related tax effects. The pro forma results are not necessarily indicative of the combined results had the Kelsen acquisition been completed on July 30, 2012, nor are they indicative of future combined results.

4. Discontinued Operations

On October 28, 2013, subsequent to the end of the first quarter of 2014, we completed the sale of our European simple meals business to Soppa Investments S.à r.l., an affiliate of CVC Capital Partners. The all-cash preliminary sale price was €400, or \$548, and was subject to certain post-closing adjustments, which resulted in a \$14 reduction of proceeds. We recognized a pre-tax gain of \$141 (\$72 after tax or \$.23 per share) in 2014. We used the proceeds from the sale to pay taxes on the sale, to reduce debt and for other general corporate purposes.

We have reflected the results of the European simple meals business as discontinued operations in the Consolidated Statements of Earnings.

Results of discontinued operations were as follows:

	Three Months Ended		Six Months Ended	
	January 26, 2014		January 26, 2014	
Net sales	\$	—	\$	137
Gain on sale of the European simple meals business	\$	147	\$	141
Earnings from operations, before taxes		—		14
Earnings before taxes	\$	147	\$	155
Taxes on earnings		(57)		(74)
Earnings from discontinued operations	\$	90	\$	81

5. Accumulated Other Comprehensive Income (Loss)

The components of Accumulated other comprehensive income (loss) consisted of the following:

	Foreign Currency Translation Adjustments⁽¹⁾	Gains (Losses) on Cash Flow Hedges⁽²⁾	Pension and Postretirement Benefit Plan Adjustments⁽³⁾	Total Accumulated Comprehensive Income (Loss)
Balance at August 3, 2014	\$ 137	\$ (3)	\$ (703)	\$ (569)
Other comprehensive income (loss) before reclassifications	(249)	(20)	11	(258)
Amounts reclassified from accumulated other comprehensive income (loss)	—	1	31	32
Net current-period other comprehensive income (loss)	(249)	(19)	42	(226)
Balance at February 1, 2015	\$ (112)	\$ (22)	\$ (661)	\$ (795)

(1) Included a tax expense of \$6 as of February 1, 2015 and \$7 as of August 3, 2014.

(2) Included a tax benefit of \$14 as of February 1, 2015 and \$1 as of August 3, 2014.

(3) Included a tax benefit of \$383 as of February 1, 2015 and \$405 as of August 3, 2014.

Amounts related to noncontrolling interests were not material.

The amounts reclassified from Accumulated other comprehensive income (loss) consisted of the following:

Details about Accumulated Other Comprehensive Income (Loss) Components	Three Months Ended		Six Months Ended		Location of (Gain) Loss Recognized in Earnings
	February 1, 2015	January 26, 2014	February 1, 2015	January 26, 2014	
(Gains) losses on cash flow hedges:					
Foreign exchange forward contracts	\$ —	\$ —	\$ —	\$ (1)	Cost of products sold
Foreign exchange forward contracts	(1)	(1)	(1)	(1)	Other expenses / (income)
Forward starting interest rate swaps	1	1	2	2	Interest expense
Total before tax	—	—	1	—	
Tax expense (benefit)	—	—	—	—	
(Gain) loss, net of tax	\$ —	\$ —	\$ 1	\$ —	

Pension and postretirement benefit adjustments:

Prior service credit	\$ (1)	\$ (1)	\$ (1)	\$ (1)	⁽¹⁾
Net actuarial losses	24	25	48	47	⁽¹⁾
Total before tax	23	24	47	46	
Tax expense (benefit)	(7)	(8)	(16)	(16)	
(Gain) loss, net of tax	\$ 16	\$ 16	\$ 31	\$ 30	

⁽¹⁾ In 2014, net actuarial losses of \$2 were recognized in Earnings (loss) from discontinued operations as a result of the sale of the European simple meals business. Excluding the net actuarial losses related to the sale of the business in 2014, these items are included in the components of net periodic benefit costs (see Note 11 for additional details).

In 2014, a pre-tax loss of \$22 (\$19 after tax) on foreign currency translation adjustments was also reclassified from Accumulated other comprehensive income. The loss was related to the divestiture of the European simple meals business and was included in Earnings (loss) from discontinued operations.

6. Goodwill and Intangible Assets

The following table shows the changes in the carrying amount of goodwill by business segment:

	U.S. Simple Meals	Global Baking and Snacking	International Simple Meals and Beverages	U.S. Beverages	Bolthouse and Foodservice	Total
Balance at August 3, 2014	\$ 450	\$ 918	\$ 115	\$ 112	\$ 838	\$ 2,433
Foreign currency translation adjustments	—	(145)	(17)	—	—	(162)
Balance at February 1, 2015	\$ 450	\$ 773	\$ 98	\$ 112	\$ 838	\$ 2,271

The following table sets forth balance sheet information for intangible assets, excluding goodwill, subject to amortization and intangible assets not subject to amortization:

Intangible Assets	February 1, 2015	August 3, 2014
Amortizable intangible assets		
Customer relationships	\$ 174	\$ 178
Technology	40	40
Other	35	35
Total gross amortizable intangible assets	\$ 249	\$ 253
Accumulated amortization	(43)	(35)
Total net amortizable intangible assets	\$ 206	\$ 218
Non-amortizable intangible assets		
Trademarks	933	957
Total net intangible assets	\$ 1,139	\$ 1,175

Non-amortizable intangible assets consist of trademarks, which include *Bolthouse Farms*, *Pace*, *Plum Organics*, *Kjeldsens* and *Royal Dansk*. Other amortizable intangible assets consist of recipes, patents, trademarks and distributor relationships.

Amortization of intangible assets of continuing operations was \$9 for the six-month periods ended February 1, 2015 and January 26, 2014. Amortization expense for the next 5 years is estimated to be \$17 in each of the fiscal periods 2015 through 2017, and \$13 in 2018 and 2019. Asset useful lives range from 5 to 20 years.

7. Business and Geographic Segment Information

We manage operations through 10 operating segments based on product type and geographic location and have aggregated the operating segments into the appropriate reportable segment based on similar economic characteristics; products; production processes; types or classes of customers; distribution methods; and regulatory environment. The reportable segments are discussed in greater detail below.

The U.S. Simple Meals segment includes the following products: *Campbell's* condensed and ready-to-serve soups; *Swanson* broth and stocks; *Prego* pasta sauces; *Pace* Mexican sauces; *Campbell's* gravies, pasta, beans and dinner sauces; *Swanson* canned poultry; and *Plum Organics* food and snacks.

The Global Baking and Snacking segment aggregates the following operating segments: Pepperidge Farm cookies, crackers, bakery and frozen products in U.S. retail; Arnott's biscuits in Australia and Asia Pacific; and as of August 8, 2013, Kelsen cookies globally.

The International Simple Meals and Beverages segment aggregates the following operating segments: the retail business in Canada and the simple meals and beverages business in Asia Pacific, Latin America, and China.

The U.S. Beverages segment represents the U.S. retail beverages business, including the following products: *V8* juices and beverages; and *Campbell's* tomato juice.

Bolthouse and Foodservice comprises the Bolthouse Farms carrot products operating segment, including fresh carrots, juice concentrate and fiber; the Bolthouse Farms super-premium refrigerated beverages and refrigerated salad dressings operating segment; and the North America Foodservice operating segment. The North America Foodservice operating segment represents the distribution of products such as soup, specialty entrées, beverage products, other prepared foods and Pepperidge Farm products through various food service channels in the U.S. and Canada. None of these operating segments meets the criteria for aggregation nor the thresholds for separate disclosure.

We evaluate segment performance before interest, taxes and costs associated with restructuring activities. Unrealized gains and losses on commodity hedging activities are excluded from segment operating earnings and are recorded in Corporate expenses as these open positions represent hedges of future purchases. Upon closing of the contracts, the realized gain or loss is transferred to segment operating earnings, which allows the segments to reflect the economic effects of the hedge without exposure to quarterly volatility of unrealized gains and losses. Certain manufacturing, warehousing and distribution activities of the segments are integrated in order to maximize efficiency and productivity. As a result, asset information by segment is not discretely maintained for internal reporting or used in evaluating performance.

	Three Months Ended		Six Months Ended	
	February 1, 2015	January 26, 2014	February 1, 2015	January 26, 2014
Net sales				
U.S. Simple Meals	\$ 867	\$ 894	\$ 1,795	\$ 1,754
Global Baking and Snacking	640	639	1,267	1,248
International Simple Meals and Beverages	194	213	383	406
U.S. Beverages	169	176	337	349
Bolthouse and Foodservice	364	359	707	689
Total	\$ 2,234	\$ 2,281	\$ 4,489	\$ 4,446

	Three Months Ended		Six Months Ended	
	February 1, 2015	January 26, 2014	February 1, 2015	January 26, 2014
Earnings before interest and taxes				
U.S. Simple Meals	\$ 170	\$ 214	\$ 412	\$ 425
Global Baking and Snacking	107	88	197	166
International Simple Meals and Beverages	26	38	42	58
U.S. Beverages	20	31	46	55
Bolthouse and Foodservice	26	36	48	65
Corporate ⁽¹⁾	(37)	(33)	(65)	(69)
Restructuring charges ⁽²⁾	—	(13)	—	(34)
Total	\$ 312	\$ 361	\$ 680	\$ 666

⁽¹⁾ Represents unallocated corporate expenses. Restructuring-related costs of \$2 and a loss of \$9 on foreign exchange forward contracts related to the sale of the European simple meals business were included in the six-month period ended January 26, 2014.

⁽²⁾ See Note 8 for additional information.

Our global net sales based on product categories are as follows:

	Three Months Ended		Six Months Ended	
	February 1, 2015	January 26, 2014	February 1, 2015	January 26, 2014
Net sales				
Simple Meals	\$ 1,290	\$ 1,329	\$ 2,601	\$ 2,563
Baked Snacks	669	670	1,332	1,315
Beverages	275	282	556	568
Total	\$ 2,234	\$ 2,281	\$ 4,489	\$ 4,446

Simple Meals include condensed and ready-to-serve soups, broths, sauces, carrot products, refrigerated salad dressings and Plum foods and snacks. Baked Snacks include cookies, crackers, biscuits and other baked products.

8. Restructuring Charges

2014 Initiatives

In 2014, we implemented initiatives to reduce overhead across the organization, restructure manufacturing and streamline operations for our soup and broth business in China and improve supply chain efficiency in Australia. Details of the 2014 initiatives include:

- We streamlined our salaried workforce in North America and our workforce in the Asia Pacific region. Approximately 250 positions were eliminated.

- Together with our joint venture partner Swire Pacific Limited, we agreed to restructure manufacturing and streamline operations for our soup and broth business in China. As a result, certain assets were impaired, and approximately 100 positions were eliminated.
- In Australia, we implemented an initiative to improve supply chain efficiency by relocating production from our biscuit plant in Marlestone to Huntingwood. The relocation will continue through the second quarter of 2016 and will result in the elimination of approximately 90 positions.
- We implemented an initiative to reduce overhead across the organization by eliminating approximately 85 positions. The actions will be completed in 2015.

In 2014, we recorded a restructuring charge of \$54 (\$33 after tax or \$.10 per share in earnings from continuing operations attributable to Campbell Soup Company) related to the 2014 initiatives. Of the amounts recorded in 2014, \$33 (\$18 after tax or \$.06 per share in earnings from continuing operations attributable to Campbell Soup Company) was recorded in the six-month period ended January 26, 2014. A summary of the pre-tax costs and remaining costs associated with the 2014 initiatives is as follows:

	Total Program	Recognized as of February 1, 2015	Remaining Costs to be Recognized
Severance pay and benefits	\$ 42	\$ (41)	\$ 1
Asset impairment	12	(12)	—
Other exit costs	2	(1)	1
Total	<u>\$ 56</u>	<u>\$ (54)</u>	<u>\$ 2</u>

Of the aggregate \$56 of pre-tax costs, approximately \$43 represent cash expenditures. In addition, we expect to invest approximately \$6 in capital expenditures, primarily to relocate biscuit production and packaging capabilities, of which approximately \$1 has been invested as of February 1, 2015. We expect the remaining aspects of the 2014 initiatives to be completed through 2016.

A summary of the restructuring activity and related reserves associated with the 2014 initiatives at February 1, 2015 is as follows:

	Accrued Balance at August 3, 2014	Six Months Ended February 1, 2015			Accrued Balance at February 1, 2015
		Charges	Cash Payments	Foreign Currency Translation Adjustment	
Severance pay and benefits	\$ 28	\$ —	\$ (13)	\$ (2)	\$ 13

A summary of restructuring charges incurred to date associated with segments is as follows:

	U.S. Simple Meals	Global Baking and Snacking	International Simple Meals and Beverages	U.S. Beverages	Bolthouse and Foodservice	Corporate	Total
Severance pay and benefits	\$ 7	\$ 23	\$ 6	\$ 2	\$ 2	\$ 1	\$ 41
Asset impairment	1	—	11	—	—	—	12
Other exit costs	—	—	1	—	—	—	1
	<u>\$ 8</u>	<u>\$ 23</u>	<u>\$ 18</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 1</u>	<u>\$ 54</u>

We expect to recognize additional pre-tax costs of approximately \$2 by segment as follows: U.S. Simple Meals - \$1 and Global Baking and Snacking - \$1. Segment operating results do not include restructuring charges as segment performance is evaluated excluding such charges.

2013 Initiatives

In 2013, we implemented initiatives to improve supply chain efficiency, expand access to manufacturing and distribution capabilities and reduce costs. Details of the 2013 initiatives include:

- We implemented initiatives to improve our U.S. supply chain cost structure and increase asset utilization across our U.S. thermal plant network, including closing our Sacramento, California, thermal plant, which produced soups, sauces and beverages. The closure resulted in the elimination of approximately 700 full-time positions and was completed in phases. Most of the positions were eliminated in 2013 and operations ceased in August 2013. We shifted the majority of

Sacramento's soup, sauce and beverage production to our thermal plants in Maxton, North Carolina; Napoleon, Ohio; and Paris, Texas. We also closed our South Plainfield, New Jersey, spice plant, which resulted in the elimination of 27 positions. We consolidated spice production at our Milwaukee, Wisconsin, plant in 2013.

- In Mexico, we entered into commercial arrangements with third-party providers to expand access to manufacturing and distribution capabilities. The third-party providers produce and distribute our beverages, soups, broths and sauces throughout the Mexican market. As a result of these agreements, we closed our plant in Villagrán, Mexico, and eliminated approximately 260 positions in the first quarter of 2014.
- We implemented an initiative to improve our Pepperidge Farm bakery supply chain cost structure by closing our plant in Aiken, South Carolina. The plant was closed in May 2014. We shifted the majority of Aiken's bread production to our bakery plant in Lakeland, Florida. Approximately 110 positions were eliminated as a result of the plant closure.
- We streamlined our salaried workforce in U.S. Simple Meals, North America Foodservice and U.S. Beverages by approximately 70 positions. This action was substantially completed in August 2013.

In 2014, we recorded a restructuring charge of \$1 related to the 2013 initiatives. In addition, approximately \$3 of costs related to the 2013 initiatives were recorded in Cost of products sold, representing other exit costs. The aggregate after-tax impact of restructuring charges and related costs recorded in 2014 was \$3, or \$.01 per share. Of the amounts recorded in 2014, a restructuring charge of \$1 was recorded in the six-month period ended January 26, 2014, and approximately \$2 of costs related to these initiatives were recorded in Cost of products sold, representing other exit costs. The aggregate after-tax impact of restructuring charges and related costs recorded in the six-month period ended January 26, 2014 was \$2, or \$.01 per share. In 2013, we recorded a restructuring charge of \$51. In addition, approximately \$91 of costs related to these initiatives were recorded in 2013 in Cost of products sold, representing accelerated depreciation and other exit costs. The aggregate after-tax impact of restructuring charges and related costs recorded in 2013 was \$90, or \$.28 per share. A summary of the pre-tax costs and remaining costs associated with the 2013 initiatives is as follows:

	Total Program	Recognized as of February 1, 2015	Remaining Costs to be Recognized
Severance pay and benefits	\$ 35	\$ (35)	\$ —
Accelerated depreciation/asset impairment	99	(99)	—
Other exit costs	14	(12)	2
Total	<u>\$ 148</u>	<u>\$ (146)</u>	<u>\$ 2</u>

Of the aggregate \$148 of pre-tax costs, approximately \$46 represent cash expenditures. In addition, we expect to invest approximately \$31 in capital expenditures, primarily to relocate and refurbish a beverage filling and packaging line, and relocate bread production, of which approximately \$29 has been invested as of February 1, 2015. We expect the remaining aspects of the 2013 initiatives to be completed in 2015.

A summary of the restructuring activity and related reserves associated with the 2013 initiatives at February 1, 2015 is as follows:

	Accrued Balance at August 3, 2014	Six Months Ended February 1, 2015		Accrued Balance at February 1, 2015
		Charges	Cash Payments	
Severance pay and benefits	\$ 3	\$ —	\$ (2)	\$ 1

A summary of restructuring charges and related costs incurred to date associated with segments is as follows:

	U.S. Simple Meals	Global Baking and Snacking	International Simple Meals and Beverages	U.S. Beverages	Bolthouse and Foodservice	Total
Severance pay and benefits	\$ 19	\$ 2	\$ 5	\$ 7	\$ 2	\$ 35
Accelerated depreciation/asset impairment	64	10	3	22	—	99
Other exit costs	7	2	1	2	—	12
	<u>\$ 90</u>	<u>\$ 14</u>	<u>\$ 9</u>	<u>\$ 31</u>	<u>\$ 2</u>	<u>\$ 146</u>

We expect to recognize additional pre-tax costs of approximately \$2 in the Global Baking and Snacking segment. Segment operating results do not include restructuring charges as segment performance is evaluated excluding such charges.

9. Earnings per Share

For the periods presented in the Consolidated Statements of Earnings, the calculations of basic EPS and EPS assuming dilution vary in that the weighted average shares outstanding assuming dilution include the incremental effect of stock options and other share-based payment awards, except when such effect would be antidilutive. There were no antidilutive stock options for the three-month and six-month periods ended February 1, 2015 and January 26, 2014.

10. Noncontrolling Interests

We own a 60% controlling interest in a joint venture formed with Swire Pacific Limited to support the development of our soup and broth business in China. The joint venture began operations on January 31, 2011. In the three-month period ended January 26, 2014, together with our joint venture partner, we agreed to restructure manufacturing and streamline operations for our soup and broth business in China. The after-tax restructuring charge attributable to the noncontrolling interest was \$5. See also Note 8.

We also own a 70% controlling interest in a Malaysian food products manufacturing company.

The noncontrolling interests' share in the net earnings (loss) was included in Net earnings (loss) attributable to noncontrolling interests in the Consolidated Statements of Earnings. The noncontrolling interests in these entities were included in Total equity in the Consolidated Balance Sheets and Consolidated Statements of Equity.

11. Pension and Postretirement Benefits

We sponsor certain defined benefit pension plans and postretirement benefit plans for employees. Components of benefit expense were as follows:

	Three Months Ended				Six Months Ended			
	Pension		Postretirement		Pension		Postretirement	
	February 1, 2015	January 26, 2014	February 1, 2015	January 26, 2014	February 1, 2015	January 26, 2014	February 1, 2015	January 26, 2014
Service cost	\$ 7	\$ 10	\$ 1	\$ —	\$ 14	\$ 21	\$ 1	\$ 1
Interest cost	26	29	4	5	53	58	8	9
Expected return on plan assets	(43)	(44)	—	—	(87)	(89)	—	—
Amortization of prior service credit	—	—	(1)	(1)	—	—	(1)	(1)
Recognized net actuarial loss	21	19	3	4	42	38	6	7
Net periodic benefit expense	\$ 11	\$ 14	\$ 7	\$ 8	\$ 22	\$ 28	\$ 14	\$ 16

No contributions are expected to be made to U.S. pension plans in 2015. Contributions to non-U.S. pension plans during the six-month period ended February 1, 2015 were \$2. Contributions to non-U.S. pension plans during the remainder of the year are expected to be approximately \$2.

12. Financial Instruments

The principal market risks to which we are exposed are changes in foreign currency exchange rates, interest rates, and commodity prices. In addition, we are exposed to equity price changes related to certain deferred compensation obligations. In order to manage these exposures, we follow established risk management policies and procedures, including the use of derivative contracts such as swaps, options, forwards and commodity futures. These derivative contracts are entered into for periods consistent with the related underlying exposures and do not constitute positions independent of those exposures. We do not enter into derivative contracts for speculative purposes and do not use leveraged instruments. Our derivative programs include instruments that qualify and others that do not qualify for hedge accounting treatment.

Concentration of Credit Risk

We are exposed to the risk that counterparties to derivative contracts will fail to meet their contractual obligations. To mitigate counterparty credit risk, we enter into contracts only with carefully selected, leading, credit-worthy financial institutions, and distribute contracts among several financial institutions to reduce the concentration of credit risk. We do not have credit-risk-related contingent features in our derivative instruments as of February 1, 2015. During 2014, our largest customer accounted for approximately 19% of consolidated net sales. We closely monitor credit risk associated with counterparties and customers.

Foreign Currency Exchange Risk

We are exposed to foreign currency exchange risk related to our international operations, including non-functional currency intercompany debt and net investments in subsidiaries. We are also exposed to foreign exchange risk as a result of transactions in currencies other than the functional currency of certain subsidiaries. Principal currencies hedged include the Canadian dollar, Australian dollar and U.S. dollar. We utilize foreign exchange forward purchase and sale contracts, as well as cross-currency swaps, to hedge these exposures. The contracts are either designated as cash-flow hedging instruments or are undesignated. We hedge portions of our forecasted foreign currency transaction exposure with foreign exchange forward contracts for periods typically up to 18 months. To hedge currency exposures related to intercompany debt, foreign exchange forward purchase and sale contracts, as well as cross-currency swap contracts, are entered into for periods consistent with the underlying debt. As of February 1, 2015, cross-currency swap contracts mature between 6 and 30 months. The notional amount of foreign exchange forward and cross-currency swap contracts accounted for as cash-flow hedges was \$45 at February 1, 2015 and \$58 at August 3, 2014. The effective portion of the changes in fair value on these instruments is recorded in other comprehensive income (loss) and is reclassified into the Consolidated Statements of Earnings on the same line item and the same period in which the underlying hedged transaction affects earnings. The notional amount of foreign exchange forward and cross-currency swap contracts that are not designated as accounting hedges was \$419 and \$561 at February 1, 2015 and August 3, 2014, respectively.

Interest Rate Risk

We manage our exposure to changes in interest rates by optimizing the use of variable-rate and fixed-rate debt and by utilizing interest rate swaps in order to maintain our variable-to-total debt ratio within targeted guidelines. Receive fixed rate/pay variable rate interest rate swaps are accounted for as fair-value hedges. We manage our exposure to interest rate volatility on future debt issuances by entering into forward starting interest rate swaps to lock in the rate on the interest payments related to anticipated debt issuances. These pay fixed rate/receive variable rate forward starting interest rate swaps are accounted for as cash-flow hedges. The effective portion of the changes in fair value on these instruments is recorded in other comprehensive income (loss) and is reclassified into the Consolidated Statements of Earnings over the life of the debt. The notional amount of outstanding forward starting interest rate swaps totaled \$550 at February 1, 2015, of which \$250 relates to an anticipated issuance in 2015 and \$300 relates to an anticipated issuance in 2018. The notional amount of outstanding forward starting interest rate swaps totaled \$250 at August 3, 2014.

Commodity Price Risk

We principally use a combination of purchase orders and various short- and long-term supply arrangements in connection with the purchase of raw materials, including certain commodities and agricultural products. We also enter into commodity futures, options and swap contracts to reduce the volatility of price fluctuations of diesel fuel, wheat, soybean oil, natural gas, aluminum, dairy, cocoa and corn, which impact the cost of raw materials. Commodity futures, options, and swap contracts are either accounted for as cash-flow hedges or are not designated as accounting hedges. We hedge a portion of commodity requirements for periods typically up to 18 months. There were no commodity contracts accounted for as cash-flow hedges as of February 1, 2015 or August 3, 2014. The notional amount of commodity contracts not designated as accounting hedges was \$101 at February 1, 2015 and \$146 at August 3, 2014.

Equity Price Risk

We enter into swap contracts which hedge a portion of exposures relating to certain deferred compensation obligations linked to the total return of our capital stock, the total return of the Vanguard Institutional Index, and the total return of the Vanguard Total International Stock Index. Under these contracts, we pay variable interest rates and receive from the counterparty either the total return on our capital stock; the total return of the Standard & Poor's 500 Index, which is expected to approximate the total return of the Vanguard Institutional Index; or the total return of the iShares MSCI EAFE Index, which is expected to approximate the total return of the Vanguard Total International Stock Index. These contracts were not designated as hedges for accounting purposes and are entered into for periods typically not exceeding 12 months. The notional amounts of the contracts were \$56 as of February 1, 2015 and August 3, 2014.

The following table summarizes the fair value of derivative instruments on a gross basis as recorded in the Consolidated Balance Sheets as of February 1, 2015 and August 3, 2014:

	Balance Sheet Classification	February 1, 2015	August 3, 2014
Asset Derivatives			
Derivatives designated as hedges:			
Foreign exchange forward contracts	Other current assets	\$ 3	\$ 1
Forward starting interest rate swaps	Other current assets	—	11
Total derivatives designated as hedges		\$ 3	\$ 12
Derivatives not designated as hedges:			
Commodity derivative contracts	Other current assets	\$ —	\$ 2
Cross-currency swap contracts	Other current assets	4	—
Deferred compensation derivative contracts	Other current assets	1	—
Foreign exchange forward contracts	Other current assets	10	1
Cross-currency swap contracts	Other assets	36	—
Total derivatives not designated as hedges		\$ 51	\$ 3
Total asset derivatives		\$ 54	\$ 15

	Balance Sheet Classification	February 1, 2015	August 3, 2014
Liability Derivatives			
Derivatives designated as hedges:			
Foreign exchange forward contracts	Accrued liabilities	\$ —	\$ 1
Forward starting interest rate swaps	Accrued liabilities	15	—
Forward starting interest rate swaps	Other liabilities	23	—
Total derivatives designated as hedges		\$ 38	\$ 1
Derivatives not designated as hedges:			
Commodity derivative contracts	Accrued liabilities	\$ 20	\$ 10
Cross-currency swap contracts	Accrued liabilities	—	1
Deferred compensation derivative contracts	Accrued liabilities	1	3
Foreign exchange forward contracts	Accrued liabilities	2	2
Commodity derivative contracts	Other liabilities	—	1
Cross-currency swap contracts	Other liabilities	—	5
Total derivatives not designated as hedges		\$ 23	\$ 22
Total liability derivatives		\$ 61	\$ 23

We do not offset the fair values of derivative assets and liabilities executed with the same counterparty that are generally subject to enforceable netting agreements. However, if we were to offset and record the asset and liability balances of derivatives on a net basis, the amounts presented in the Consolidated Balance Sheets as of February 1, 2015 and August 3, 2014 would be adjusted as detailed in the following table:

Derivative Instrument	February 1, 2015			August 3, 2014		
	Gross Amounts Presented in the Consolidated Balance Sheet	Gross Amounts Not Offset in the Consolidated Balance Sheet Subject to Netting Agreements	Net Amount	Gross Amounts Presented in the Consolidated Balance Sheet	Gross Amounts Not Offset in the Consolidated Balance Sheet Subject to Netting Agreements	Net Amount
Total asset derivatives	\$ 54	\$ (40)	\$ 14	\$ 15	\$ (4)	\$ 11
Total liability derivatives	\$ 61	\$ (40)	\$ 21	\$ 23	\$ (4)	\$ 19

We do not offset fair value amounts recognized for exchange-traded commodity derivative instruments and cash margin accounts executed with the same counterparty that are subject to enforceable netting agreements. We are required to maintain cash margin accounts in connection with funding the settlement of open positions. At February 1, 2015 and August 3, 2014, a cash margin account balance of \$24 and \$14, respectively, was included in Other current assets in the Consolidated Balance Sheets.

The following tables show the effect of our derivative instruments designated as cash-flow hedges for the three- and six-month periods ended February 1, 2015, and January 26, 2014, in other comprehensive income (loss) (OCI) and the Consolidated Statements of Earnings:

Derivatives Designated as Cash-Flow Hedges	Total Cash-Flow Hedge OCI Activity	
	February 1, 2015	January 26, 2014
Three Months Ended		
OCI derivative gain (loss) at beginning of quarter	\$ (4)	\$ 5
Effective portion of changes in fair value recognized in OCI:		
Foreign exchange forward contracts	10	2
Forward starting interest rate swaps	(42)	2
Amount of (gain) loss reclassified from OCI to earnings:	Location in Earnings	
Foreign exchange forward contracts	Other expenses / (income)	(1) (1)
Forward starting interest rate swaps	Interest expense	1 1
OCI derivative gain (loss) at end of quarter	\$ (36)	\$ 9
Six Months Ended		
OCI derivative gain (loss) at beginning of year	\$ (4)	\$ 8
Effective portion of changes in fair value recognized in OCI:		
Foreign exchange forward contracts	13	3
Forward starting interest rate swaps	(46)	(2)
Amount of (gain) loss reclassified from OCI to earnings:	Location in Earnings	
Foreign exchange forward contracts	Cost of products sold	— (1)
Foreign exchange forward contracts	Other expenses / (income)	(1) (1)
Forward starting interest rate swaps	Interest expense	2 2
OCI derivative gain (loss) at end of quarter	\$ (36)	\$ 9

Based on current valuations, the amount expected to be reclassified from OCI into earnings within the next 12 months is a gain of \$7. The ineffective portion and amount excluded from effectiveness testing were not material.

The following table shows the effect of our derivative instruments designated as fair-value hedges in the Consolidated Statements of Earnings:

Derivatives Designated as Fair-Value Hedges	Location of Gain (Loss) Recognized in Earnings	Amount of Gain (Loss) Recognized in Earnings on Derivatives		Amount of Gain (Loss) Recognized in Earnings on Hedged Item	
		February 1, 2015	January 26, 2014	February 1, 2015	January 26, 2014
Three Months Ended					
Interest rate swaps	Interest expense	\$ —	\$ —	\$ —	\$ —
Six Months Ended					
Interest rate swaps	Interest expense	\$ —	\$ (1)	\$ —	\$ 1

The following table shows the effects of our derivative instruments not designated as hedges in the Consolidated Statements of Earnings:

Derivatives not Designated as Hedges	Location of Gain (Loss) Recognized in Earnings	Amount of Gain (Loss) Recognized in Earnings on Derivatives			
		Three Months Ended		Six Months Ended	
		February 1, 2015	January 26, 2014	February 1, 2015	January 26, 2014
Foreign exchange forward contracts	Cost of products sold	\$ (1)	\$ 3	\$ —	\$ 5
Foreign exchange forward contracts	Other expenses/income	—	2	—	(12)
Commodity derivative contracts	Cost of products sold	(13)	2	(18)	—
Cross-currency swap contracts	Other expenses/income	38	24	52	21
Deferred compensation derivative contracts	Administrative expenses	1	—	3	(1)
Total		\$ 25	\$ 31	\$ 37	\$ 13

13. Fair Value Measurements

Financial assets and liabilities are categorized based on the following fair value hierarchy:

- Level 1: Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability through corroboration with observable market data.
- Level 3: Unobservable inputs, which are based on our estimates of assumptions that market participants would use in pricing the asset or liability.

Fair value is defined as the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. When available, we use unadjusted quoted market prices to measure the fair value and classify such items as Level 1. If quoted market prices are not available, we base fair value upon internally developed models that use current market-based or independently sourced market parameters such as interest rates and currency rates. Included in the fair value of derivative instruments is an adjustment for credit and nonperformance risk.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following table presents our financial assets and liabilities that are measured at fair value on a recurring basis as of February 1, 2015, and August 3, 2014, consistent with the fair value hierarchy:

	Fair Value as of February 1, 2015	Fair Value Measurements at February 1, 2015 Using Fair Value Hierarchy			Fair Value as of August 3, 2014	Fair Value Measurements at August 3, 2014 Using Fair Value Hierarchy		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Assets								
Forward starting interest rate swaps ⁽¹⁾	\$ —	\$ —	\$ —	\$ —	\$ 11	\$ —	\$ 11	\$ —
Foreign exchange forward contracts ⁽²⁾	13	—	13	—	2	—	2	—
Commodity derivative contracts ⁽³⁾	—	—	—	—	2	1	1	—
Cross-currency swap contracts ⁽⁴⁾	40	—	40	—	—	—	—	—
Deferred compensation derivative contracts ⁽⁵⁾	1	—	1	—	—	—	—	—
Total assets at fair value	\$ 54	\$ —	\$ 54	\$ —	\$ 15	\$ 1	\$ 14	\$ —

	Fair Value as of February 1, 2015	Fair Value Measurements at February 1, 2015 Using Fair Value Hierarchy			Fair Value as of August 3, 2014	Fair Value Measurements at August 3, 2014 Using Fair Value Hierarchy		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Liabilities								
Forward starting interest rate swaps ⁽¹⁾	\$ 38	\$ —	\$ 38	\$ —	\$ —	\$ —	\$ —	\$ —
Foreign exchange forward contracts ⁽²⁾	2	—	2	—	3	—	3	—
Commodity derivative contracts ⁽³⁾	20	20	—	—	11	11	—	—
Cross-currency swap contracts ⁽⁴⁾	—	—	—	—	6	—	6	—
Deferred compensation derivative contracts ⁽⁵⁾	1	—	1	—	3	—	3	—
Deferred compensation obligation ⁽⁶⁾	131	131	—	—	123	123	—	—
Total liabilities at fair value	\$ 192	\$ 151	\$ 41	\$ —	\$ 146	\$ 134	\$ 12	\$ —

(1) Based on LIBOR swap rates.

(2) Based on observable market transactions of spot currency rates and forward rates.

(3) Based on quoted futures exchanges and on observable prices of futures and options transactions in the marketplace.

(4) Based on observable local benchmarks for currency and interest rates.

(5) Based on LIBOR and equity index swap rates.

(6) Based on the fair value of the participants' investments.

Fair Value of Financial Instruments

The carrying values of cash and cash equivalents, accounts receivable, accounts payable and short-term borrowings, excluding the current portion of long-term debt, approximate fair value.

Cash equivalents of \$42 at February 1, 2015 and \$46 at August 3, 2014 represent fair value as these highly liquid investments have an original maturity of three months or less. Fair value of cash equivalents is based on Level 2 inputs.

The fair value of long-term debt, including the current portion of long-term debt in Short-term borrowings, was \$2,397 at February 1, 2015 and \$2,647 at August 3, 2014. The carrying value was \$2,263 at February 1, 2015 and \$2,544 at August 3, 2014. The fair value of long-term debt is principally estimated using Level 2 inputs based on quoted market prices or pricing models using current market rates.

14. Share Repurchases

In June 2011, our Board of Directors authorized the purchase of up to \$1,000 of our stock. This program has no expiration date. In addition to this publicly announced program, we also repurchase shares to offset the impact of dilution from shares issued under our stock compensation plans.

During the six-month period ended February 1, 2015, we repurchased 3 million shares at a cost of \$133. Of this amount, \$100 was used to repurchase shares pursuant to our June 2011 publicly announced share repurchase program. Approximately \$650 remained available under this program as of February 1, 2015. During the six-month period ended January 26, 2014, we repurchased 2 million shares at a cost of \$76 to offset the impact of dilution from shares issued under our stock compensation plans.

15. Stock-based Compensation

We provide compensation benefits by issuing unrestricted stock, restricted stock and restricted stock units (including time-lapse restricted stock units, EPS performance restricted stock units, total shareholder return (TSR) performance restricted stock units, strategic performance restricted stock units and special performance restricted stock units). In 2015, we issued time-lapse

restricted stock units, EPS performance restricted stock units, TSR performance restricted stock units and special performance restricted stock units. We did not issue strategic performance restricted stock units in 2015. In previous years, we also issued stock options and stock appreciation rights.

Total pre-tax stock-based compensation expense recognized in Earnings from continuing operations was \$18 and \$15 for the three-month periods ended February 1, 2015, and January 26, 2014, respectively. Tax-related benefits of \$6 were also recognized for the three-month periods ended February 1, 2015, and January 26, 2014. Total pre-tax stock-based compensation expense recognized in Earnings from continuing operations was \$31 and \$36 for the six-month periods ended February 1, 2015, and January 26, 2014, respectively. The pre-tax stock-based compensation expense recognized in Earnings from discontinued operations was \$1 for the six-month period ended January 26, 2014. Tax-related benefits of \$11 and \$14 were also recognized for the six-month periods ended February 1, 2015, and January 26, 2014, respectively. Cash received from the exercise of stock options was \$8 and \$7 for the six-month periods ended February 1, 2015, and January 26, 2014, respectively, and is reflected in cash flows from financing activities in the Consolidated Statements of Cash Flows.

The following table summarizes stock option activity as of February 1, 2015:

	Options (Options in thousands)	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Life (In years)	Aggregate Intrinsic Value
Outstanding at August 3, 2014	408	\$ 28.33		
Granted	—	\$ —		
Exercised	(300)	\$ 27.78		
Terminated	(3)	\$ 26.36		
Outstanding at February 1, 2015	105	\$ 29.91	0.9	\$ 2
Exercisable at February 1, 2015	105	\$ 29.91	0.9	\$ 2

The total intrinsic value of options exercised during the six-month periods ended February 1, 2015, and January 26, 2014, was \$5 and \$4, respectively. As of January 2009, compensation related to stock options was fully expensed. We measured the fair value of stock options using the Black-Scholes option pricing model.

The following table summarizes time-lapse restricted stock units, EPS performance restricted stock units, strategic performance restricted stock units and special performance restricted stock units as of February 1, 2015:

	Units (Restricted stock units in thousands)	Weighted- Average Grant-Date Fair Value
Nonvested at August 3, 2014	2,994	\$ 37.69
Granted	1,059	\$ 42.35
Vested	(1,245)	\$ 35.56
Forfeited	(384)	\$ 36.10
Nonvested at February 1, 2015	2,424	\$ 41.08

The fair value of time-lapse restricted stock units, EPS performance restricted stock units, strategic performance restricted stock units and special performance restricted stock units is determined based on the quoted price of our stock at the date of grant. Time-lapse restricted stock units are expensed on a straight-line basis over the vesting period, except for awards issued to retirement-eligible participants, which are expensed on an accelerated basis. EPS performance restricted stock units are expensed on a graded-vesting basis, except for awards issued to retirement-eligible participants, which are expensed on an accelerated basis. There were 252 thousand EPS performance target grants outstanding at February 1, 2015 with a weighted-average grant-date fair value of \$40.72. Strategic performance restricted stock units are expensed on a straight-line basis over the service period. Awards of the strategic performance restricted stock units are earned based upon the achievement of two key metrics, net sales and EPS growth, compared to strategic plan objectives during a two-year period for grants in 2013 and during a three-year period for grants in 2014. There were 384 thousand strategic performance target grants outstanding at February 1, 2015 with a grant-date fair value of \$41.21. The actual number of EPS performance restricted stock units and strategic performance restricted stock units issued at the vesting date could range from either 0% or 100% and 0% to 200%, respectively, of the initial grant, depending on actual performance achieved. Expense is estimated based on the number of awards expected to vest.

In 2015, we issued special performance restricted stock units for which vesting is contingent upon meeting various financial goals and performance milestones to support innovation and growth initiatives. These awards vest over a period of 2 years and are included in the table above. The actual number of special performance awards issued at the vesting date could range from 0% to 150%. There were 184 thousand special performance restricted stock units outstanding at February 1, 2015 with a grant-date fair value of \$42.22.

As of February 1, 2015, total remaining unearned compensation related to nonvested time-lapse restricted stock units, EPS performance restricted stock units, strategic performance restricted stock units and special performance restricted stock units was \$50, which will be amortized over the weighted-average remaining service period of 1.7 years. The fair value of restricted stock units vested during the six-month periods ended February 1, 2015, and January 26, 2014, was \$53 and \$104, respectively. The weighted-average grant-date fair value of the restricted stock units granted during the six-month period ended January 26, 2014 was \$39.76.

The following table summarizes TSR performance restricted stock units as of February 1, 2015:

	Units (Restricted stock units in thousands)	Weighted- Average Grant-Date Fair Value
Nonvested at August 3, 2014	861	\$ 38.15
Granted	874	\$ 43.39
Vested	—	\$ —
Forfeited	(41)	\$ 40.02
Nonvested at February 1, 2015	<u>1,694</u>	<u>\$ 40.81</u>

We estimated the fair value of TSR performance restricted stock units at the grant date using a Monte Carlo simulation. Assumptions used in the Monte Carlo simulation were as follows:

	2015	2014
Risk-free interest rate	0.97%	0.60%
Expected dividend yield	2.91%	2.98%
Expected volatility	16.20%	15.76%
Expected term	3 years	3 years

Compensation expense is recognized on a straight-line basis over the service period. As of February 1, 2015, total remaining unearned compensation related to TSR performance restricted stock units was \$39, which will be amortized over the weighted-average remaining service period of 2.3 years. There were no restricted stock units granted during 2012. The grant-date fair value of the TSR performance restricted stock units granted during 2014 was \$36.26.

The excess tax benefits on the exercise of stock options and vested restricted stock presented as cash flows from financing activities for the six-month periods ended February 1, 2015, and January 26, 2014 were \$5 and \$10, respectively.

16. Inventories

	February 1, 2015	August 3, 2014
Raw materials, containers and supplies	\$ 410	\$ 399
Finished products	506	617
Total inventories	<u>\$ 916</u>	<u>\$ 1,016</u>

17. Supplemental Cash Flow Information

Other cash used in operating activities for the six-month periods was comprised of the following:

	February 1, 2015	January 26, 2014
Benefit related payments	\$ (16)	\$ (21)
Other	(2)	(3)
Total	\$ (18)	\$ (24)

18. Voluntary Product Recall

On November 8, 2013, we voluntarily recalled a range of Plum products packaged in resealable pouches after discovering a manufacturing defect that may cause spoilage in some pouches. In the three-month period ended October 27, 2013, we recognized costs of \$16 (\$11 after tax or \$.03 per share) associated with the recall, including estimates for customer returns and consumer rebates, costs associated with returned product and the disposal and write-off of inventory.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

OVERVIEW

Description of the Company

Unless otherwise stated, the terms "we," "us" and "our" refer to Campbell Soup Company and its consolidated subsidiaries.

We are a manufacturer and marketer of high-quality, branded convenience food products. We report the results of our operations in the following reportable segments: U.S. Simple Meals; Global Baking and Snacking; International Simple Meals and Beverages; U.S. Beverages; and Bolthouse and Foodservice.

On August 8, 2013, we completed the acquisition of Kelsen. The final all-cash purchase price was \$331 million. See Note 3 to the Consolidated Financial Statements for additional information.

On October 28, 2013, subsequent to the end of the first quarter of 2014, we completed the sale of our European simple meals business to Soppa Investments S.à r.l., an affiliate of CVC Capital Partners. The all-cash preliminary sale price was €400 million, or \$548 million, and was subject to certain post-closing adjustments, which resulted in a \$14 million reduction of proceeds. We have reflected the results of the European simple meals business as discontinued operations in the Consolidated Statements of Earnings. See Note 4 to the Consolidated Financial Statements for additional information.

On January 29, 2015, we announced plans to implement a new enterprise design focused mainly on product categories. Under the new design, our businesses will be organized in the following three new divisions: Americas Simple Meals and Beverages, Global Biscuits and Snacks, and Packaged Fresh. We also announced the presidents leading these new divisions, effective February 1, 2015. In the coming months, specific plans for the new organizational design will be developed.

We are also pursuing initiatives to reduce our costs and to streamline our organizational structure. We do not expect significant savings from these initiatives in 2015.

Executive Summary

This Executive Summary provides significant highlights from the discussion and analysis that follows.

- Net sales decreased 2% in the current quarter to \$2.234 billion, due to the impact of currency.
- Gross profit, as a percent of sales, decreased to 32.6% from 35.7% in the year-ago quarter. The decrease in gross margin was due to cost inflation, higher supply chain costs and higher promotional spending, partly offset by productivity improvements.
- Marketing and selling expenses decreased 10% to \$242 million in the current quarter, primarily due to lower advertising and consumer promotion expenses.
- The effective tax rate decreased to 27.9% in the current quarter from 31.3% in the year-ago quarter, primarily due to the favorable resolution of an intercompany pricing agreement between the U.S. and Canada.
- Earnings per share from continuing operations were \$.66 for the current quarter compared to \$.74 in the year-ago quarter. The year-ago quarter included expenses of \$.02 per share from items impacting comparability as discussed below.

Earnings from continuing operations attributable to Campbell Soup Company

The following items impacted the comparability of earnings and earnings per share:

- In 2014, we implemented initiatives to streamline our salaried workforce in North America and our workforce in the Asia Pacific region; restructure manufacturing and streamline operations for our soup and broth business in China; improve supply chain efficiency in Australia; and reduce overhead across the organization. In the second quarter of 2014, we recorded a pre-tax restructuring charge of \$13 million (\$5 million after tax or \$.02 per share) related to the 2014 initiatives. The year-to-date 2014 impact was \$33 million (\$18 million after tax or \$.06 per share) related to the 2014 initiatives;
- In 2013, we implemented initiatives to improve our U.S. supply chain cost structure and increase asset utilization across our U.S. thermal plant network; expand access to manufacturing and distribution capabilities in Mexico; improve our Pepperidge Farm bakery supply chain cost structure; and reduce overhead in North America. In the first quarter of 2014, we recorded a pre-tax restructuring charge of \$1 million and restructuring-related costs of \$2 million in Cost of products sold (aggregate impact of \$2 million after tax or \$.01 per share) related to the 2013 initiatives; and
- On October 28, 2013, we completed the sale of our simple meals business in Europe. In the first quarter of 2014, we recorded a loss of \$9 million (\$6 million after tax or \$.02 per share) on foreign exchange forward contracts used to hedge the proceeds from the sale of the European simple meals business. The loss was included in Other expenses. In addition, we recorded tax expense of \$7 million (\$.02 per share) associated with the sale of the business.

The items impacting comparability are summarized below:

(Millions, except per share amounts)	Three Months Ended			
	February 1, 2015		January 26, 2014	
	Earnings Impact	EPS Impact	Earnings Impact	EPS Impact
Earnings from continuing operations attributable to Campbell Soup Company	\$ 207	\$.66	\$ 235	\$.74
Restructuring charges and related costs	\$ —	\$ —	\$ (5)	\$ (.02)
	Six Months Ended			
(Millions, except per share amounts)	February 1, 2015		January 26, 2014	
	Earnings Impact	EPS Impact	Earnings Impact	EPS Impact
	Earnings from continuing operations attributable to Campbell Soup Company	\$ 441	\$ 1.40	\$ 416
Restructuring charges and related costs	\$ —	\$ —	\$ (20)	\$ (.06)
Loss on foreign exchange forward contracts	—	—	(6)	(.02)
Tax expense associated with sale of business	—	—	(7)	(.02)
Impact of items on earnings from continuing operations	\$ —	\$ —	\$ (33)	\$ (.10)

Earnings from continuing operations were \$207 million (\$.66 per share) in the current quarter, compared to \$235 million (\$.74 per share) in the year-ago quarter. After adjusting for items impacting comparability, earnings decreased primarily due to a lower gross margin percentage and the impact of currency translation, partially offset by lower marketing expenses and a lower effective tax rate.

Earnings from continuing operations were \$441 million (\$1.40 per share) in the six-month period ended February 1, 2015, compared to \$416 million (\$1.32 per share) in the year-ago period. After adjusting for items impacting comparability, earnings decreased primarily due to a lower gross margin percentage and the impact of currency translation, partially offset by an increase in sales, lower marketing expenses, a lower effective tax rate and lower interest expense.

We sold our European simple meals business on October 28, 2013. See "Discontinued Operations" for additional information.

SECOND-QUARTER DISCUSSION AND ANALYSIS

Sales

An analysis of net sales by reportable segment follows:

(Millions)	Three Months Ended		
	February 1, 2015	January 26, 2014	% Change
U.S. Simple Meals	\$ 867	\$ 894	(3)%
Global Baking and Snacking	640	639	—
International Simple Meals and Beverages	194	213	(9)
U.S. Beverages	169	176	(4)
Bolthouse and Foodservice	364	359	1
	\$ 2,234	\$ 2,281	(2)%

An analysis of percent change of net sales by reportable segment follows:

	U.S. Simple Meals	Global Baking and Snacking ⁽²⁾	International Simple Meals and Beverages	U.S. Beverages	Bolthouse and Foodservice	Total
Volume and Mix	(2)%	4%	—%	(2)%	2%	1%
Price and Sales Allowances	—	2	—	1	—	1
Increased Promotional Spending ⁽¹⁾	(1)	(2)	(2)	(3)	—	(2)
Currency	—	(3)	(7)	—	(1)	(2)
	<u>(3)%</u>	<u>—%</u>	<u>(9)%</u>	<u>(4)%</u>	<u>1%</u>	<u>(2)%</u>

⁽¹⁾ Represents revenue reductions from trade promotion and consumer coupon redemption programs.

⁽²⁾ Sum of the individual amounts does not add due to rounding.

In U.S. Simple Meals, sales decreased 3%. Following a strong first quarter, U.S. soup sales decreased 6%, primarily due to movements in retailer inventory levels. The first quarter benefited from a strong seasonal sell-in and later timing of the quarter end relative to the Thanksgiving holiday. Further details of U.S. soup include:

- Sales of *Campbell's* condensed soups decreased 11%, with declines in both eating and cooking varieties.
- Sales of ready-to-serve soups were comparable to prior year.
- Broth sales decreased 4%, primarily due to declines in canned broth, partially offset by gains in aseptically-packaged broth.

Sales of other simple meals increased 6%, driven by growth in Plum, *Prego* pasta sauces and *Campbell's* dinner sauces.

In Global Baking and Snacking, sales were comparable to the prior year. Sales of Pepperidge Farm products increased as volume gains were partly offset by higher promotional spending to remain competitive. Within Pepperidge Farm, sales gains in crackers, fresh bakery products and cookies were partly offset by sales declines in frozen products and stuffing. Sales of Arnott's products increased as volume gains in Indonesia and Australia, as well as higher selling prices, were partly offset by the impact of currency and higher promotional spending. Kelsen sales decreased primarily due to the timing of the quarter in relation to the Chinese New Year.

In International Simple Meals and Beverages, sales decreased 9%, primarily due to the impact of currency. Excluding the impact of currency, sales declined in Latin America and the Asia Pacific region while sales in Canada were comparable to the prior year.

In U.S. Beverages, sales decreased 4%, primarily due to declines in *V8 V-Fusion* beverages, partly offset by gains in *V8 Splash* beverages. Promotional spending increased due in part to new product introduction costs.

In Bolthouse and Foodservice, sales increased 1%. The increase was due to gains in Bolthouse premium refrigerated beverages and salad dressings and North America Foodservice, partially offset by declines in Bolthouse carrots, juice concentrate and fiber.

Gross Profit

Gross profit, defined as Net sales less Cost of products sold, decreased by \$86 million in 2015 from 2014. As a percent of sales, gross profit decreased from 35.7% in 2014 to 32.6% in 2015. The 3.1-percentage-point decrease in gross margin percentage in 2015 was due to the following factors:

	Margin Impact
Cost inflation, supply chain costs and other factors	(3.6)%
Higher level of promotional spending	(1.0)
Mix	(0.2)
Higher selling prices	0.4
Productivity improvements	1.3
	<u>(3.1)%</u>

Cost inflation, supply chain costs and other factors had a negative impact of 3.6 percentage points and were the key factors in the decline in gross profit as a percent of sales. Costs were negatively impacted by inflation in ingredients and packaging materials, higher manufacturing costs and higher transportation costs. Increases in meats, tomatoes, dairy, steel cans, chocolate and losses

on open commodity hedges contributed to cost inflation, which had the largest negative impact. In North America, manufacturing costs were higher due in part to increased use of co-manufacturers to meet demand and an equipment outage in one of our plants. We also incurred higher transportation costs to improve customer service. In addition, the current-year margin reflected the adverse impact of currency movements on input costs in our international businesses.

Marketing and Selling Expenses

Marketing and selling expenses as a percent of sales were 10.8% in 2015 and 11.7% in 2014. Marketing and selling expenses were \$242 million in 2015 compared to \$268 million in 2014, a decrease of 10%. The decrease was primarily due to lower advertising and consumer promotion expenses (approximately 8 percentage points) and the impact of currency translation (approximately 2 percentage points). In the current year, we had lower advertising expenses primarily in U.S. Simple Meals and Pepperidge Farm.

Administrative Expenses

Administrative expenses as a percent of sales were 6.3% in 2015 and 6.2% in 2014. Administrative expenses decreased 1% in 2015 from 2014, primarily due to lower pension and other benefit expenses (approximately 2 percentage points); cost savings from restructuring initiatives (approximately 1 percentage point) and the impact of currency translation (approximately 1 percentage point), partially offset by higher long-term incentive compensation costs (approximately 4 percentage points).

Operating Earnings

Segment operating earnings decreased 14% in 2015 from 2014.

An analysis of operating earnings by segment follows:

(Millions)	Three Months Ended		% Change
	February 1, 2015	January 26, 2014	
U.S. Simple Meals	\$ 170	\$ 214	(21)%
Global Baking and Snacking	107	88	22
International Simple Meals and Beverages	26	38	(32)
U.S. Beverages	20	31	(35)
Bolthouse and Foodservice	26	36	(28)
	349	407	(14)%
Unallocated corporate expenses	(37)	(33)	
Restructuring charges ⁽¹⁾	—	(13)	
Earnings before interest and taxes	\$ 312	\$ 361	

⁽¹⁾ See Note 8 to the Consolidated Financial Statements for additional information on restructuring charges.

Earnings from U.S. Simple Meals decreased 21%, primarily due to cost inflation and higher supply chain costs, as well as sales declines, partly offset by productivity improvements and lower marketing expenses.

Earnings from Global Baking and Snacking increased 22%, primarily due to sales volume gains, higher selling prices, lower marketing expenses and productivity improvements, partially offset by increased promotional spending, cost inflation and the impact of currency translation.

Earnings from International Simple Meals and Beverages decreased 32%, primarily due to cost inflation, the adverse impact of currency movements on input costs and the impact of currency translation.

Earnings from U.S. Beverages decreased 35%, primarily due to increased promotional spending, cost inflation and higher supply chain costs, and lower sales volume, partially offset by productivity improvements.

Earnings from Bolthouse and Foodservice decreased 28%, due to a lower gross margin percentage, including the impact of higher carrot costs attributable in part to adverse weather, and higher administrative expenses as the prior year benefited from a reduction in long-term incentive compensation costs.

Interest Expense

Interest expense decreased to \$26 million in 2015 from \$29 million in 2014, reflecting lower levels of debt.

Taxes on Earnings

The effective tax rate was 27.9% in 2015, compared to 31.3% in 2014. The prior-year quarter included a tax benefit of \$3 million on \$13 million of restructuring charges. The remaining decrease was primarily due to the favorable resolution of an intercompany pricing agreement between the U.S. and Canada.

SIX-MONTH DISCUSSION AND ANALYSIS

Sales

An analysis of net sales by reportable segment follows:

(Millions)	Six Months Ended		% Change
	February 1, 2015	January 26, 2014	
U.S. Simple Meals	\$ 1,795	\$ 1,754	2%
Global Baking and Snacking	1,267	1,248	2
International Simple Meals and Beverages	383	406	(6)
U.S. Beverages	337	349	(3)
Bolthouse and Foodservice	707	689	3
	<u>\$ 4,489</u>	<u>\$ 4,446</u>	<u>1%</u>

An analysis of percent change of net sales by reportable segment follows:

	U.S. Simple Meals	Global Baking and Snacking	International Simple Meals and Beverages	U.S. Beverages	Bolthouse and Foodservice	Total
Volume and Mix	2%	5%	2%	(2)%	3%	3%
Price and Sales Allowances	—	1	—	1	—	—
Increased Promotional Spending ⁽¹⁾	—	(3)	(1)	(2)	—	(1)
Currency	—	(2)	(6)	—	—	(1)
Net Accounting ⁽²⁾	—	—	(1)	—	—	—
Acquisitions	—	1	—	—	—	—
	<u>2%</u>	<u>2%</u>	<u>(6)%</u>	<u>(3)%</u>	<u>3%</u>	<u>1%</u>

(1) Represents revenue reductions from trade promotion and consumer coupon redemption programs.

(2) Beginning in 2014, revenue in Mexico is presented on a net accounting basis in connection with a new business model under which the cost of certain services provided by the company's suppliers is netted against revenue.

In U.S. Simple Meals, sales increased 2%. U.S. soup sales were comparable to the year-ago period. Further details of U.S. soup include:

- Sales of *Campbell's* condensed soups decreased 3%, with declines in both eating and cooking varieties.
- Sales of ready-to-serve soups were comparable to the year-ago period as lower volume was offset by lower promotional spending.
- Broth sales increased 7% due to gains in aseptically-packaged broth, partially offset by declines in canned broth.

Sales of other simple meals increased 10%, primarily due to growth in Plum, *Prego* pasta sauces and *Campbell's* dinner sauces.

In Global Baking and Snacking, sales increased 2%. Sales of Arnott's products increased as volume gains in Australia and Indonesia, as well as higher selling prices, were partly offset by the impact of currency and higher promotional spending. Pepperidge Farm sales were comparable to the prior year as volume gains were offset by higher promotional spending to remain competitive. Within Pepperidge Farm, sales gains in fresh bakery products and cookies were offset by declines in frozen products. The acquisition of Kelsen on August 8, 2013, early in 2014, also contributed to the sales growth.

In International Simple Meals and Beverages, sales decreased 6%, primarily due to the impact of currency. Excluding the impact of currency, gains in Canada and the Asia Pacific region were partly offset by declines in Latin America. Excluding the impact of currency, sales increased in Canada due to new product launches and higher levels of promotional activity. Sales declined in Latin America due in part to the impact of presenting revenue on a net basis.

In U.S. Beverages, sales decreased 3%, primarily due to declines in *V8 V-Fusion* beverages and *V8* vegetable juice, partly offset by gains in *V8 Splash* beverages.

In Bolthouse and Foodservice, sales increased 3% due to an increase in Bolthouse premium refrigerated beverages and salad dressings and in North America Foodservice, partially offset by declines in Bolthouse carrots.

Gross Profit

Gross profit, defined as Net sales less Cost of products sold, decreased by \$80 million in 2015. As a percent of sales, gross profit decreased from 35.8% in 2014 to 33.7% in 2015. The 2.1-percentage-point decrease in gross margin percentage in 2015 was due to the following factors:

	Margin Impact
Cost inflation, supply chain costs and other factors	(3.6)%
Higher level of promotional spending	(0.7)
Mix	0.1
Higher selling prices	0.3
Impact of Plum recall / Kelsen purchase accounting in 2014	0.5
Productivity improvements	1.3
	<u>(2.1)%</u>

Cost inflation, supply chain costs and other factors had a negative impact of 3.6 percentage points and were the key factors in the decline in gross profit as a percent of sales. Costs were negatively impacted by inflation in ingredients and packaging materials, higher transportation costs and higher manufacturing costs. Increases in meats, tomatoes, dairy, steel cans, chocolate and losses on open commodity hedges contributed to cost inflation, which had the largest negative impact. In North America, to meet significant volume demand early in the year and to improve customer service, our supply chain costs increased as we incurred higher transportation costs, ran production in our manufacturing facilities on more weekends, and increased our use of co-manufacturers. In addition, the current-year margin reflected the adverse impact of currency movements on input costs in our international businesses.

Marketing and Selling Expenses

Marketing and selling expenses as a percent of sales were 10.9% in 2015 and 11.9% in 2014. Marketing and selling expenses were \$489 million in 2015, compared to \$529 million in 2014, a decrease of 8%. The decrease was primarily due to lower advertising and consumer promotion expenses (approximately 6 percentage points) and the impact of currency translation (approximately 2 percentage points). In the current year, we had lower advertising expenses in U.S. Simple Meals, U.S. Beverages and Pepperidge Farm.

Administrative Expenses

Administrative expenses as a percent of sales were 6.1% in 2015 and 6.5% in 2014. Administrative expenses decreased by 5% in 2015 from 2014, primarily due to cost savings from restructuring initiatives (approximately 2 percentage points); lower pension and other benefit expenses (approximately 1 percentage point); and the impact of currency translation (approximately 1 percentage point).

Operating Earnings

Segment operating earnings decreased 3% in 2015 from 2014.

An analysis of operating earnings by segment follows:

(Millions)	Six Months Ended		% Change
	February 1, 2015	January 26, 2014	
U.S. Simple Meals	\$ 412	\$ 425	(3)%
Global Baking and Snacking	197	166	19
International Simple Meals and Beverages	42	58	(28)
U.S. Beverages	46	55	(16)
Bolthouse and Foodservice	48	65	(26)
	745	769	(3)%
Unallocated corporate expenses	(65)	(69)	
Restructuring charges ⁽¹⁾	—	(34)	
Earnings before interest and taxes	\$ 680	\$ 666	

⁽¹⁾ See Note 8 to the Consolidated Financial Statements for additional information on restructuring charges.

Earnings from U.S. Simple Meals decreased 3%. The decrease was due to cost inflation and higher supply chain costs, partially offset by productivity improvements, lower marketing and administrative expenses, sales gains and the benefit of lapping the Plum recall in the prior year.

Earnings from Global Baking and Snacking increased 19%, with 5 points due to lapping the negative impact of purchase accounting in the prior year in connection with the acquisition of Kelsen. The remaining increase was primarily due to sales volume gains, productivity improvements, higher selling prices and lower marketing expenses, partially offset by increased promotional spending, cost inflation and the impact of currency translation.

Earnings from International Simple Meals and Beverages decreased 28%, primarily due to cost inflation, the adverse impact of currency movements on input costs, an increase in marketing expenses and the impact of currency translation, partly offset by sales volume gains and productivity improvements.

Earnings from U.S. Beverages decreased 16%, primarily due to a lower gross margin percentage and volume declines, partially offset by a reduction in marketing expenses.

Earnings from Bolthouse and Foodservice decreased 26%, primarily due to a lower gross margin percentage, partly offset by sales volume gains and reduced advertising in Bolthouse. The lower gross margin percentage reflected higher carrot costs due in part to adverse weather.

Unallocated corporate expenses decreased \$4 million in 2015. Unallocated corporate expenses in 2014 included a \$9 million loss on foreign exchange forward contracts related to the sale of the European simple meals business and restructuring-related costs of \$2 million. The current year included higher losses on open commodity hedges, partially offset by lower long-term incentive compensation costs.

Interest Expense

Interest expense decreased to \$52 million in 2015 from \$60 million in 2014, reflecting lower levels of debt.

Taxes on Earnings

The effective tax rate was 30.0% in 2015, compared to 32.8% in 2014. In 2014, we recognized tax expense of \$7 million associated with the sale of the European simple meals business and a tax benefit of \$11 million on \$36 million of restructuring charges and restructuring-related costs. The remaining decrease was primarily due to the favorable resolution of an intercompany pricing agreement between the U.S. and Canada.

Restructuring Charges

2014 Initiatives

In 2014, we implemented initiatives to reduce overhead across the organization, restructure manufacturing and streamline operations for our soup and broth business in China and improve supply chain efficiency in Australia. Details of the 2014 initiatives include:

- We streamlined our salaried workforce in North America and our workforce in the Asia Pacific region. Approximately 250 positions were eliminated.

- Together with our joint venture partner Swire Pacific Limited, we agreed to restructure manufacturing and streamline operations for our soup and broth business in China. As a result, certain assets were impaired, and approximately 100 positions were eliminated.
- In Australia, we implemented an initiative to improve supply chain efficiency by relocating production from our biscuit plant in Marlestone to Huntingwood. The relocation will continue through the second quarter of 2016 and will result in the elimination of approximately 90 positions.
- We implemented an initiative to reduce overhead across the organization by eliminating approximately 85 positions. The actions will be completed in 2015.

In 2014, we recorded a restructuring charge of \$54 million (\$33 million after tax or \$.10 per share in earnings from continuing operations attributable to Campbell Soup Company) related to the 2014 initiatives. Of the amounts recorded in 2014, \$33 million (\$18 million after tax or \$.06 per share in earnings from continuing operations attributable to Campbell Soup Company) was recorded in the six-month period ended January 26, 2014.

A summary of the pre-tax costs and remaining costs associated with the 2014 initiatives is as follows:

(Millions)	Total Program	Recognized as of February 1, 2015	Remaining Costs to be Recognized
Severance pay and benefits	\$ 42	\$ (41)	\$ 1
Asset impairment	12	(12)	—
Other exit costs	2	(1)	1
Total	<u>\$ 56</u>	<u>\$ (54)</u>	<u>\$ 2</u>

Of the aggregate \$56 million of pre-tax costs, approximately \$43 million represent cash expenditures. In addition, we expect to invest approximately \$6 million in capital expenditures, primarily to relocate biscuit production and packaging capabilities, of which approximately \$1 million has been invested as of February 1, 2015. We expect the remaining aspects of the 2014 initiatives to be completed through 2016. The remaining cash outflows related to these restructuring initiatives are not expected to have a material adverse impact on our liquidity.

The 2014 initiatives are expected to generate pre-tax savings of approximately \$56 million in 2015, and once fully implemented, annual ongoing savings of approximately \$65 million beginning in 2016. In 2014, pre-tax savings were \$26 million.

The total pre-tax costs of \$56 million associated with each segment are expected to be as follows: U.S. Simple Meals - \$9 million; Global Baking and Snacking - \$24 million; International Simple Meals and Beverages - \$18 million; U.S. Beverages - \$2 million; Bolthouse and Foodservice - \$2 million; and Corporate - \$1 million. Segment operating results do not include restructuring charges as segment performance is evaluated excluding such charges.

2013 Initiatives

In 2013, we implemented initiatives to improve supply chain efficiency, expand access to manufacturing and distribution capabilities and reduce costs. Details of the 2013 initiatives include:

- We implemented initiatives to improve our U.S. supply chain cost structure and increase asset utilization across our U.S. thermal plant network, including closing our Sacramento, California, thermal plant, which produced soups, sauces and beverages. The closure resulted in the elimination of approximately 700 full-time positions and was completed in phases. Most of the positions were eliminated in 2013 and operations ceased in August 2013. We shifted the majority of Sacramento's soup, sauce and beverage production to our thermal plants in Maxton, North Carolina; Napoleon, Ohio; and Paris, Texas. We also closed our South Plainfield, New Jersey, spice plant, which resulted in the elimination of 27 positions. We consolidated spice production at our Milwaukee, Wisconsin, plant in 2013.
- In Mexico, we entered into commercial arrangements with third-party providers to expand access to manufacturing and distribution capabilities. The third-party providers produce and distribute our beverages, soups, broths and sauces throughout the Mexican market. As a result of these agreements, we closed our plant in Villagrán, Mexico, and eliminated approximately 260 positions in the first quarter of 2014.
- We implemented an initiative to improve our Pepperidge Farm bakery supply chain cost structure by closing our plant in Aiken, South Carolina. The plant was closed in May 2014. We shifted the majority of Aiken's bread production to our bakery plant in Lakeland, Florida. Approximately 110 positions were eliminated as a result of the plant closure.
- We streamlined our salaried workforce in U.S. Simple Meals, North America Foodservice and U.S. Beverages by approximately 70 positions. This action was substantially completed in August 2013.

In 2014, we recorded a restructuring charge of \$1 million related to the 2013 initiatives. In addition, approximately \$3 million of costs related to the 2013 initiatives were recorded in Cost of products sold, representing other exit costs. The aggregate after-

tax impact of restructuring charges and related costs recorded in 2014 was \$3 million, or \$.01 per share. Of the amounts recorded in 2014, a restructuring charge of \$1 million was recorded in the six-month period ended January 26, 2014, and approximately \$2 million of costs related to these initiatives were recorded in Cost of products sold, representing other exit costs. The aggregate after-tax impact of restructuring charges and related costs recorded in the six-month period ended January 26, 2014 was \$2 million, or \$.01 per share. In 2013, we recorded a restructuring charge of \$51 million. In addition, approximately \$91 million of costs related to these initiatives were recorded in 2013 in Cost of products sold, representing accelerated depreciation and other exit costs. The aggregate after-tax impact of restructuring charges and related costs recorded in 2013 was \$90 million, or \$.28 per share.

A summary of the pre-tax costs and remaining costs associated with the 2013 initiatives is as follows:

(Millions)	Total Program	Recognized as of February 1, 2015	Remaining Costs to be Recognized
Severance pay and benefits	\$ 35	\$ (35)	\$ —
Accelerated depreciation/asset impairment	99	(99)	—
Other exit costs	14	(12)	2
Total	<u>\$ 148</u>	<u>\$ (146)</u>	<u>\$ 2</u>

Of the aggregate \$148 million of pre-tax costs, approximately \$46 million represent cash expenditures. In addition, we expect to invest approximately \$31 million in capital expenditures, primarily to relocate and refurbish a beverage filling and packaging line, and relocate bread production, of which approximately \$29 million has been invested as of February 1, 2015. We expect the remaining aspects of the 2013 initiatives to be completed in 2015. The remaining cash outflows related to these restructuring initiatives are not expected to have a material adverse impact on our liquidity.

The 2013 initiatives, once fully implemented, are expected to generate annual ongoing pre-tax savings of approximately \$40 million beginning in 2015, with 2014 savings of approximately \$30 million.

The total pre-tax costs of \$148 million associated with segments are expected to be as follows: U.S. Simple Meals - \$90 million; Global Baking and Snacking - \$16 million; International Simple Meals and Beverages - \$9 million; U.S. Beverages - \$31 million; and Bolthouse and Foodservice - \$2 million. Segment operating results do not include restructuring charges as segment performance is evaluated excluding such charges.

Potential Future Initiatives

On January 29, 2015, we announced plans to implement a new enterprise design organized in three new divisions focused mainly on product categories. We are proceeding with initiatives to reduce costs and to streamline our organizational structure and may take additional restructuring actions in the future as a result.

Discontinued Operations

On October 28, 2013, we completed the sale of our European simple meals business to Soppa Investments S.à r.l., an affiliate of CVC Capital Partners. The all-cash preliminary sale price was €400 million, or \$548 million, and was subject to certain post-closing adjustments, which resulted in a \$14 million reduction of proceeds. We recognized a pre-tax gain of \$141 million (\$72 million after tax or \$.23 per share) in 2014.

We have reflected the results of the European simple meals business as discontinued operations in the Consolidated Statements of Earnings.

Results of discontinued operations were as follows:

(Millions)	Three Months Ended	Six Months Ended
	January 26, 2014	January 26, 2014
Net sales	\$ —	\$ 137
Gain on sale of the European simple meals business	\$ 147	\$ 141
Earnings from operations, before taxes	—	14
Earnings before taxes	\$ 147	\$ 155
Taxes on earnings	(57)	(74)
Earnings from discontinued operations	<u>\$ 90</u>	<u>\$ 81</u>

See also Note 4 to the Consolidated Financial Statements for additional information.

LIQUIDITY AND CAPITAL RESOURCES

We expect that foreseeable liquidity and capital resource requirements will be met through anticipated cash flows from operations; long-term borrowings; short-term borrowings, including commercial paper; and cash and cash equivalents. We believe that our sources of financing will be adequate to meet our future requirements.

We generated cash from operations of \$584 million in 2015, compared to \$363 million in 2014. The increase was primarily due to taxes paid in 2014 on the divestiture of the European simple meals business, and lower working capital requirements and pension contributions in 2015.

Capital expenditures were \$143 million in 2015, compared to \$127 million in 2014. To date, capital expenditures in 2015 included a cracker capacity expansion at Pepperidge Farm (approximately \$15 million); an ongoing Bolthouse Farms warehouse capacity expansion project (approximately \$11 million); the ongoing initiative to simplify the soup-making process in North America (also known as the soup common platform initiative) (approximately \$11 million); a Bolthouse Farms beverage and salad dressing capacity expansion project (approximately \$7 million); continued enhancement of our corporate headquarters (approximately \$7 million); biscuit capacity expansion in Indonesia (approximately \$5 million); and aseptic broth capacity (approximately \$3 million). We expect capital expenditures to total approximately \$400 million in 2015.

On August 8, 2013, we completed the acquisition of Kelsen. The final all-cash purchase price was \$331 million, which we funded through the issuance of commercial paper.

Dividend payments were \$199 million in 2015 and \$195 million in 2014.

We repurchased approximately 3 million shares at a cost of \$133 million in 2015 and approximately 2 million shares at a cost of \$76 million in 2014. In June 2011, our Board of Directors authorized the purchase of up to \$1 billion of our stock. Of the amount spent in 2015, \$100 million was used to repurchase shares pursuant to our June 2011 publicly announced share repurchase program. Approximately \$650 million remained available to repurchase shares under our June 2011 repurchase program as of February 1, 2015. The program has no expiration date. We also expect to continue our long-standing practice, under separate authorization, of purchasing shares sufficient to offset shares issued under our incentive compensation plans. See "Unregistered Sales of Equity Securities and Use of Proceeds" for more information.

At February 1, 2015, we had \$1.64 billion of short-term borrowings due within one year, of which \$1.6 billion was comprised of commercial paper borrowings. As of February 1, 2015, we issued \$43 million of standby letters of credit. We have a committed revolving credit facility totaling \$2.2 billion, which matures in December 2018. This facility remained unused at February 1, 2015, except for \$3 million of standby letters of credit that we issued under it. This revolving credit facility supports our commercial paper programs and is available for other general corporate purposes. We may also increase the commitment under the credit facility up to an additional \$500 million, upon the agreement of either existing lenders or of additional banks not currently parties to the existing credit agreements.

In September 2014, we filed a registration statement with the Securities and Exchange Commission that registered an indeterminate amount of debt securities. Under the registration statement, we may issue debt securities, depending on market conditions.

We are in compliance with the covenants contained in our revolving credit facilities and debt securities.

SIGNIFICANT ACCOUNTING ESTIMATES

Our consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States. The preparation of these financial statements requires the use of estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the periods presented. Actual results could differ from those estimates and assumptions. Our significant accounting policies are described in Note 1 to the Consolidated Financial Statements in the 2014 Annual Report on Form 10-K. The significant accounting estimates are described in Management's Discussion and Analysis included in the 2014 Annual Report on Form 10-K.

RECENT ACCOUNTING PRONOUNCEMENTS

See Note 2 to the Consolidated Financial Statements for information on recent accounting pronouncements.

FORWARD-LOOKING STATEMENTS

This quarterly report contains "forward-looking" statements that reflect our current expectations regarding our future results of operations, economic performance, financial condition and achievements. We try, wherever possible, to identify these forward-looking statements by using words such as "anticipate," "believe," "estimate," "expect," "will" and similar expressions. One can also identify them by the fact that they do not relate strictly to historical or current facts. These statements reflect our current plans and expectations and are based on information currently available to us. They rely on a number of assumptions regarding future events and estimates which could be inaccurate and which are inherently subject to risks and uncertainties.

We wish to caution the reader that the following important factors and those important factors described in our other Securities and Exchange Commission filings, or in our 2014 Annual Report on Form 10-K, could affect our actual results and could cause such results to vary materially from those expressed in any forward-looking statements made by, or on behalf of, us:

- the impact of strong competitive response to our efforts to leverage our brand power with product innovation, promotional programs and new advertising;
- the impact of changes in consumer demand for our products;
- the risks in the marketplace associated with trade and consumer acceptance of product improvements, shelving initiatives, new products, and pricing and promotional strategies;
- our ability to achieve sales and earnings guidance, which is based on assumptions about sales volume, product mix, the development and success of new products, the impact of marketing, promotional and pricing actions, product costs and currency;
- our ability to realize projected cost savings and benefits from our efficiency and/or restructuring initiatives;
- our ability to successfully manage changes to our organizational structure and/or to our business processes, including our selling, distribution, manufacturing and information management systems or processes;
- the practices and increased significance of certain of our key customers;
- the impact of new or changing inventory management practices by our customers;
- the impact of fluctuations in the supply of and inflation in energy, raw and packaging materials cost;
- the impact of completing and integrating acquisitions, divestitures and other portfolio changes;
- the uncertainties of litigation described from time to time in our Securities and Exchange Commission filings;
- the impact of changes in currency exchange rates, tax rates, interest rates, debt and equity markets, inflation rates, economic conditions and other external factors; and
- the impact of unforeseen business disruptions in one or more of our markets due to political instability, civil disobedience, armed hostilities, natural disasters or other calamities.

This discussion of uncertainties is by no means exhaustive but is designed to highlight important factors that may impact our outlook. We disclaim any obligation or intent to update forward-looking statements made by us in order to reflect new information, events or circumstances after the date they are made.

Item 3. *Quantitative and Qualitative Disclosures about Market Risk*

For information regarding our exposure to certain market risk, see Item 7A, Quantitative and Qualitative Disclosures About Market Risk, in the 2014 Annual Report on Form 10-K. There have been no significant changes in our portfolio of financial instruments or market risk exposures from the 2014 year-end.

Item 4. *Controls and Procedures*

a. Evaluation of Disclosure Controls and Procedures

We, under the supervision and with the participation of our management, including the President and Chief Executive Officer and the Senior Vice President — Chief Financial Officer, have evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of February 1, 2015 (Evaluation Date). Based on such evaluation, the President and Chief Executive Officer and the Senior Vice President — Chief Financial Officer have concluded that, as of the Evaluation Date, our disclosure controls and procedures are effective.

b. Changes in Internal Controls

As previously disclosed, during the third quarter of 2014, we amended an existing agreement with a third-party service organization to allow for their provision of additional accounting services, including account reconciliations and cost accounting, for a number of our North American plants and distribution centers. In the second quarter of 2015, we continued the transition of these services to the third-party service organization, with the full transition expected to be completed by the end of 2015. This ongoing transition continues to materially affect our internal control over financial reporting. Except for the foregoing, there were no changes in our internal control over financial reporting that materially affected, or were likely to materially affect, such control over financial reporting during the quarter ended February 1, 2015.

PART II

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

<u>Period</u>	<u>Total Number of Shares Purchased ⁽¹⁾</u>	<u>Average Price Paid Per Share ⁽²⁾</u>	<u>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ⁽³⁾</u>	<u>Approximate Dollar Value of Shares that may yet be Purchased Under the Plans or Programs (\$ in Millions) ⁽³⁾</u>
11/3/14 - 11/30/14	—	—	—	\$700
12/1/14 - 12/31/14	780,000 ⁽⁴⁾	\$43.85 ⁽⁴⁾	715,000	\$669
1/1/15 - 2/1/15	572,000 ⁽⁵⁾	\$45.19 ⁽⁵⁾	422,000	\$650
Total	<u>1,352,000</u>	<u>\$44.42</u>	<u>1,137,000</u>	<u>\$650</u>

⁽¹⁾ Includes 215,000 shares repurchased in open-market transactions to offset the dilutive impact to existing shareholders of issuances under stock compensation plans.

⁽²⁾ Average price paid per share is calculated on a settlement basis and excludes commission.

⁽³⁾ During the second quarter of 2015, we had a publicly announced strategic share repurchase program. Under this program, which was announced on June 23, 2011, our Board of Directors authorized the purchase of up to \$1 billion of our stock. The program has no expiration date. We also expect to continue our longstanding practice, under separate authorization, of purchasing shares sufficient to offset shares issued under our incentive compensation plans.

⁽⁴⁾ Includes 65,000 shares repurchased in open-market transactions at an average price of \$43.85 to offset the dilutive impact to existing shareholders of issuances under stock compensation plans.

⁽⁵⁾ Includes 150,000 shares repurchased in open-market transactions at an average price of \$45.01 to offset the dilutive impact to existing shareholders of issuances under stock compensation plans.

Item 6. Exhibits

- 10(a)* Letter Agreement, dated July 22, 2014, between the company and Jeff Dunn.
- 10(b) 2005 Long-Term Incentive Plan Time-Lapsed Restricted Stock Unit Agreement, dated as of August 1, 2014, between the company and Jeff Dunn.
- 10(c)* 2005 Long-Term Incentive Plan Performance Restricted Stock Unit Agreement, dated as of October 1, 2014, between the company and Jeff Dunn.
- 10(d)* 2005 Long-Term Incentive Plan Performance Restricted Stock Unit Agreement, dated as of October 1, 2014, between the company and Jeff Dunn.
- 10(e) Wm. Bolthouse Farms, Inc. Salaried & Hourly Administrative Performance-Based Incentive Plan.
- 10(f) Wm. Bolthouse Farms, Inc. Deferred Compensation Plan, effective as of August 1, 2010.
- 10(g) Form of 2005 Long-Term Incentive Plan Time-Lapsed Restricted Stock Unit Agreement, which is applicable to the February 1, 2015 restricted stock unit grants to each of Mark R. Alexander, Luca Mignini and Michael P. Senackerib, was filed with the Commission on a Form 8-K (File number 1-3822) on February 2, 2015, and is incorporated herein by reference.
- 31(a) Certification of Denise M. Morrison pursuant to Rule 13a-14(a).
- 31(b) Certification of Anthony P. DiSilvestro pursuant to Rule 13a-14(a).
- 32(a) Certification of Denise M. Morrison pursuant to 18 U.S.C. Section 1350.
- 32(b) Certification of Anthony P. DiSilvestro pursuant to 18 U.S.C. Section 1350.
- 101.INS XBRL Instance Document
- 101.SCH XBRL Schema Document
- 101.CAL XBRL Calculation Linkbase Document
- 101.DEF XBRL Definition Linkbase Document
- 101.LAB XBRL Label Linkbase Document
- 101.PRE XBRL Presentation Linkbase Document

*Portions of this document have been omitted and filed separately with the Commission pursuant to a confidential treatment request under 17 C.F.R. 240.24b-2.

SIGNATURES

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

Date: March 11, 2015

CAMPBELL SOUP COMPANY

By: /s/ Anthony P. DiSilvestro

Anthony P. DiSilvestro

Senior Vice President — Chief Financial Officer

By: /s/ Faith R. Greenfield

Faith R. Greenfield

Vice President — Legal and Acting General Counsel

INDEX TO EXHIBITS

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July 22, 2014

Jeff Dunn

Dear Jeff:

This letter outlines your compensation and benefits in effect beginning August 6, 2014.

You will continue in your role as President, Bolthouse Farms. You will continue to be based at the Bolthouse headquarters in Bakersfield, California and in Santa Monica, California. You will continue to participate in the Bolthouse Farms compensation and benefits programs until such time as the programs are integrated with those of Campbell. The details of your compensation and benefit programs are described below:

- **Salary.** Your annual salary will be \$700,000 per year. You will be eligible for your next salary increase on October 1, 2015.
- **Annual Bonus.** You will continue to be eligible to participate in the Bolthouse Farms Annual Incentive Plan. Your annual target under that plan will be 100% of your annual base salary. Your bonus award under that plan will be subject to the approval of the President and CEO of the Campbell Soup Company and the Compensation and Organization Committee. Your payout from the plan will be on an annual basis, payable on or before October 15, following the close of the respective fiscal year. You will not be eligible for any quarterly or other periodic payouts which have been a component of the Bolthouse Annual Bonus Plan.
- **One-Time Grant.** On August 1, 2014, you will be granted Campbell time-lapse restricted stock units valued at \$1,000,000. The actual number of units granted will be determined on August 1, 2014 based upon the average closing Campbell Soup Company stock price from the 20 trading days leading up to the grant date. The units will vest 50% in each of the two years from the date of grant, provided you continue to be employed by the Company on the vesting date. In order to receive this grant, you will be required to sign a Time-Lapse Restricted Stock Unit Agreement. The grant will be governed by the terms of the Stock Unit Agreement and the terms of Campbell's 2005 Long-Term Incentive Plan.
- **Special Performance Incentive.** You will participate in a Special Performance Incentive, based on the achievement of designated Bolthouse Farms financial performance metrics and designated integration objectives. The target value of your incentive will be \$6,000,000, payable (1) 70% in Campbell performance stock units, to be granted October 1, 2014, vesting 40% on September 30, 2015 and 60% on September 30, 2016 and (2) 30% in cash payable no later than October 15, 2016. For both components, vesting and payouts are contingent on your continued employment by the Company through the time set forth in Attachment A and achievement of the financial performance and integration metrics set forth therein. In order to receive the performance stock unit grant, you will be required to sign a Performance Stock Unit Agreement. The grant will be governed by the terms of the Performance Stock Unit Agreement and the terms of Campbell's 2005 Long-Term Incentive Plan. Participation in this incentive is in lieu of receiving annual long-term incentive grants under the Company's Long-Term Incentive Program (the LTI Program).
- **Packaged Fresh Performance Incentive.** On October 1, 2014, you will also be granted Campbell performance stock units valued at \$1,000,000. The units will vest September 30, 2016. Vesting is contingent on your continued employment by the Company through the vesting period and achieving

designated Packaged Fresh Platform Launch Objectives as outlined in Attachment B. In order to receive the performance stock unit grant, you will be required to sign a Performance Stock Unit Agreement. The grant will be governed by the terms of the Performance Stock Unit Agreement and the terms of Campbell's 2005 Long-Term Incentive Plan.

- **Severance Benefits.** In the event of an involuntary termination, not for cause, you will be entitled to severance based on one-year's base salary, paid over a 12 month period. In addition, the Annual Bonus for the fiscal year of the termination and the One-Time Grant, the Special Performance Incentive and the Packaged Fresh Performance Incentive will be prorated based on the number of months you were employed during the respective vesting and/or performance periods, and will be measured and paid in accordance with the respective vesting and/or performance schedules.
- **Allowances.** You will continue to receive a monthly car allowance of \$1,500 and a monthly housing allowance of \$3,500. Both values are fully taxable as income to you.
- **Benefits and Paid Time Off.** You will continue to participate in the Bolthouse Farms benefits programs unless those plans are integrated with those of Campbell.

The terms set forth in this letter may be modified only with the mutual consent of both the Company and you, provided, however, that the other terms of the compensation and benefits plans, programs and policies referenced in this letter may be modified at the sole discretion of the Company at any time in accordance with the terms of such plans, programs and policies.

Jeff, we are enthusiastic about your continued association with Campbell and the Bolthouse Farms business.

Sincerely,

/s/ Robert W. Morrissey

Robert W. Morrissey
Senior Vice President
Chief Human Resources Officer

cc: Denise Morrison
Robert J. Centonze

To indicate your acceptance of this offer and agreement to the terms above, please sign and date below and return a signed copy of this letter to Robert J. Centonze.

/s/ Jeffrey Dunn
Signature of Employee

Jeffrey Dunn
Name of Employee (print)

7/24/2014
Date

Special Performance Incentive

The program will consist of the following two components:

- Performance Stock Unit Grant** - The actual number of units granted will be determined on October 1, 2014 based upon the average closing Campbell Soup Company stock price from the 20 trading days leading up to the grant date. The number of units that vest will be based on meeting Bolthouse Farms Financial Objectives (Net Sales and EBITDA) for FY15 and FY16, based on the FY15-17 Strategic Plan. This component represents 70% of the Special Performance Incentive target value. The grant will vest 40% on September 30, 2015 based on FY15 results, and 60% on September 30, 2016 based on FY16 results.

“Target” EBITDA performance must be achieved in order for any units to vest for each respective year. Metrics for “Target” are based on the Bolthouse FY15 Strategic Plan; “Exceeds” represents a [*****]% growth rate each year in both Net Sales and EBITDA; “Threshold” for Net Sales reflects a minimum growth rate of [*****]% for each year.

(\$-Millions) Based on Committed FY15 Growth Rates applied to FY14 11 + 1 Projection and Campbell Management Reporting

\$ millions	Threshold		Target		Exceeds Target	
	FY15	FY16	BHF Strategic Plan		FY15	FY16
			FY15	FY16		
Net Sales	[\$*****]	[\$*****]	[\$*****]	[\$*****]	[\$*****]	[\$*****]
EBITDA	N/A	N/A	[\$*****]	[\$*****]	[\$*****]	[\$*****]

	Total Available	Vesting Opportunity		
		Threshold	Target*	Exceeds Tgt
	100%	\$3.36 million	\$4.2 million	\$6.3 million
FY15	40%	\$1.34 (80%)	\$1.68 (100%)	\$2.52 (150%)
FY16	60%	\$2.02 (80%)	\$2.52 (100%)	\$3.78 (150%)

* Represents the target value of the grant. Units will be granted on October 1, 2014 the number of units granted will be calculated as described above.

You will vest only at the Threshold level (80%) if both the Net Sales Threshold is met and the EBITDA Target is met for the respective performance period. Vesting at the Target (100%) and Exceeds (150%) level requires the targets for both performance measures for such level to be achieved for the respective performance period. For results between Target and Exceeds, a straight-line interpolated vesting percentage will be calculated for each metric and each metric will be equally weighted when determining the interpolated vesting percentage.

Note: All financials are preliminary and will be adjusted consistent with the final FY15 Bolthouse Farms Strategic Plan, growth from final FY14 results and changes in the Corporate Service Fee.

*****Commercial terms omitted and filed separately with the Commission. Confidential treatment requested under 17 C.F.R. 240.24b-2.

- Cash Based Integration Incentive** - based on achieving specific integration objectives, as assessed by the Campbell CEO and the Compensation and Organization Committee at the end of FY16. This component represents 30% of the Special Performance Incentive value and the payout can range from 0% to 150%. This payout would occur no later than October 15, 2016.

Integration Objectives include:

- Complete integration of Corporate Functions: Legal, Finance, IT.
- Implement a similar matrix model to Pepperidge Farm for Operating Functions: Supply Chain and R&D. This will involve integrating processes and systems that make BHF more effective and efficient, while also recognizing the differences in the go to market model. Develop these specific plans in conjunction with CSC Function heads by Feb 2015.
- Maintain an independent commercial team for Consumer and Customer facing functions: Sales, Marketing and Innovation. Set up to support growth leveraging CSC functional support where appropriate recognizing a distinct business model for Fresh food.
- Leverage scale to fully integrate Immediate Consumption (including Retail and Foodservice) with a shadow P&L for F'15 and full integration by F'16.
- Work in conjunction with CSC Human Resources on an Organization Effectiveness Plan to support the Bolthouse Farms growth strategy by April 2015. This involves determining the right structure, talent, cross functional capability and process improvement plans. This includes implementation of the right blend of Compensation and Benefit alignment and transition. Build robust succession plans and talent rotation plans with CSC for pivotal roles.

Special Performance Incentive

Payout Values

Payout Opportunity (\$ million)			
Total Available	Threshold	Target	Exceeds
100%	\$3.36 million	\$6 million	\$9 million
70%	\$3.36 (80%)	\$4.2 (100%)	\$6.3 (150%)
30%	\$0	\$1.8	\$2.7

Performance Stock Unit Grant
Cash based Integration Incentive

Packaged Fresh Performance Incentive

Performance Stock Unit Grant - The target value of the grant is \$1,000,000. The actual number of units granted will be determined on October 1, 2014 based upon the average closing Campbell Soup Company stock price from the 20 trading days leading up to the grant date. The number of units that vest will be based on achieving specific Packaged Fresh Platform Launch milestones, as assessed by the Campbell CEO and the Compensation and Organization Committee at the end of FY16. The grant will vest on September 30, 2016. The number of units that vest can range from 0% to 100%.

Packaged Fresh Launch Milestones include:

- Launch before the end of FY 15 of an Ultra Premium Beverage Platform
- Launch before the end of [*****]
- Clearly demonstrated readiness to launch within [*****]

These milestones are consistent with the Bolthouse Strategic Plan presented in the May 2014 Board Meeting.

******Commercial terms omitted and filed separately with the Commission. Confidential treatment requested under 17 C.F.R. 240.24b-2.*

Termination Provisions

Termination Reason	Impact on the Incentives*
Voluntary Resignation or For Cause Termination	Forfeit the entire Time-Lapse Restricted Stock Unit Grant, Special Performance Incentive and the Packaged Fresh Performance Incentive.
Death, Disability, or Involuntary Termination (not for cause)	Prorate any unvested Time-Lapse Restricted Stock Unit Grant, Special Performance Incentive and the Packaged Fresh Performance Incentive. Any payout or vesting will occur on the vesting date or following the designated performance period, based on actual performance.

* Note, the stock unit grants will include specific Grant Agreements that outline all applicable terms and conditions, including termination provisions. The table above is intended to provide a summary of the provisions.

“For Cause Termination” - The termination of a participant’s employment by reason of his or her (1) engaging in gross misconduct that is injurious to the Company, monetarily or otherwise, (2) misappropriation of funds, (3) willful misrepresentation to the directors or officers of the Company, (4) gross negligence in the performance of the participant’s duties having an adverse effect on the business, operations, assets, properties or financial condition of the Company, (5) conviction of a crime involving moral turpitude, or (6) entering into competition with the Company. The determination of whether a participant’s employment was terminated for cause shall be determined by the Company in its good faith judgment.

Campbell Soup Company

2005 LONG-TERM INCENTIVE PLAN TIME-LAPSE RESTRICTED STOCK UNIT AGREEMENT

TIME-LAPSE RESTRICTED STOCK UNIT AGREEMENT (the "Agreement"), dated as of the 1st day of August, 2014 (the "Grant Date") between Campbell Soup Company (the "Company") and Jeff Dunn (the "Participant"), an employee of the Company.

WHEREAS, the Company desires to award the Participant restricted stock units, which each represent a right to receive one share of Capital Stock of the Company (the "Restricted Stock Units") as hereinafter provided, under the Campbell Soup Company 2005 Long-Term Incentive Plan (the "Plan"). Except as otherwise provided, the terms used herein shall have the same meaning as in the Plan.

NOW, THEREFORE, in consideration of valuable considerations the legal sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

1. Award of Restricted Stock Units. The Company hereby confirms the award to the Participant on the Grant Date by the Compensation and Organization Committee of the Board of Directors (the "Committee") of **22,609** Restricted Stock Units. The Restricted Stock Units are in all respects limited and conditioned as hereinafter provided, and are subject in all respects to the Plan's terms and conditions, as amended.

2. Restriction Period; Payment. Subject to the terms of this Agreement and the Plan and provided that the Participant remains continuously employed throughout the vesting periods set forth below, one-half (1/2) of the Restricted Stock Units shall vest upon each of the first two (2) anniversaries of the Grant Date (each a "Vesting Date"), as set forth below:

Restriction Period	Vesting Dates	Number of Restricted Stock Units
1	August 1, 2015	11,304
2	August 1, 2016	11,305

Except as otherwise provided below, the Company shall deliver to the Participant one share of the Company's Capital Stock for a vested Restricted Stock Unit during the month following each applicable Vesting Date. In lieu of issuing fractional shares of the Company's Capital Stock, the Company shall round the shares to the nearest whole share. Unless terminated earlier under Section 4 below, a Participant's rights under this Agreement shall terminate with respect to each Restricted Stock Unit at the time such Restricted Stock Unit is converted into the Company's Capital Stock.

3. Dividend Equivalent Payment. After a Vesting Date, Participant shall be paid in cash the accumulated amount equivalent to the dividends which would have been paid on the Company's Capital Stock underlying the Restricted Stock Units to the extent the Company's Board of Directors had approved and declared a dividend on its Capital Stock. Such dividend equivalent amount shall be paid during the month following that Vesting Date. Subject to Section 4 below, the dividend equivalent payment shall be forfeited for any Restricted Stock Units terminated under Section 4 if the Participant is no longer employed by the Company or its subsidiaries and an exception does not apply.

4. Early Termination of Restricted Stock Unit; Termination of Employment. The Restricted Stock Units shall terminate and become null and void if and when the Participant ceases for any reason to be an employee of the Company or its subsidiaries, including but not limited to termination for Cause or voluntary resignation, except as provided in below:

- (a) Total Disability or Death; Involuntary Termination. If the Participant’s employment is terminated: (i) as the result of the Participant’s Total Disability or death; or (ii) by the Company for reasons other than Cause, the Participant shall vest on the Vesting Date in a prorated portion of his or her Restricted Stock Units under this Agreement according to the following formula:

Restriction Period	
1	2
Number of months worked from Grant Date to termination date divided by 12; multiplied by number of Restricted Stock Units originally scheduled to vest on the first Vesting Date shall vest on the first Vesting Date.	Number of months worked from Grant Date to termination date divided by 24; multiplied by number of Restricted Stock Units originally scheduled to vest on the second Vesting Date shall vest on the second Vesting Date.

The Company will deliver to the Participant, or his or her legal representative, one share of the Company’s Capital Stock for each Restricted Stock Unit that vests on a Vesting Date in accordance with Section 2.

- (i) For purposes of this Agreement, the following terms shall have the meanings set forth below:
- A. “Total Disability” means “Total Disability” or “Totally Disabled” as that term is defined under a Company-sponsored long-term disability plan from which the Participant is receiving disability benefits and which is in effect from time to time on and after the Grant Date.
 - B. “Cause” means termination of a participant’s employment by reason of his or her (1) engaging in gross misconduct that is injurious to the Company, monetarily or otherwise, (2) misappropriation of funds, (3) willful misrepresentation to the directors or officers of the Company, (4) gross negligence in the performance of the participant’s duties having an adverse effect on the business, operations, assets, properties or financial condition of the Company, (5) conviction of a crime involving moral turpitude, or (6) entering into competition with the Company. The determination of whether a participant’s employment was terminated for cause shall be determined by the Company in its good faith judgment.

5. Withholding of Taxes. The Company or the subsidiary which employs the Participant shall be entitled to require, as a condition of making any payments or issuing any shares upon vesting of the Restricted Stock Units, that the Participant or other person entitled to such shares or other payment pay any sums required to be withheld by federal, state, local, or other applicable tax law with respect to such vesting or payment. Alternatively, the Company or such subsidiary, in its discretion, may make such provisions for the withholding of taxes as it deems appropriate (including, without limitation, withholding the taxes due from compensation otherwise payable to the Participant or reducing the number of shares otherwise deliverable with respect to the award (with the value based on the closing price on the NYSE composite tape on the tax date) by the amount necessary to satisfy such withholding obligations).

6. Non-Transferability of Restricted Stock Units. Participant’s right in the Restricted Stock Units awarded under this Agreement and any interest therein may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner, other than by will or by the laws of descent or distribution. Restricted Stock Units shall not be subject to execution, attachment or other process.

7. Severability. If one or more of the provisions of this Award Agreement shall be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and the invalid, illegal or unenforceable provisions shall be deemed null and void;

however, to the extent permissible by law, any provisions which could be deemed null and void shall first be construed, interpreted or revised retroactively to permit this Agreement to be construed so as to foster the intent of this Agreement and the Plan.

8. Internal Revenue Code Section 409A. This Agreement shall be interpreted, operated, and administered in a manner so as not to subject Participant to the assessment of additional taxes or interest under Code section 409A to the extent such Participant or any payment under this Agreement is subject to U.S. tax laws, and this Agreement shall be amended as the Company, in its sole discretion, determines is necessary and appropriate to avoid the application of any such taxes or interest.

9. Entire Agreement. The terms of the Plan and this Agreement when signed by Participant will constitute the entire agreement with respect to the subject matter hereof. This Agreement supersedes any prior agreements, representations or promises of the parties relating to the subject matter hereof.

10. Governing Law. This Agreement shall be construed in accordance with, and its interpretation shall otherwise be governed by, New Jersey law.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by a duly authorized executive, and the Participant has hereunto set his or her hand and seal, all as of the day and year first above written.

CAMPBELL SOUP COMPANY

By: /s/ Robert J. Centonze
Robert J. Centonze
Vice President, Total Rewards

/s/ Jeff Dunn
Participant

[Note: Portions of this document have been omitted and filed separately with the Commission pursuant to a confidential treatment request under 17 C.F.R. 240.24b-2.]

Campbell Soup Company

2005 LONG-TERM INCENTIVE PLAN PERFORMANCE RESTRICTED STOCK UNIT AGREEMENT

PERFORMANCE RESTRICTED STOCK UNIT AGREEMENT (the “Agreement”), dated as of the 1st day of October, 2014 (the “Grant Date”) between Campbell Soup Company (the “Company”) and Jeff Dunn (the “Participant”), an employee of the Company.

WHEREAS, the Company desires to award the Participant restricted stock units, which each represent a right to receive one share of Capital Stock of the Company (the “Restricted Stock Units”) as hereinafter provided, under the Campbell Soup Company 2005 Long-Term Incentive Plan (the “Plan”). Except as otherwise provided, the terms used herein shall have the same meaning as in the Plan.

NOW, THEREFORE, in consideration of valuable considerations the legal sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

1. Award of Restricted Stock Units. The Company hereby confirms the award to the Participant on the Grant Date by the Compensation and Organization Committee of the Board of Directors (the “Committee”) of 96,953 Restricted Stock Units. The Restricted Stock Units are in all respects limited and conditioned as hereinafter provided, and are subject in all respects to the Plan’s terms and conditions, as amended.

2. Restriction Period; Payment. Subject to the terms of this Agreement and the Plan and provided that financial objectives, referenced in Attachment A, have been met, following certification by the Company’s Chief Executive Officer and the Committee following the end of fiscal year 2015 and fiscal year 2016, respectively, and the Participant remains continuously employed throughout the vesting periods set forth below, a portion of the Restricted Stock Units shall vest upon each of the “Vesting Dates”, as set forth below:

Restriction Period	Vesting Dates	Number of Restricted Stock Units
1	September 30, 2015	38,781
2	September 30, 2016	58,172

Except as otherwise provided below and based upon the achievement of the financial performance metrics set forth in Attachment A, the Company shall deliver to the Participant one share of the Company’s Capital Stock for a vested Restricted Stock Unit during the month following each applicable Vesting Date. In lieu of issuing fractional shares of the Company’s Capital Stock, the Company shall round the shares to the nearest whole share. Unless terminated earlier under Section 4 below, a Participant’s rights under this Agreement shall terminate with respect to each Restricted Stock Unit at the time such Restricted Stock Unit is converted into the Company’s Capital Stock.

3. Dividend Equivalent Payment. After a Vesting Date, Participant shall be paid in cash the accumulated amount equivalent to the dividends which would have been paid on the Company’s Capital Stock underlying the Restricted Stock Units to the extent the Company’s Board of Directors had approved and declared a dividend on its Capital Stock. Such dividend equivalent amount shall be paid during the month following that Vesting Date. Subject to Section 4 below, the dividend equivalent payment shall be forfeited for any Restricted Stock Units terminated under Section 4 if the Participant is no longer employed by the Company or its subsidiaries and an exception does not apply.

4. Early Termination of Restricted Stock Unit; Termination of Employment. The Restricted Stock Units shall terminate and become null and void if and when the Participant ceases for any reason to be an employee of the Company or its subsidiaries, including but not limited to termination for Cause or voluntary resignation, except as provided in below:

- (a) Total Disability or Death; Involuntary Termination. If the Participant’s employment is terminated: (i) as the result of the Participant’s Total Disability or death; or (ii) by the Company for reasons other than Cause, the Participant shall vest on the Vesting Date in a prorated portion of his or her Restricted Stock Units under this Agreement according to the following formula:

Restriction Period	
1	2
Number of months worked from Grant Date to termination date divided by 12; multiplied by number of Restricted Stock Units originally scheduled to vest on the first Vesting Date shall vest on the first Vesting Date based on actual performance as outlined in Attachment A.	Number of months worked from Grant Date to termination date divided by 24; multiplied by number of Restricted Stock Units originally scheduled to vest on the second Vesting Date shall vest on the second Vesting Date based on actual performance as outlined in Attachment A.

The Company will deliver to the Participant, or his or her legal representative, one share of the Company’s Capital Stock for each Restricted Stock Unit that vests on a Vesting Date in accordance with Section 2.

- (i) For purposes of this Agreement, the following terms shall have the meanings set forth below:
- A. “Total Disability” means “Total Disability” or “Totally Disabled” as that term is defined under a Company-sponsored long-term disability plan from which the Participant is receiving disability benefits and which is in effect from time to time on and after the Grant Date.
 - B. “Cause” means termination of a participant’s employment by reason of his or her (1) engaging in gross misconduct that is injurious to the Company, monetarily or otherwise, (2) misappropriation of funds, (3) willful misrepresentation to the directors or officers of the Company, (4) gross negligence in the performance of the participant’s duties having an adverse effect on the business, operations, assets, properties or financial condition of the Company, (5) conviction of a crime involving moral turpitude, or (6) entering into competition with the Company. The determination of whether a participant’s employment was terminated for cause shall be determined by the Company in its good faith judgment.

5. Withholding of Taxes. The Company or the subsidiary which employs the Participant shall be entitled to require, as a condition of making any payments or issuing any shares upon vesting of the Restricted Stock Units, that the Participant or other person entitled to such shares or other payment pay any sums required to be withheld by federal, state, local, or other applicable tax law with respect to such vesting or payment. Alternatively, the Company or such subsidiary, in its discretion, may make such provisions for the withholding of taxes as it deems appropriate (including, without limitation, withholding the taxes due from compensation otherwise payable to the Participant or reducing the number of shares otherwise deliverable with respect to the award (with the value based on the closing price on the NYSE composite tape on the tax date) by the amount necessary to satisfy such withholding obligations).

6. Non-Transferability of Restricted Stock Units. Participant's right in the Restricted Stock Units awarded under this Agreement and any interest therein may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner, other than by will or by the laws of descent or distribution. Restricted Stock Units shall not be subject to execution, attachment or other process.

7. Severability. If one or more of the provisions of this Award Agreement shall be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and the invalid, illegal or unenforceable provisions shall be deemed null and void; however, to the extent permissible by law, any provisions which could be deemed null and void shall first be construed, interpreted or revised retroactively to permit this Agreement to be construed so as to foster the intent of this Agreement and the Plan.

8. Internal Revenue Code Section 409A. This Agreement shall be interpreted, operated, and administered in a manner so as not to subject Participant to the assessment of additional taxes or interest under Code section 409A to the extent such Participant or any payment under this Agreement is subject to U.S. tax laws, and this Agreement shall be amended as the Company, in its sole discretion, determines is necessary and appropriate to avoid the application of any such taxes or interest.

9. Entire Agreement. The terms of the Plan and this Agreement when signed by Participant will constitute the entire agreement with respect to the subject matter hereof. This Agreement supersedes any prior agreements, representations or promises of the parties relating to the subject matter hereof.

10. Governing Law. This Agreement shall be construed in accordance with, and its interpretation shall otherwise be governed by, New Jersey law.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by a duly authorized executive, and the Participant has hereunto set his or her hand and seal, all as of the day and year first above written.

CAMPBELL SOUP COMPANY

By: /s/ Robert J. Centonze
Robert J. Centonze
Vice President, Total Rewards

/s/ Jeff Dunn
Participant

Special Performance Incentive

Performance Stock Unit Grant - The actual number of units granted were determined on October 1, 2014 based upon the average closing Campbell Soup Company stock price from the 20 trading days leading up to the grant date. The number of units that vest will be based on meeting Bolthouse Farms Financial Objectives (Net Sales and EBITDA) for FY15 and FY16, based on the FY15-17 Strategic Plan. The grant will vest 40% on September 30, 2015 based on FY15 results, and 60% on September 30, 2016 based on FY16 results.

“Target” EBITDA performance must be achieved in order for any units to vest for each respective year. Metrics for “Target” are based on the Bolthouse FY15 Strategic Plan; “Exceeds” represents a [*****]% growth rate each year in both Net Sales and EBITDA; “Threshold” for Net Sales reflects a minimum growth rate of [*****]% for each year.

(\$-Millions)

	Threshold		Target		Exceeds Target	
	FY15	FY16	BHF Strategic Plan		FY15	FY16
<i>\$ millions</i>			FY15	FY16		
Net Sales	\$[*****]	\$[*****]	\$[*****]	\$[*****]	\$[*****]	\$[*****]
EBITDA	N/A	N/A	\$[*****]	\$[*****]	\$[*****]	\$[*****]

	Vesting Opportunity			
	Total Available	Threshold	Target*	Exceeds Tgt
	100%	\$3.36 million	\$4.2 million	\$6.3 million
FY15	40%	\$1.34 (80%)	\$1.68 (100%)	\$2.52 (150%)
FY16	60%	\$2.02 (80%)	\$2.52 (100%)	\$3.78 (150%)

* Represents the target value of the grant. Units were granted on October 1, 2014 and were calculated as described above.

You will vest only at the Threshold level (80%) if both the Net Sales Threshold is met and the EBITDA Target is met for the respective performance period. Vesting at the Target (100%) and Exceeds (150%) level requires the targets for both performance measures for such level to be achieved for the respective performance period. For results between Target and Exceeds, a straight-line interpolated vesting percentage will be calculated for each metric and each metric will be equally weighted when determining the interpolated vesting percentage.

*****Commercial terms omitted and filed separately with the Commission. Confidential treatment requested under 17 C.F.R. 240.24b-2.

[Note: Portions of this document have been omitted and filed separately with the Commission pursuant to a confidential treatment request under 17 C.F.R. 240.24b-2.]

Campbell Soup Company

2005 LONG-TERM INCENTIVE PLAN PERFORMANCE RESTRICTED STOCK UNIT AGREEMENT

PERFORMANCE RESTRICTED STOCK UNIT AGREEMENT (the “Agreement”), dated as of the 1st day of October, 2014 (the “Grant Date”) between Campbell Soup Company (the “Company”) and Jeff Dunn (the “Participant”), an employee of the Company.

WHEREAS, the Company desires to award the Participant restricted stock units, which each represent a right to receive one share of Capital Stock of the Company (the “Restricted Stock Units”) as hereinafter provided, under the Campbell Soup Company 2005 Long-Term Incentive Plan (the “Plan”). Except as otherwise provided, the terms used herein shall have the same meaning as in the Plan.

NOW, THEREFORE, in consideration of valuable considerations the legal sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

1. Award of Restricted Stock Units. The Company hereby confirms the award to the Participant on the Grant Date by the Compensation and Organization Committee of the Board of Directors (the “Committee”) of 23,084 Restricted Stock Units. The Restricted Stock Units are in all respects limited and conditioned as hereinafter provided, and are subject in all respects to the Plan’s terms and conditions, as amended.

2. Restriction Period; Payment. Subject to the terms of this Agreement and the Plan and provided that the milestones referenced in Attachment A have been met as assessed by the Company’s Chief Executive Officer and the Committee following the end of fiscal year 2016 and the Participant remains continuously employed throughout the vesting periods set forth below, all or a portion of the Restricted Stock Units shall vest upon the “Vesting Date”, as set forth below:

Restriction Period	Vesting Date	Number of Restricted Stock Units
1	September 30, 2016	23,084

Except as otherwise provided below and based upon the achievement of the financial performance metrics set forth in Attachment A, the Company shall deliver to the Participant one share of the Company’s Capital Stock for a vested Restricted Stock Unit during the month following the Vesting Date. In lieu of issuing fractional shares of the Company’s Capital Stock, the Company shall round the shares to the nearest whole share. Unless terminated earlier under Section 4 below, a Participant’s rights under this Agreement shall terminate with respect to each Restricted Stock Unit at the time such Restricted Stock Unit is converted into the Company’s Capital Stock.

3. Dividend Equivalent Payment. After the Vesting Date, Participant shall be paid in cash the accumulated amount equivalent to the dividends which would have been paid on the Company’s Capital Stock underlying the Restricted Stock Units to the extent the Company’s Board of Directors had approved and declared a dividend on its Capital Stock. Such dividend equivalent amount shall be paid during the month following that Vesting Date. Subject to Section 4 below, the dividend equivalent payment shall be forfeited for any Restricted Stock Units terminated under Section 4 if the Participant is no longer employed by the Company or its subsidiaries and an exception does not apply.

4. Early Termination of Restricted Stock Unit; Termination of Employment. The Restricted Stock Units shall terminate and become null and void if and when the Participant ceases for any reason to be an employee of the Company or its subsidiaries, including but not limited to termination for Cause or voluntary resignation, except as provided in below:

- (a) Total Disability or Death; Involuntary Termination. If the Participant's employment is terminated: (i) as the result of the Participant's Total Disability or death; or (ii) by the Company for reasons other than Cause, the Participant shall vest on the Vesting Date in a prorated portion of his or her Restricted Stock Units under this Agreement according to the following formula: the number of months worked from the Grant Date to termination date divided by 24; multiplied by 23,084 Restricted Stock Units based on an assessment of actual performance as outlined in Attachment A.

The Company will deliver to the Participant, or his or her legal representative, one share of the Company's Capital Stock for each Restricted Stock Unit that vests on the Vesting Date in accordance with Section 2.

(i) For purposes of this Agreement, the following terms shall have the meanings set forth below:

- A. "Total Disability" means "Total Disability" or "Totally Disabled" as that term is defined under a Company-sponsored long-term disability plan from which the Participant is receiving disability benefits and which is in effect from time to time on and after the Grant Date.
- B. "Cause" means termination of a participant's employment by reason of his or her (1) engaging in gross misconduct that is injurious to the Company, monetarily or otherwise, (2) misappropriation of funds, (3) willful misrepresentation to the directors or officers of the Company, (4) gross negligence in the performance of the participant's duties having an adverse effect on the business, operations, assets, properties or financial condition of the Company, (5) conviction of a crime involving moral turpitude, or (6) entering into competition with the Company. The determination of whether a participant's employment was terminated for cause shall be determined by the Company in its good faith judgment.

5. Withholding of Taxes. The Company or the subsidiary which employs the Participant shall be entitled to require, as a condition of making any payments or issuing any shares upon vesting of the Restricted Stock Units, that the Participant or other person entitled to such shares or other payment pay any sums required to be withheld by federal, state, local, or other applicable tax law with respect to such vesting or payment. Alternatively, the Company or such subsidiary, in its discretion, may make such provisions for the withholding of taxes as it deems appropriate (including, without limitation, withholding the taxes due from compensation otherwise payable to the Participant or reducing the number of shares otherwise deliverable with respect to the award (with the value based on the closing price on the NYSE composite tape on the tax date) by the amount necessary to satisfy such withholding obligations).

6. Non-Transferability of Restricted Stock Units. Participant's right in the Restricted Stock Units awarded under this Agreement and any interest therein may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner, other than by will or by the laws of descent or distribution. Restricted Stock Units shall not be subject to execution, attachment or other process.

7. Severability. If one or more of the provisions of this Award Agreement shall be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and the invalid, illegal or unenforceable provisions shall be deemed null and void; however, to the extent permissible by law, any provisions which could be deemed null and void shall first be construed, interpreted or revised retroactively to permit this Agreement to be construed so as to foster the intent of this Agreement and the Plan.

8. Internal Revenue Code Section 409A. This Agreement shall be interpreted, operated, and administered in a manner so as not to subject Participant to the assessment of additional taxes or interest under Code section 409A to the extent such Participant or any payment under this Agreement is subject to U.S. tax laws, and this Agreement shall be amended as the Company, in its sole discretion, determines is necessary and appropriate to avoid the application of any such taxes or interest.

9. Entire Agreement. The terms of the Plan and this Agreement when signed by Participant will constitute the entire agreement with respect to the subject matter hereof. This Agreement supersedes any prior agreements, representations or promises of the parties relating to the subject matter hereof.

10. Governing Law. This Agreement shall be construed in accordance with, and its interpretation shall otherwise be governed by, New Jersey law.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by a duly authorized executive, and the Participant has hereunto set his or her hand and seal, all as of the day and year first above written.

CAMPBELL SOUP COMPANY

By: /s/ Robert J. Centonze
Robert J. Centonze
Vice President, Total Rewards

/s/ Jeff Dunn
Participant

Packaged Fresh Performance Incentive

Performance Stock Unit Grant - The target value of the grant is \$1,000,000. The actual number of units granted was determined on October 1, 2014 based upon the average closing Campbell Soup Company stock price from the 20 trading days leading up to the grant date. The number of units that vest will be based on achieving specific Packaged Fresh Platform Launch milestones, as assessed by the Campbell CEO and the Compensation and Organization Committee at the end of FY16. The grant will vest on September 30, 2016. The number of units that vest can range from 0% to 100%.

Packaged Fresh Launch Milestones include:

- Launch before the end of FY 15 of an Ultra Premium Beverage Platform
- Launch before the end of [*****]
- Clearly demonstrated readiness to launch within [*****]

****Commercial terms omitted and filed separately with the Commission. Confidential treatment requested under 17 C.F.R. 240.24b-2.

Wm. Bolthouse Farms, Inc.
Salaried & Hourly Administrative Performance-Based Incentive Plan

Participation - All salaried and hourly administrative employees of Wm. Bolthouse Farms, Inc. (Bolthouse Farms) are eligible to participate in the Bolthouse Farms Salaried & Hourly Administrative Performance-Based Incentive Plan (Incentive Plan).

Performance Pay-Out Table - At the beginning of each fiscal year, the Campbell Soup Company Chief Executive Officer (CEO) approves a Bolthouse Farms operating plan that includes a number of financial targets. Payouts under the Incentive Plan are based on individual performance and the achievement by Bolthouse Farms of goals related to Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA). A performance-payout table is established that outlines potential payouts for attainment of various EBITDA outcomes representing a range of performance above and below the approved EBITDA target (Performance-Payout Table). If the minimum EBITDA threshold is not reached, the Incentive Pool is reduced to zero. If the target EBITDA is achieved, the Incentive Pool equals 100% of the target value. If EBITDA exceeds the target value, the Incentive Pool increases as set out in the Performance-Payout Table until reaching a predetermined cap. The CEO approves the Performance-Payout Table and the final total payout of all awards under the plan.

Incentive Pool - The Incentive Pool is the sum total of each participating individual's Incentive Target.

Individual Incentive Targets - Individual Incentive Targets are calculated by multiplying an individual's base salary by an incentive percentage for that individual. An incentive percentage is determined each year for the following groups of participants: Vice Presidents; Sr. Directors, Directors, Sr. Managers and Managers and Individual Contributors.

Payouts Under The Plan - Upon completion of the fiscal year, each participating employee receives a performance rating based on their manager's assessment of their performance against objectives that were established at the beginning of the fiscal year. The performance rating is linked to an individual multiplier that may increase or decrease the final payout under the Incentive Plan for the individual. In no event can the sum total of all individual payouts exceed the EBITDA-adjusted Incentive Pool.

All participants (except for the President, CFO and CMO of Bolthouse Farms) are eligible to receive a partial payout at the end of the first, second and third fiscal quarters, if the quarterly EBITDA target for Bolthouse Farms is achieved. Each quarterly payout opportunity represents 15% of the individual's incentive target. If a quarterly EBITDA target is not achieved, the payout for that quarter may be earned if the year-to-date EBITDA target is achieved in a subsequent quarter. However, the total amount earned by the end of the third fiscal quarter cannot exceed 45% of an individual's incentive target. Quarterly targets are paid in cash and issued within 60 days following completion of the applicable fiscal quarter. Quarterly payments are not recouped once paid to an individual.

At the conclusion of the fourth quarter, each individual's annual incentive target is multiplied by the performance-payout table factor and the individual multiplier to determine the final payout. If a quarterly payout was issued in the first, second or third quarters, the sum total of the quarterly payouts for each individual are subtracted from the final payout calculation.

Final payouts are paid in cash and issued within two and a half months following completion of the fiscal year.

WM. BOLTHOUSE FARMS, INC.
"DEFERRED COMPENSATION PLAN"
MASTER PLAN DOCUMENT

WM. BOLTHOUSE FARMS, INC.
"DEFERRED COMPENSATION PLAN"
MASTER PLAN DOCUMENT

By execution of the Adoption Agreement attached hereto, Wm. Bolthouse Farms, Inc., (the "Plan Sponsor"), and such Affiliates of the Plan Sponsor as are identified as Adopting Employers under the Plan, hereby establishes this Deferred Compensation Plan (the "Plan") as of the date designated in the Adoption Agreement.

This Plan is hereby established primarily for the purpose of providing deferred compensation benefits for certain Employees, hereinafter referred to as the "Participants" that the Employer designates pursuant to the terms set forth herein. The Plan Sponsor intends that the Plan shall at all times be administered and interpreted in such a manner as to constitute an unfunded nonqualified deferred compensation plan for tax purposes and for purposes of Title I of ERISA. The Plan is maintained "primarily for the purposes of providing deferred compensation for a select group of management or highly compensated employees" within the meaning of sections 201(2), 301(a)(3) and 401(a)(I) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

It is the intention of the Plan Sponsor that each and every provision of this Plan shall be construed and interpreted for all purposes as being in compliance with all of the requirements set forth in Section 409A of the Code ("Section 409 A") and the Treasury regulations issued thereunder; if there is any conflict between any of the provisions of this Plan and any of the requirements set forth in Section 409A and/or the Treasury regulations issued thereunder, the requirements set forth in Section 409A and/or the Treasury regulations issued thereunder, as the case may be, shall be controlling.

ARTICLE 1
Definitions

The following Article provides definitions of terms used throughout this Plan, and whenever used herein in a capitalized form, except as otherwise expressly provided, the terms shall be deemed to have the following meanings:

1.1 **"Account(s)"** shall mean the bookkeeping records established and maintained by the Employer on behalf of the Participants under the Plan, including a Deferral Account, Scheduled Withdrawal Accounts, Employer Matching Contribution Account, and Employer Discretionary Contribution Account. To the extent that it is considered necessary or appropriate, the Plan Administrator shall maintain separate sub-accounts under this Plan. References to a Scheduled Withdrawal Account will include all sub-accounts established by the Participant. The Account and each and every sub-account shall be used solely as a device to measure and determine the amounts, if any, to be paid to a Participant or a Beneficiary under the Plan.

1.2 **"Adopting Employer(s)"** shall mean the Plan Sponsor and any Affiliate that has been authorized by the Board to have its Employees eligible to participate in the Plan.

1.3 **"Adoption Agreement"** shall mean the written agreement executed by the Plan Sponsor to establish the Plan. The Adoption Agreement is also part of the Plan for any Adopting Employer.

1.4 **"Affiliate"** means any corporation that is included in a controlled group of corporations (within the meaning of Section 414(b) of the Code). This would include the Plan Sponsor, any trade or business (whether or not incorporated) under common control with the Plan Sponsor (within the meaning of Section 414(c) of the Code), any organization that is part of the same affiliated service group (within the meaning of Section 414(m) of the Code) as the Plan Sponsor and any other entity required to be aggregated with the Plan Sponsor pursuant to the Treasury Regulations under Section 414(o) of the Code; provided that for this purpose, the Plan shall retain the 80% benchmark in defining an Affiliate. Such term shall be interpreted in a manner consistent with the definition of "service recipient" contained in Section 409A.

1.5 **"Base Salary"** shall mean the annual base rate of cash compensation relating to services performed during any calendar year payable to a Participant as an Employee for services rendered to an Employer, but excluding any: bonuses; commissions; overtime pay; incentive payments; non-monetary awards; relocation expenses; retainers; directors fees and other fees; severance allowances; pay in lieu of vacations; employer-provided pensions, retirement, deferred compensation, welfare, or fringe benefits; insurance premiums paid by the employer; insurance benefits paid to the Participant or his or her Beneficiary; stock options and grants; car allowances; and expense reimbursements. Base Salary shall be calculated before reduction for compensation voluntarily deferred or contributed by the Participant pursuant to all qualified or nonqualified plans of the Employer and shall be calculated to include amounts not otherwise included in the Participant's gross income under Sections 125, 402(e)(3), 402(h), or 403(b) of the Code pursuant to plans established by the Employer; provided, however, that all such amounts will be included in Compensation only to the extent that, had there been no such Plan, the amounts would have been payable in cash to the Participant.

1.6 **"Beneficiary or Beneficiaries"** shall mean the person or persons, natural or otherwise, designated by a Participant in accordance with the Plan to receive applicable payments in the event of the death of the Participant prior to the Participant's receipt of the entire amount credited to his or her Account.

1.7 **"Board of Directors or Board"** shall mean the Board of Directors of the Plan Sponsor; provided that any action taken by a duly authorized committee of the Board of Directors within the scope of authority delegated to it by the Board shall be considered an action of the Board of Directors for the purpose of this Plan.

1.8 **"Bonus"** shall mean any incentive compensation, in addition to Base Salary, Director Fees or Sales Commission, relating to services performed during any Performance Period, whether or not paid in such Performance Period or included on the Federal Income Tax Form W-2 for such Taxable Year, payable to a Participant as an Employee under the Employer's bonus plans, excluding stock options. The amount of a Participant's Bonus shall be determined before any required or voluntary withholdings or deductions and before any of the Bonus is deferred under this Plan.

1.9 **"Cause"** shall mean any of the following acts or circumstances: (i) willful destruction by the Participant of property of the Employer having a material value to the Employer; (ii) fraud, embezzlement, theft, or comparable dishonest activity committed by the Participant; (iii) the Participant's conviction of or entering a plea of guilty or nolo contendere to any crime constituting a felony or any misdemeanor involving fraud, dishonesty, or moral turpitude; (iv) the Participant's breach, neglect, refusal, or failure to materially discharge the Participant's duties (other than due to physical or mental illness) commensurate with the Participant's title and function; (v) the Participant's failure to comply with the lawful directions of a senior managing officer of the Employer in any such case that is not cured within fifteen (15) days after the Participant has received written notice thereof from such senior managing officer; (vi) the Participant's failure to comply with the lawful policies, rules or regulations of the Employer in any such case that is not cured within fifteen (15) days after the Participant has received written notice thereof from a senior managing officer of Employer; (vii) the Participant's failure to report or return to his duties at the Employer after Employer's authorized or law-mandated leave of absence; or (viii) any gross inattention, gross unsatisfactory effort, gross negligence, unlawfulness, dishonesty or willful misconduct by the Participant which may cause substantial economic or reputation injury to the Employer, including, but not limited to, sexual harassment or other acts of discrimination.

1.10 **"Change in Control"** shall mean the occurrence of a Change in Control event, within the meaning of Treasury regulation §1.409A-3(i)(5) and described in any of subparagraphs (a), (b), or (c), (collectively referred to as "Change in Control Events"), or any combination of the Change in Control Events. The Plan Sponsor in its Adoption Agreement will elect whether a Change in Control includes any or all the events described below. To constitute a Change in Control Event with respect to the Participant or Beneficiary, the Change in Control Event must relate to: (i) the corporation for whom the Participant is performing services at the time of the Change in Control Event; (ii) the corporation that is liable for the payment of the deferred compensation (or all corporations liable for the payment if more than one corporation is liable); or (iii) a corporation that is a majority shareholder of a corporation identified in clause (i) or (ii), or any corporation in a chain of corporations in which each corporation is a majority shareholder of another corporation in the chain, ending in a corporation identified in clause (i) or (ii).

(a) **Change in Ownership.** A change in ownership occurs if a person, or a group of persons acting together, acquires more than fifty percent (50%) of the stock of the corporation, measured by voting power or

value. Incremental increases in ownership by a person or group that already owns fifty percent (50%) of the corporation do not result in a change of ownership, as defined in Treasury regulation § 1.409A-3(i)(5)(v).

(b) **Change in Effective Control.** A change in effective control occurs if, over a twelve (12) month period: (i) a person or group acquires stock representing thirty percent (30%) of the voting power of the corporation; or (ii) a majority of the members of the board of directors of the corporation is replaced by directors not endorsed by the majority of the persons who were members of the board of directors before the new directors' appointment, as defined in Treasury regulation § 1.409A-3(i)(5)(vi).

(c) **Change in Ownership of a Substantial Portion of Corporate Assets.** A Change in Control based on the sale of assets occurs if a person or group acquires forty percent (40%) or more of the gross fair market value of the assets of a corporation over a twelve (12) month period. No Change in Control results pursuant to this subparagraph (c) if the assets are transferred to certain entities controlled by the shareholders of the transferring corporation, as defined in Treasury regulation § 1.409A-3(i)(5)(vii).

For all purposes hereunder, the definition of Change in Control shall be construed to be consistent with the requirements of Treasury regulation § 1.409A-3(i)(5), except to the extent that such regulations are superseded by subsequent guidance.

1.11 **"Claimant"** shall mean a person who believes that he or she is being denied a benefit to which he or she is entitled hereunder.

1.12 **"Code"** shall mean the Internal Revenue Code of 1986, and the regulations thereunder, as amended from time to time.

1.13 **"Compensation"** shall mean the total cash remuneration, including regular Base Salary, Sales Commission, Director Fees, or Bonus, (to the extent provided in the Adoption Agreement) paid by the Employer to an Eligible Employee with respect to his or her services performed for the Employer.

1.14 **"Deemed Investment Election"** shall mean the elections made by a Participant specifying the manner in which the Participant Account(s) will be hypothetically invested in the Deemed Investment Options in accordance with the terms of the Plan.

1.15 **"Deemed Investment Options"** shall mean the hypothetical securities or other investments as may be provided, from time to time, under the Plan, from which the Plan Administrator may select to be used as measuring devices to determine the deemed investment gains or losses of the Participant's Account. A Participant shall have no real or beneficial ownership in the security or other investment represented by the Deemed Investment Options.

1.16 **"Deferral Account"** shall mean: (i) the sum of the Participant's Deferral Amount that may be allocated, in whole or in part, by a Participant pursuant to his or her Deferral Election, plus (ii) Earnings thereon, less (iii) all distributions made to the Participant or his or her Beneficiary, and tax withholding amounts deducted from the Participant's Deferral Account.

1.17 **"Deferral Amount"** shall mean that portion of a Participant's Compensation that a Participant elects to defer for any calendar year or Performance Period.

1.18 **"Deferral Election"** shall mean the Participant's election on a form approved by the Plan Administrator (in a paper or electronic format) to defer a portion of his or her Compensation in accordance with the provisions of Article 3.

1.19 **"Director"** shall mean a member of the Board who is an Employee of the Plan Sponsor or any of its Affiliates.

1.20 **"Director Fees"** shall mean an amount payable to a Director for serving as a member of the Board, including without limitation any: (a) annual or other periodic retainer payments; (b) fees payable for meeting attendance; (c) fees payable for committee membership; and (d) fees payable for Board or committee chairmanship.

1.21 **"Disability or Disabled"** shall mean a condition of the Participant whereby he or she either: (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, or (ii) is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees of the Employer. Such term shall be interpreted in a manner consistent with the definition of "disability" contained in Treasury regulation §1.409A-3(i)(4). The Plan Administrator will determine whether a Participant has incurred a Disability based on its own good faith determination and may require a Participant to submit to reasonable physical and mental examinations for this purpose. A Participant will also be deemed to have incurred a Disability if determined to be totally disabled by the Social Security Administration or in accordance with a disability insurance program, provided that the definition of disability applied under such disability insurance program complies with the requirements of Treasury regulation §1.409A-3(i)(4).

1.22 **"Earnings"** shall mean the actual or notional gains or losses credited or debited to a Participant's Account in accordance with Article 4 hereof.

1.23 **"Effective Date"** shall mean the date the Plan is effective as set forth in the Adoption Agreement.

1.24 **"Election Form"** shall mean the form or forms established from time to time by the Plan Administrator (in a paper or electronic format) on which the Participant makes certain designations as required under the terms of this Plan.

1.25 **"Eligibility Date"** shall mean the date designated by the Plan Administrator at which an Eligible Employee shall become eligible to participate in the Plan.

1.26 **"Eligible Employee"** shall mean for any calendar year (or applicable portion of a calendar year) an Employee of the Employer who is determined by the Plan Administrator to be a member of a select group of management or highly compensated employees of the Employer and who is designated by the Plan Administrator to be an eligible Employee under the Plan. If the Plan Administrator determines that an individual first becomes an Eligible Employee during a calendar year, the Plan Administrator shall notify such individual of its determination and the date such Eligible Employee shall become eligible to participate in the Plan.

1.27 **"Employee"** shall mean a person (in accordance with Treasury regulation § 1.409A- 1(f)(1)) who is on the cash basis method of accounting for Federal income tax purposes and is providing services to the Employer.

1.28 **"Employer"** shall mean the Plan Sponsor and any Affiliate of the Plan Sponsor as is identified as an Adopting Employer under the Plan by consent of the Plan Sponsor and its Board (or similar governing body), or any successors.

1.29 **"Employer Discretionary Contribution"** shall mean the deferred compensation amount credited to the Employer Discretionary Contribution Account with respect to a Participant at the Employer's sole and absolute discretion, in accordance with Section 3.8 hereof.

1.30 **"Employer Discretionary Contribution Account"** shall mean: (i) the sum of the Employer Discretionary Contribution amounts (if any), plus (ii) Earnings thereon, less (iii) all distributions made to the Participant or his or her Beneficiary that relate to the Participant's Employer Discretionary Contribution Account, and tax withholding amounts deducted (if any) from said Account.

- 1.31 **"Employer Matching Contribution"** shall mean the deferred compensation amount credited to the Employer Matching Contribution Account with respect to a Participant at the Employer's sole and absolute discretion, in accordance with Section 3.9 hereof.
- 1.32 **"Employer Matching Contribution Account"** shall mean: (i) the sum of the Employer Matching Contribution amounts, plus (ii) Earnings thereon, less (iii) all distributions made to the Participant or his or her Beneficiary that relate to the Participant's Employer Matching Contribution Account, and tax withholding amounts deducted (if any) from said Account.
- 1.33 **"ERISA"** shall mean the Employee Retirement Income Security Act of 1974, as it may be amended from time to time.
- 1.34 **"Event Based Accounts"** shall mean the Deferral Account (if any), Employer Matching Contribution Account (if any), and the Employer Discretionary Contribution Account (if any).
- 1.35 **"Normal Retirement Age"** shall be the birthday on which the Participant attains the age of sixty-five (65).
- 1.36 **"Participant"** shall mean each Eligible Employee who has met the requirements of participation under Article 2 and who participates in the Plan in accordance with the terms and conditions of the Plan.
- 1.37 **"Performance-Based Compensation"** shall mean that portion of a Participant's Bonus the amount of which, or the entitlement to which, is contingent on the satisfaction of pre-established organizational or individual performance criteria relating to a Performance Period of at least twelve (12) consecutive months and which qualifies as "performance-based compensation" under Section 409A. Performance criteria shall be established in writing not later than ninety (90) days after the commencement of the period of service to which the criteria relate; provided that the outcome is substantially uncertain at the time the criteria are established. Performance-Based Compensation does not include any amount or portion of any amount that will be paid regardless of performance or is based upon a level of performance that is substantially certain to be met at the time the criteria are established.
- 1.38 **"Performance Period"** shall mean, with respect to any Bonus, the period of time over which such Bonus is earned.
- 1.39 **"Permissible Payment Events"** shall mean: (i) the Participant's Separation from Service, (ii) the Participant's death, (iii) the Participant's Disability, (iv) a Change in Control, (v) the occurrence of an Unforeseeable Emergency, or (vi) a Specified Time.
- 1.40 **"Plan"** shall mean this nonqualified Deferred Compensation Plan established by and including the Master Plan Document, the Adoption Agreement, all Election Form(s), and the Trust, (if any). For purposes of applying Section 409A requirements, this Plan is an account balance plan under Treasury regulation §1.409A-1(c)(2)(i)(A).
- 1.41 **"Plan Administrator"** shall mean the Board, or any committee of the Board duly authorized to act as Plan Administrator of the Plan, or any individual or entity duly authorized by the Plan Administrator to act on its behalf with respect to the Plan. If a Participant is part of a group of persons designated as a committee or Plan Administrator, then the Participant may not participate in any activity or decision relating solely to his or her individual benefits under this Plan.
- 1.42 **"Plan Sponsor"** shall mean the entity specified in the Adoption Agreement, its successors or assigns unless otherwise herein provided.
- 1.43 **"Plan Year"** shall mean, for the first Plan Year, the period beginning on the Effective Date of the Plan and ending December 31 of such calendar year, and thereafter, a twelve (12) month period beginning January 1 of each calendar year and continuing through December 31 of such calendar year.

1.44 **"Sales Commission"** shall mean compensation or portions of compensation earned by the Participant if: (i) a substantial portion of the services provided by the Participant to the Employer consists of the direct sale of a product or service to an unrelated customer; (ii) the compensation paid by the Employer to the Participant consists of either a portion of the purchase price for the product or service or an amount calculated solely by reference to the volume of sales; and (iii) payment of the compensation is contingent upon the Employer receiving payment for the product or services from a customer who is unrelated to the Employer or to the Participant. Such term shall be interpreted in a manner consistent with the definition of "sales commission" as defined in Treasury regulation §1.409A-2(a)(12)(i).

1.45 **"Scheduled Withdrawal Account"** shall mean: (i) the sum of the Participant's Deferred Amounts for any calendar year that may be allocated, in whole or in part, by a Participant pursuant to his or her Deferral Election to a Scheduled Withdrawal Account, plus (ii) Earnings thereon, less (iii) all distributions made to the Participant or his or her Beneficiary, and tax withholding amounts which may have been deducted (if any) from the Participant's Scheduled Withdrawal Account.

1.46 **"Section 409A"** shall mean Code Section 409A and the Treasury regulations or other authoritative guidance issued thereunder.

1.47 **"Separate or Separation from Service"** shall mean a termination of employment with the Plan Sponsor or an Affiliate as set forth in Treasury regulation §1.409A-1(h), using the 20% bench mark set forth therein. The Plan Administrator in determining whether a Participant incurs a Separation of Service shall take into account, among other things, the definition of "service recipient" and "employer" set forth in Treasury regulation §1.409A-1(h)(3). The Plan Administrator shall have full and final authority, to determine conclusively whether a Participant has had a Separation from Service, and the date of such Separation from Service.

1.48 **"Specified Employee"** shall mean a Participant who meets the definition of a "key employee" as such term is defined in Code §416(i) (without regard to Section 416(i)(5)). However, the Participant is not a Specified Employee unless any stock of the Plan Sponsor is publicly traded on an established securities market or otherwise, as defined in Code §1.897-1(m). If the Participant is a key employee at any time during the twelve (12) months ending on the identification date (see below), the Participant is a Specified Employee for the twelve (12) month period commencing on the first day of the fourth month following the identification date. For purposes of this Section, the identification date is December 31. The determination of the Participant as a Specified Employee shall be made by the Plan Administrator in accordance with IRC Section 416(i), the "specified employee" requirements of Section 409A.

1.49 **"Specified Time"** shall mean, with respect to a Scheduled Withdrawal Account, the date on which the Scheduled Withdrawal Account shall be paid or commence to be paid to the Participant pursuant to Section 7.2(f) hereof.

1.50 **"Taxable Year"** shall mean the twelve (12) consecutive month period ending each December 31.

1.51 **"Trust"** shall mean one or more trusts that may be established in accordance with the terms of this Plan.

1.52 **"Trustee"** shall mean the party or parties so designated from time to time pursuant to the terms of the Trust agreement, if any.

1.53 **"Unforeseeable Emergency"** shall mean: (i) a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant's spouse, the Participant's Beneficiary, or the Participant's dependents (as defined in Code § 152 (without regard to Code §§ 152(b)(1), (b)(2), and (d)(1)(b))); (ii) loss of the Participant's property due to casualty; or (iii) other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. The Plan Administrator will determine whether a Participant incurs an Unforeseeable Emergency based on the relevant facts and circumstances and in accordance with Treasury regulation §1.409A-3(i)(3).

1.54 **"Valuation Date"** shall mean the date through which Earnings are credited/debited to a Participant Account. The Valuation Date shall be as close to the payout or other event date triggering valuation as is administratively feasible. The Valuation Date shall mean the close of each business day, as established and amended from time to time by guidelines and procedures of the Plan Administrator at its sole and absolute discretion.

ARTICLE 2

Eligibility and Participation

2.1 **Selection.** Participation in this Plan shall be limited to those Eligible Employees of the Plan Sponsor or Adopting Employer, as determined by the Plan Administrator in its sole and absolute discretion.

2.2 **Enrollment Requirements.** As a condition of participation in this Plan, each Eligible Employee shall complete, execute, and return to the Plan Administrator and any applicable Election Form(s) within the time specified by the Plan Administrator in accordance with the terms and conditions of the Plan. In addition, the Plan Administrator shall establish such other enrollment requirements as it determines necessary or advisable.

2.3 **Reemployment.** The reemployment of a former Participant by the Employer shall not entitle such individual to become a Participant hereunder. Such individual shall not become a Participant until the individual is again designated as an Eligible Employee in accordance with Section 2.1. If a Participant who has experienced a Separation from Service is receiving installment distributions pursuant to Section 7.2(a) and is re-employed by the Employer, distributions due to the Participant shall not be suspended.

2.4 **Termination of Active Participation.** The Plan Administrator may remove an Eligible Employee from further active participation in the Plan at its discretion. If this occurs, the Participant shall not have additional amounts credited to the Employer Matching Contribution Account and Employer Discretionary Contribution Account and shall be prevented from making Deferral Elections in subsequent Taxable Years. Any existing Deferral Election shall continue in effect for the remainder of the calendar year or Performance Period and may only be canceled in accordance with Section 3.4(b) hereof. Such individual shall continue to be subject to all the terms and conditions of the Plan until the amounts credited to the Participant's Accounts are distributed or forfeited.

ARTICLE 3

Deferral Elections and Employer Contributions

3.1 **Minimum and Maximum Deferral Limits.** For each calendar year, a Participant may make separate elections with regard to Deferral Amounts of Base Salary, Bonus, Sales Commission, or Director Fees and shall specify the percentage or flat dollar amount of each applicable type of Compensation subject to the minimums or maximums (if any) established by the Plan Administrator and communicated to the Participant. The Plan Administrator may at any time establish an aggregate limit on the amount of Compensation that any Participant may elect to defer under the Plan, provided that such limit shall not reduce a Participant's Deferral Amount for the calendar year (or Performance Period) under any Deferral Election Form in effect at the time the limit is established. Once such a limit is in effect, the Deferral Amount specified by each of the Participants shall be limited so that the aggregate of the Participant's Deferral Amount does not exceed the maximum.

3.2 First Year of Eligibility - Deferral Elections.

(a) **Application.** This Section 3.2 applies to each Eligible Employee who first becomes eligible to participate in the Plan. Additionally, the Plan Administrator shall determine (in accordance with Treasury regulation § 1.409A-2(a)(7)(ii)) the date upon which a Participant who ceased being eligible to participate in the Plan, can again become eligible to participate in the Plan.

(b) **Deferral Election.** An Eligible Employee described in Section 3.2(a) may elect to defer Base Salary, Sales Commission, or Director Fees earned during such calendar year or his or her Bonus earned during a Performance Period that commences in such calendar year by filing a Deferral Election with the Plan Administrator in accordance with the following rules:

(i) **Timing; Irrevocability.** The Deferral Election must be filed with the Plan Administrator by, and shall become irrevocable as of, the thirtieth (30th) day following the Participant's Eligibility Date (or such earlier date as specified by the Plan Administrator).

(ii) **Base Salary.** The Deferral Election shall only apply to Base Salary earned during such calendar year beginning with the first payroll period that begins immediately after the date the Deferral Election becomes irrevocable in accordance with Section 3.2(b)(i) hereof. Base Salary payable after the last day of a calendar year solely for services performed during the final payroll period described in Section 3401(b) of the Code containing December 31 of such year shall be treated as earned during the subsequent calendar year.

(iii) **Bonus.** Where a Deferral Election is made in the first year of eligibility but after the commencement of the Performance Period, then, except as otherwise provided in Section 3.3 below, the Deferral Election shall only apply to that portion of Bonus earned for such Performance Period equal to the total amount of the Bonus earned during such Performance Period multiplied by a fraction, the numerator of which is the number of days beginning on the day immediately after the date that the Deferral Election becomes irrevocable and ending on the last day of the Performance Period, and the denominator of which is the total number of days in the Performance Period.

(iv) **Sales Commission.** The Deferral Election shall only apply to Sales Commission earned immediately after the date the Deferral Election becomes irrevocable and only with respect to the Taxable Year in which (i) the customer remits payment to the Employer, or (ii) the Taxable Year in which the sale occurs, if applied consistently to all similarly situated Participants.

(v) **Director Fees.** The Deferral Election shall only apply to Director Fees for services to be performed after the Deferral Election becomes irrevocable.

3.3 **Annual Deferral Elections.** Unless Section 3.2 applies, each Eligible Employee may elect to defer Base Salary, Sales Commission, or Director Fees for a calendar year or his or her Bonus for a Performance Period, by filing a Deferral Election with the Plan Administrator in accordance with the following rules:

(a) **Base Salary, Sales Commission, and Director Fees.** The Deferral Election with respect to Base Salary, Sales Commission, or Director Fees must be filed with the Plan Administrator by, and shall become irrevocable following, December 31 (or such earlier date as specified by the Plan Administrator on the Deferral Election) of the calendar year next preceding the calendar year for which such amounts would otherwise be earned.

(b) **Bonus.** The Deferral Election with respect to Bonus must be filed with the Plan Administrator by, and shall become irrevocable following, December 31 (or such earlier date as specified by the Plan Administrator on the Deferral Election) of the calendar year next preceding the first day of the Performance Period for which such Bonus would otherwise be earned. If the Employer has a fiscal year other than the calendar year, Bonus relating to services in the fiscal year of the Employer, of which no amount is paid or payable during the fiscal year, may be deferred at the Participant's election if the Deferral Election is made not later than the close of the Employer's fiscal year next preceding the first fiscal year in which the Participant performs any services for which such Bonus is payable.

(c) **Bonus Qualifying as Performance-Based Compensation.**

(i) Notwithstanding anything contained in this Section 3.3 to the contrary, and only to the extent permitted by the Plan Administrator, the Deferral Election with respect to Bonus that constitutes "Performance-Based Compensation", must be filed with the Plan Administrator by, and shall become irrevocable as of, the date that is six (6) months before the end of the applicable Performance Period (or such earlier date as specified by the Plan Administrator on the Deferral

Election), provided that in no event may such Deferral Election be made after such Bonus has become "readily ascertainable" within the meaning of Section 409 A.

(ii) In order to make a Deferral Election under this Section 3.3(c), the Participant must perform services continuously from the later of the beginning of the Performance Period or the date the performance criteria are established through the date a Deferral Election becomes irrevocable under this Section 3.3(c).

(iii) A Deferral Election made under this Section 3.3(c) shall not apply to any portion of the Performance-Based Compensation that is actually earned by a Participant regardless of satisfaction of the performance criteria.

(iv) To the extent permitted by the Plan Administrator, an Eligible Employee described in Section 3.2(a) hereof shall be permitted to make a Deferral Election with respect to Performance-Based Compensation in accordance with this Section 3.3(c) provided that the Eligible Employee satisfies all of the other requirements of this Section 3.3(c).

3.4 **Duration and Cancellation of Deferral Elections.**

(a) **Duration.** Once irrevocable, a Deferral Election shall only be effective for the calendar year or Performance Period with respect to which such election was timely filed with the Plan Administrator. Except as provided in Section 3.4(b) hereof, a Deferral Election, once irrevocable, cannot be cancelled or altered during a calendar year or Performance Period. Except as provided in Section 3.5(b) hereof, a Deferral Election, once irrevocable, cannot be cancelled during a calendar year or Performance Period.

(b) **Cancellation.**

(i) The Plan Administrator may cancel a Participant's Deferral Election where such cancellation occurs by the later of: (a) the end of the Participant's Taxable Year, or (b) the fifteenth (15th) day of the third (3rd) month following the date the Participant incurs a "disability", in accordance with Treasury regulation § 1.409A-3G(4)(xii). For purposes of this Section 3.4(b)(i), a disability refers to any medically determinable physical or mental impairment resulting in the Participant's inability to perform duties of his or her position or any substantially similar position, where such impairment can be expected to result in death or can be expected to last for a continuous period of not less than six (6) months, in accordance with Treasury regulation § 1.409 A-3(i)(3).

(ii) The Plan Administrator may, in its sole discretion, cancel a Participant's Deferral Election due to an Unforeseeable Emergency or a hardship distribution pursuant to Treasury Regulation Section 1.401(k)-1(d)(3).

(iii) If a Participant's Deferral Election is cancelled with respect to a particular calendar year or Performance Period in accordance with this Section 3.4(b), he or she may complete a new Deferral Election for a subsequent calendar year or Performance Period, only in accordance with Section 3.3 hereof.

3.5 **Elections as to Time and Form of Payment.**

(a) **Time of Payment Elections.**

(i) **In General.** Concurrent with any election to defer Compensation under Sections 3.2 and 3.3, a Participant may make an irrevocable election to allocate all or a portion of his or her elected Deferral Amount (plus Earnings credited thereon) to the Deferral Account and/or, to the extent permitted by the Plan Administrator in the Adoption Agreement, one or more Scheduled Withdrawal Accounts. To the extent that a Participant does not designate the Account to which Deferral Amounts

will be allocated as provided in this Section 3.5(a), such Deferral Amounts shall be allocated and credited to the Participant's Deferral Account. The Plan Sponsor shall indicate in the Adoption Agreement the maximum number of Scheduled Withdrawal Accounts that a Participant may establish and a Participant may not establish an additional Scheduled Withdrawal Account until all of the funds in one of the first Scheduled Withdrawal Accounts have been paid out. The Participant may elect to allocate additional deferrals to an existing Scheduled Withdrawal Account in subsequent Participant Election Forms but may only change a scheduled distribution date for an existing Account in accordance with the provision of Section 3.6

(ii) **Scheduled Withdrawal Accounts.** A Participant may designate, on any Deferral Election that he or she delivers to the Plan Administrator, prior to the Participant's Separation from Service, in which deferrals of Base Salary, Sales Commission, Bonus, and/or Director Fees are credited to a Scheduled Withdrawal Account (or sub-accounts), the year in which a scheduled distribution will commence to be paid from that Scheduled Withdrawal Account. The Participant may elect to receive a scheduled distribution of a Scheduled Withdrawal Account on January 1 of any Plan Year that is at least two (2) Plan Years after the Plan Year in which the annual Deferral Amount is actually deferred. (For example: If a Participant elects to receive a scheduled distribution from the Plan Year 2010 annual Deferral Amount, the earliest date to receive an in-service payment of the 2010 Scheduled Withdrawal Account would be January 1, 2013) The a scheduled distribution date designated by the Participant will apply to all amounts credited to that Scheduled Withdrawal Account unless changed in accordance with the rules of Section 3.6. To the extent that the elected scheduled distribution date does not comply with the terms of this Section 3.5(a)(ii) (or the Participant does not designate the time of payment on an Election Form), then that Scheduled Withdrawal Account shall be paid at the earliest permissible date in accordance with this Section. Notwithstanding the foregoing, should an event occur that triggers a payment under Separation from Service, death, Disability, or a Change in Control, any Account balances subject to Scheduled Withdrawal Account(s) that have not yet been paid shall not be paid under the Participant's election as to time of the Account(s), but instead shall be paid at the time of the event that triggers the distribution.

(iii) **Event Based Accounts.** A Participant's Deferral Account (if any), Employer Matching Contribution Account (if any), and Employer Discretionary Contribution Account (if any), shall be paid to the Participant or Beneficiary pursuant to a Permissible Payment Event, at the time described in Section 7.2 hereof.

(b) **Form of Payment Elections.**

(i) **In General.** The Plan Sponsor shall designate in the Adoption Agreement the form of payment options for each Permissible Payment Event selected by the Plan Sponsor. A Participant shall elect on the first Election Form that he or she delivers to the Plan Administrator pursuant to his or her Eligibility Date, the manner in which to receive payment of the Deferral Account, Employer Matching Contribution Account, and Employer Discretionary Contribution Account upon the occurrence of the Participant's Disability, death, or in the event of a Change in Control. Prior to the beginning of any Plan Year, a Participant may elect on the Election Form the form of payment of the Accounts with respect to the Participant's Separation from Service on or after attaining Normal Retirement Age. The form of payment designated on the Election Form will apply to all amounts credited to the Accounts for the applicable Plan Year unless changed in accordance with the rules of Section 3.6. To the extent that a Participant does not designate the form of payment on the Election Form as provided in this Section (or such designation does not comply with the terms of the Plan) the Accounts shall be paid in a single lump sum. Notwithstanding the above, in the event the Participant Separates from Service prior to Normal Retirement Age, payment of the Participant's Accounts shall be paid in a single lump sum.

(ii) **Scheduled Withdrawal Account.** Concurrent with any Deferral Election a Participant delivers to the Plan Administrator in which he or she establishes a Scheduled Withdrawal

Account, he or she must make an election as to the form of payment and shall elect to receive the Scheduled Withdrawal Account in a single lump sum or in a number of approximately equal annual installments over a specified period not exceeding five (5) years. The form of payment designated on such Election Form will apply to all amounts credited to that Scheduled Withdrawal Account under the Plan (including with respect to all subsequent Plan Years) unless changed in accordance with the rules of Section 3.6. A Participant may choose different forms of payment for each separate Scheduled Withdrawal Account in accordance with this Section 3.5(b)(i). To the extent that a Participant does not designate the form of payment on an Election Form as provided in this Section 3.5(b)(i) (or such designation does not comply with the terms of the Plan) for a Scheduled Withdrawal Account, that Scheduled Withdrawal Account shall be paid in a single lump sum. Notwithstanding the foregoing, should an event occur that triggers a payment under Separation from Service, death, Disability, or a Change in Control, any Account balances subject to Scheduled Withdrawal Account(s) that have not yet been paid shall not be paid under the Participant's election as to form of payment of the Account(s), but instead shall be paid in a single lump sum within ninety (90) days of the event that triggers distribution of the Account(s).

3.6 Subsequent Deferral Elections. A Participant may make a *one-time election* to: (i) delay the time of payment with respect to any established Scheduled Withdrawal Account or (ii) change the form of payment of a previous election made pursuant to Section 3.5(b)(i) hereof with respect to a Participant's Separation from Service on or after Normal Retirement Age, death, Disability, or upon the occurrence of a Change in Control event as expressly provided under this Section 3.6 and Section 409A (hereinafter, a "Subsequent Deferral Election"). Notwithstanding the foregoing, a Subsequent Deferral Election cannot accelerate any payment. A Subsequent Deferral Election which delays payment or changes the form of payment is permitted only if all of the following requirements are met:

(a) The Subsequent Deferral Election does not take effect until at least twelve (12) months after the date on which the Subsequent Deferral Election is made and approved by the Plan Administrator;

(b) If the Subsequent Deferral Election relates to a payment based on Separation from Service, Change in Control, or a Specified Time, the Subsequent Deferral Election must result in payment being deferred for a period of not less than five (5) years from the date such payment would otherwise have been paid (or in the case of installment payments treated as a single payment, five (5) years from the date the first amount was scheduled to be paid);

(c) If the Subsequent Deferral Election relates to a payment at a Specified Time, the Participant must make the Subsequent Deferral Election not less than twelve (12) months before the date such payment was scheduled to be paid (or in the case of installment payments treated as a single payment, twelve (12) months before the date the first amount was scheduled to be paid).

For purposes of applying this Section 3.6, the Plan Sponsor in the Adoption Agreement will elect to treat previously elected installment payments as a "single payment" or a "series of separate payments". Any election made pursuant to this Section shall be made on such Election Forms or electronic media as is required by the Plan Administrator, in accordance with the rules established by the Plan Administrator and shall comply with all requirements of Section 409A.

3.7 Withholding and Crediting of Deferral Amounts. For each calendar year, the Base Salary portion of the Deferral Amount shall be withheld from regularly scheduled payroll in approximately equal amounts, (or as otherwise specified by the Plan Administrator), as adjusted from time to time for increases and decreases in Base Salary (if the Deferral Amount with respect to Base Salary is expressed as a percentage). The Bonus, Sales Commission, or Director Fees portion of the Deferral Amount shall be withheld as soon as administratively feasible following the time the Bonus, Sales Commission, or Director Fees otherwise would be paid to the Participant, whether or not this occurs during the Plan Year or Performance Period as the case may be. Deferral Amounts shall be credited to a Participant's Deferral Account and/or to the extent permitted one or more Scheduled Withdrawal Accounts as soon as administratively feasible following the time such amounts would otherwise have been paid to a Participant.

3.8 **Employer Discretionary Contributions.** The Plan Sponsor will specify in the Adoption Agreement whether the Employer will or may make Employer Discretionary Contributions under the Plan. The Plan Administrator shall direct that any such Employer Discretionary Contributions be allocated to those Participants that it may select in its sole and absolute discretion. The amount so credited on behalf of a Participant may be smaller or larger than the amount credited to any other Participant, and the amount credited to any Participant for a calendar year may be zero. No Participant shall have a right to compel the Employer to make an Employer Discretionary Contribution and no Participant shall have the right to share in any such contribution for any year unless selected by the Plan Administrator in its sole and absolute discretion. An Employer Discretionary Contribution for any given year under this Section shall be credited to the applicable Participant's Employer Discretionary Contribution Account at such time or times established by the Plan Administrator in its sole discretion.

3.9 **Employer Matching Contributions.** The Plan Sponsor will specify in the Adoption Agreement whether the Employer will or may make Employer Matching Contributions under the Plan. The level of Employer Matching Contribution amounts for a calendar year shall be based upon a percentage of the Participant's elected Deferral Amount for that year. Such percentage level shall be determined by the Plan Administrator in its discretion (including zero percent) and may vary from year-to-year and Participant-to-Participant. An Employer Matching Contribution for any year shall be credited to the applicable Participant's Employer Matching Contribution Account at such time or times established by the Plan Administrator in its sole discretion.

ARTICLE 4 **Earnings on Account(s)**

4.1 **Deemed Investment Options.** The Plan Administrator shall select from time to time certain mutual funds, insurance company separate accounts, indexed rates, or other methods (the "Deemed Investment Options") for purposes of crediting Earnings to each Participant's Account(s). The Plan Administrator may discontinue, substitute, or add Deemed Investment Options in its sole discretion. Any discontinuance, substitution, or addition of a Deemed Investment Option will take effect as soon as administratively practicable. The Deemed Investment Options are to be used for measurement purposes only, and the Plan Administrator's or Participant's election of any such Deemed Investment Option, the allocation of such Deemed Investment Options to the Participant's Account, the calculation of additional amounts, and the crediting or debiting of such amounts to a Participant's Account shall not be considered or construed in any manner as an actual investment of the Participant's Account. The Participant Accounts shall reflect all gains or losses, reduced by any expenses as determined by the Plan Administrator. In the event that the Plan Administrator or the trustee of the Trust (if any), in its own discretion, decides to invest funds in any or all of the investments on which any of the Deemed Investment Options are based, no Participant (or Beneficiary) shall have any rights in or to such investments themselves. Without limiting the foregoing, a Participant's Account shall at all times be a bookkeeping entry only and shall not represent any investment made on his or her behalf by the Plan Administrator or the Trust (if any). The Participant (or Beneficiary) shall at all times remain an unsecured creditor of the Employer. Any liability or obligation of the Employer to any Participant, former Participant, or Beneficiary with respect to a right to payment shall be based solely upon contractual obligations created by this Plan.

4.2 **Allocation of Deemed Investment Options.** The Plan Sponsor will specify in the Adoption Agreement whether the Employer or Participant shall have the right to allocate Deemed Investment Options among the Participant's Account(s) in accordance with the following guidelines:

(a) **Employer Allocation of Deemed Investment Options.** If permitted by the Plan Sponsor in the Adoption Agreement, each Participant's Account will be credited with gains, losses and earnings based on investment directions made by the Plan Sponsor in accordance with investment deferral crediting options and procedures established from time to time by the Plan Administrator. The Plan Administrator specifically retains the right in its sole discretion to change the investment deferral crediting options and procedures from time to time. The Plan Administrator shall be under no obligation to invest assets pursuant to the Plan Sponsor's allocation. All deemed investment decisions shall be made by the Plan Administrator in its sole discretion.

(b) **Participant's Allocation of Deemed Investment Options.** If permitted by the Plan Sponsor in the Adoption Agreement, each Participant shall have the right to direct the Plan Administrator as to how the Participant's

Deferral Amounts, Employer Matching Contributions, and/or Employer Discretionary Contributions, shall be deemed to be invested, subject to any operating rules and procedures imposed by the Plan Administrator. As of each Valuation Date, the Participant's Account(s) will be credited or debited to reflect the performance of the Deemed Investment Options elected by the Participant. A Participant's Deemed Investment Elections for his or her Account(s) shall be subject to the following rules:

(i) Any initial or subsequent Deemed Investment Election shall be in writing or electronic format, supplied by and filed with the Plan Administrator (or made in any other manner specified by the Plan Administrator), and shall be effective on such date as specified by the Plan Administrator. The Plan Administrator is not required to provide multiple methods of making Deemed Investment Elections.

(ii) All Deemed Investment Elections shall continue indefinitely until changed by the Participant in the manner permitted by the Plan Administrator.

(iii) If the Plan Administrator receives an initial or revised Deemed Investment Election which it determines to be incomplete, unclear, or improper, the Participant's Deemed Investment Election then in effect shall remain in effect (or, in the case of a deficiency in an initial Deemed Investment Election, the Participant shall be deemed to have filed no Deemed Investment Election) until a date so designated by the Plan Administrator, unless the Plan Administrator provides for, and permits the application of, corrective action prior to that date. Notwithstanding the foregoing, a Participant's election must total one hundred percent (100%). If the Plan Administrator possesses (or is deemed to possess, as provided above) at any time Deemed Investment Elections of less than one hundred percent (100%) of a Participant's Account(s), the Participant shall be deemed to have directed that the undesignated portion of the said Account(s) be deemed to be invested in a money market or similar fund made available under this Plan as determined by the Plan Administrator.

(iv) Each Participant, as a condition of his or her participation in the Plan, agrees to indemnify and hold harmless the Employer and the Plan Administrator from any losses or damages of any kind relating to the Deemed Investment Election of the Participant's Account(s).

4.3 **Valuation of Accounts.** Each Participant's Account as of each Valuation Date shall consist of the balance of the Participant's Account as of the immediately preceding Valuation Date, plus the Participant's Deferral Amounts, Employer Matching Contributions (if any), and Employer Discretionary Contributions (if any) that have been credited, plus Earnings, minus the amount of any distributions made and any applicable tax withheld since the immediately preceding Valuation Date. The Account shall be deemed to be credited with Earnings from the date the deferred compensation is credited to the Account through the Valuation Date.

ARTICLE 5

Vesting of Accounts

5.1 **Participant Account(s).** A Participant shall at all times be one hundred percent (100%) vested in his or her Deferral Amounts and all Earnings attributable thereto.

5.2 **Employer Account(s).** Employer Discretionary Contributions and Employer Matching Contributions made pursuant to Sections 3.8 and 3.9, including notional Earnings thereon, shall vest at such time and under such terms and conditions as may be specified by the Plan Administrator at the time such amounts are contributed to the Plan. Notwithstanding the foregoing, in the event of Separation from Service as a result of Normal Retirement Age, death, or in the event of Disability, the Participant's Employer Matching Contribution Account and Employer Discretionary Contribution Account shall be fully vested.

5.3 **Forfeiture.** Notwithstanding any other provision to the contrary herein, if a Separation from Service occurs because the Participant's employment is terminated for Cause and at such time the Participant is not one hundred percent (100%) vested in the Employer Matching Contribution Account and Employer Discretionary Contribution Account, no benefits of any kind will be due or payable by the Plan Sponsor under the terms of this Plan from the Participant's Employer Matching Contribution Account and Employer Discretionary Contribution Account and all

rights of the Participant, his or her designated Beneficiary, executors, or administrators, or any other person, to receive payments thereof shall be forfeited. If a Separation from Service occurs other than because the Participant's employment is terminated for Cause, the Participant only will forfeit that portion of an Account that is non-vested at the time of Separation from Service.

ARTICLE 6 **Taxes and Withholdings**

6.1 **Federal Insurance Contribution Act (FICA)**. Deferred Compensation amounts, in accordance with Code §3121(v)(2), are taken into account as wages for FICA tax purposes as of the later of: (i) when the services are performed; or (ii) when there is no substantial risk of forfeiture with respect to the Employee's right to receive the deferred amounts in a later calendar year. Amounts are subject to FICA taxes at the time of the deferral, unless the Employee is required to perform substantial future services in order for the Employee to have a legal right to the future Compensation. If the Employee is required to perform future services in order to have a vested right to the future Payment, the deferred amounts (plus Earnings up to the date of vesting) are subject to FICA taxes when all the required services have been performed. FICA taxes only apply up to the annual wage base for Social Security taxes and without withholding limitations for Medicare taxes.

6.2 **Federal Unemployment Tax Act (FUTA)**. Deferred Compensation amounts are taken into account for FUTA purposes at the later of: (i) when services are performed; or (ii) when there is no substantial risk of forfeiture with respect to the Employee's right to receive the deferred amounts up to the FUTA wage base.

6.3 **Self-Employment Contributions Act (SECA)**. For non-employees such as independent contractors and directors, SECA taxes apply up to the amount of the Social Security wage base.

6.4 **Income Tax Withholding**. All distributions under the Plan are subject to any applicable tax withholding, as determined by the Employer in its discretion. The Employer shall have the right to deduct from a Participant's compensation that is not being deferred under this Plan any Federal, state, local or employment taxes which it deems are required by law to be withheld with respect to any Deferral Amounts, vested Employer Matching Contribution, and vested Employer Discretionary Contribution or Plan distributions. Subject to Section 409A, if necessary, the Employer may reduce the Participant's Deferral Amount in order to comply with this Section.

ARTICLE 7 **Payment of Benefits**

7.1 Payments in General.

(a) **Source of Payments.** All payments made under the Plan shall be made in cash.

(b) **Calculation of Installment Payments.** If the Participant elects to receive installment payments upon a Permissible Payment Event, the payment of each installment shall be made on the anniversary of the date of the event which triggered such payment until all required installments have been paid. The amount of each payment shall be determined by dividing the value of the Participant's Account(s) as of the date of the event (or on the anniversary date of the event for subsequent installments) by the number of payments remaining to be paid. (By way of example, if the Participant elects to receive payments in annual installments over a period of five (5) years, the first payment shall equal 1/5 of the Account balance. The following year, the payment shall be 1/4 of the Account balance. The final installment payment shall be equal to the balance of the Account(s), calculated as of the applicable anniversary date.) Any unpaid Account balance shall continue to be deemed to be invested pursuant to Article 4, in which case any deemed income, gains, losses, or expenses shall be reflected in the actual payments. Notwithstanding anything else contained herein to the contrary, if a Participant or Beneficiary is to receive payment in the form of installments, and if the vested Account balance at the due date of the first installment is equal to or less than the stated amount specified by the Plan Sponsor in the Adoption Agreement, payment of said Accounts shall be made instead in a lump sum, and no installment

payments shall be available hereunder. For purposes of the preceding sentence, the stated amount shall not be applied in the event of payment at a Specified Time (i.e., payment of a Scheduled Withdrawal Account).

(c) **Multiple Permissible Payment Events.** If the Plan permits multiple Permissible Payment Events, any Subsequent Deferral Elections as described in Section 3.6 shall apply separately as to each payment due upon each Permissible Payment Event.

7.2 **Permissible Payment Events.** The Plan Sponsor will make payments to the Participant or the Participant's Beneficiary on the first to occur of the following Permissible Payment Events designated by the Plan Sponsor in the Adoption Agreement:

(a) **Payment Following Separation from Service.** If the Participant Separates from Service with the Employer, the Plan will pay the vested balance of the Participant's Account(s) as elected by the Participant pursuant to Section 3.5(b)(i) hereof. Amounts shall be paid in accordance with Section 3.5(b)(i), with payment or payments being made or commencing within ninety (90) days following the Separation from Service event. Notwithstanding the foregoing, if and when the Employer becomes a corporation whose stock is publically traded on an established securities market or otherwise, any Participant who is a "Specified Employee" (as defined in Treasury regulation §1.409A-1(i)) as of the date of his or her Separation from Service, then the payment of such Accounts shall not commence in the case of installments or be paid in the case of a lump sum payment until six (6) months and one (1) day following the date of the Participant's Separation from Service. In the event that the Participant elected installments, then on the day that is six (6) months and one (1) day following his or her Separation from Service, such Participant will be entitled to a lump sum payment of the installments that would have been made during the six (6) months and one (1) day deferral period and the remainder of such installment payments will be made pursuant to their terms for the remainder of the installment period.

(b) **Payment Following Death.** If the Plan Sponsor designates in the Adoption Agreement that payments are permitted under the Plan when a Participant dies while in service, the Employer shall pay a benefit to the Participant's designated Beneficiary, equal to the vested balance of the Participant's Account(s). Payment or payments following a Participant's death will be made or commence within ninety (90) days following the valid proof of the Participant's death. Notwithstanding the foregoing, if death occurs after installment payments have commenced under any Permissible Payment Event, the remaining vested balance of the Participant's Account(s) will be paid under the payment option, as stated in the Adoption Agreement.

(c) **Payment Following Disability.** If the Plan Sponsor designates in the Adoption Agreement that payments are permitted under the Plan when a Participant becomes Disabled and the Participant becomes Disabled while in service, the Employer shall pay a disability benefit to the Participant, equal to the vested balance of the Participant's Account(s). Payment shall be made or commence to be paid within ninety (90) days following the determination of Disability.

(d) **Payment Following Change in Control.** If the Plan Sponsor designates in the Adoption Agreement that payments are permitted under the Plan upon the occurrence of a Change in Control event, the Employer shall pay a Change in Control benefit to the Participant, equal to the vested balance of the Participant's Account(s). Payment shall be made or commence to be paid within ninety (90) days following the Change in Control event date.

(e) **Withdrawal due to an Unforeseeable Emergency.** If the Plan Sponsor designates in the Adoption Agreement that payments are permitted under the Plan upon the occurrence of an Unforeseeable Emergency, a Participant shall have the right to request, on a form provided by the Plan Administrator, a payment of all or a portion of his or her vested Account(s) in a lump sum. The Plan Administrator shall have the sole discretion to determine, in accordance with the standards under Section 409A, whether to grant such a request and the amount to be paid pursuant to such request.

(i) **Determination of Unforeseeable Emergency.** Whether a Participant is faced with an unforeseeable emergency permitting a payment is to be determined based on the relevant facts and circumstances of each case, but, in any case, a payment on account of an Unforeseeable Emergency may not be made to the extent that such emergency is or may be relieved through reimbursement or compensation from insurance or otherwise, by liquidation of the Participant's assets, to the extent the liquidation of such assets would not cause severe financial hardship, or by cessation of deferrals under the Plan. Payments because of an Unforeseeable Emergency must be limited to the amount reasonably necessary to satisfy the emergency need (which may include amounts necessary to pay any Federal, state, local, or foreign income taxes or penalties reasonably anticipated to result from the payment).

(ii) **Payment of Account.** Payment shall be made within thirty (30) days following the determination by the Plan Administrator that a withdrawal will be permitted under this Section 7.2(e).

(f) **Payment at a Specified Time.** If the Plan Sponsor designates in the Adoption Agreement that payments are permitted at a Specified Time, with respect to an established Scheduled Withdrawal Account(s) by the Participant, a Participant shall be paid the balance of the Account within sixty (60) days of the scheduled distribution date designated by the Participant pursuant to Section 3.5(a) (ii) hereof.

7.3 **Accelerations.** Except as specifically permitted herein or in other sections of this Plan, no acceleration of the time or schedule of any payment may be made hereunder. Notwithstanding the foregoing, payments may be accelerated hereunder by the Plan Sponsor (without any direct or indirect election on the part of any Participant), in accordance with the provisions of Treasury regulation §1.409A-3(j)(4) and any subsequent guidance issued by the United States Treasury Department. Accordingly, payments may be accelerated, in accordance with the provisions of Treasury regulation § 1.409A-3(j)(4) in the following circumstances: (i) as a result of certain domestic relations orders; (ii) in compliance with ethics agreements with the Federal Government; (iii) in compliance with ethics laws or conflicts of interest laws; (iv) in limited cashouts (but not in excess of the limit under Code Section 402(g)(1)(B)); (v) to pay employment-related taxes; or (vi) to pay any taxes that may become due at any time that the Plan fails to meet the requirements of Section 409 A (but in no case shall such payments exceed the amount to be included in income as a result of the failure to comply with the requirements of Section 409A).

7.4 **Unsecured General Creditor Status of Participant.**

(a) Payment to the Participant or any Beneficiary hereunder shall be made from assets which shall continue, for all purposes, to be part of the general, unrestricted assets of the Employer and no person shall have any interest in any such asset by virtue of any provision of this Plan. The Employer's obligation hereunder shall be an unfunded and unsecured promise to pay money in the future. To the extent that any person acquires a right to receive payments from the Employer under the provisions hereof, such right shall be no greater than the right of any unsecured general creditor of the Employer and no such person shall have or acquire any legal or equitable right, interest, or claim in or to any property or assets of the Employer.

(b) In the event that the Employer purchases an insurance policy or policies insuring the life of a Participant or employee, to allow the Employer to recover or meet the cost of providing benefits, in whole or in part, hereunder, no Participant or Beneficiary shall have any rights whatsoever in said policy or the proceeds therefrom. The Employer or the Trustee of the Trust (if any) shall be the primary owner and beneficiary of any such insurance policy or property and shall possess and may exercise all incidents of ownership therein. No insurance policy with regard to any director, "highly compensated employee", or "highly compensated individual" as defined in IRS Section 101(j) shall be acquired before satisfying the Section 101(j) "Notice and Consent" requirements.

(c) In the event that the Employer purchases an insurance policy or policies on the life of a Participant as provided for above, then all of such policies shall be subject to the claims of the creditors of the Employer.

(d) If the Employer chooses to obtain insurance on the life of a Participant in connection with its obligations under this Plan, the Participant hereby agrees to take such physical examinations and to truthfully and completely supply such information as may be required by the Employer or the insurance company designated by the Employer.

7.5 **Facility of Payment.** If a distribution is to be made to a minor, or to a person who is otherwise incompetent, then the Plan Administrator may make such distribution: (i) to the legal guardian, or if none, to a parent of a minor payee with whom the payee maintains his or her residence; or (ii) to the conservator or administrator or, if none, to the person having custody of an incompetent payee. Any such distribution shall fully discharge the Employer and the Plan Administrator from further liability on account thereof.

7.6 **Discharge of Obligations.** The payment to a Participant or his or her Beneficiary of an Account in a single lump sum or the number of installments elected by the Participant pursuant to this Article 7 shall discharge all obligations of the Employer to such Participant or Beneficiary under the Plan with respect to that Account.

7.7 **Excise Tax Limitation.** In the event that any Payment or benefit (within the meaning of Code §280G(b)(2) of the Code) to the Participant or for the Participant's benefit paid or payable or distributed or distributable (including, but not limited to, the acceleration of the time for the vesting or Payment of such benefit or Payment) pursuant to the terms of this Plan or otherwise in connection with, or arising out of, the Participant's employment with the Employer or a Change in Control within the meaning of Code §280G of the Code (a "Payment" or "Payments"), would be subject to the excise tax imposed by Code §4999 of the Code (the "Excise Tax"), then the Payments shall be reduced (but not below zero) but only to the extent necessary so that no portion thereof shall be subject to the excise tax imposed by Code § 4999 (the "Section 4999 Limit"). Unless the Participant shall have given prior written notice specifying a different order to the Employer to effectuate the limitations described in the preceding sentence, the Employer shall reduce or eliminate the Payments by first reducing or eliminating those Payments or benefits which are not payable in cash and then by reducing or eliminating cash Payments, in each case in reverse order beginning with Payments or benefits which are to be paid the farthest in time. Any notice given by the Participant pursuant to the preceding sentence shall take precedence over the provisions of any other plan, arrangement, or agreement governing the Participant's rights and entitlements to any benefits or compensation.

7.8 **Delay in Payment.**

(a) A payment may be delayed to a date after the designated payment date under any of the circumstances described below, and the provision will not fail to meet the requirements of establishing a Permissible Payment Event, in accordance with Treasury regulation § 1.409A-2(b)(7). The delay in the payment will not constitute a subsequent deferral election, so long as the Employer treats all payments to similarly situated Participants on a reasonably consistent basis:

(i) **Payments subject to Section 162(m).** A payment may be delayed to the extent that the Employer reasonably anticipates that if the payment were made as scheduled, the Employer's deduction with respect to such payment would not be permitted due to the application of Code §162(m). If a payment is delayed, such payment must be made either:

(1) during the Participant's first Taxable Year in which the Employer reasonably anticipates, or should reasonably anticipate, that if the payment is made during such year, the deduction of such payment will not be barred by application of Code §162(m) or,

(2) during the period beginning with the date of the Participant's Separation from Service and ending on the later of the last day of the Taxable Year of the Employer in which the Participant separates from service or the fifteenth (15th) day of the third (3rd) month following the Participant's Separation from Service. Where any scheduled payment to a specific Participant in an Employer's taxable year is delayed in accordance with this Section, the delay in payment will be treated as a subsequent deferral election unless all scheduled payments to that Participant that could be delayed

in accordance with this Section are also delayed. Where a payment is delayed to a date on or after the Participant's Separation from Service, the payment will be considered a payment made on account of a Separation from Service for purposes of the rules under Treasury regulation §1.409A-3(i)(2) (regarding payments to Specified Employees upon a Separation from Service) and, in the case of a "Specified Employee" (as defined in Treasury regulation §1.409 A -1(i)), the date that is six (6) months and one (1) day after the Participant's Separation from Service will be substituted for any reference to the Participant's Separation from Service in the first sentence of this paragraph.

(ii) **Payments that would violate Federal securities laws or other applicable law.** A payment may be delayed where the Employer reasonably anticipates that making the payment will violate Federal securities laws or other applicable law provided that the payment is made at the earliest date at which the Employer reasonably anticipates that the making of the payment will not cause such violation. Making of a payment that would cause inclusion in gross income or the application of any penalty provision or other provision of the Code is not treated as a violation of applicable law.

(i) **Other events and conditions.** An Employer may delay a payment upon such other events and conditions as the Commissioner of the IRS may prescribe.

(iv) **Continued Validity of the Employer.** Notwithstanding the above, a payment may be delayed where the payment would jeopardize the ability of the Employer to continue as a going concern, as provided in Treasury regulation §1.409A-3(d).

(b) **Treatment of Payment as Made on Designated Payment Date.** Each payment under this Plan is deemed made on the required payment date even if the payment is made after such date, provided the payment is made by the latest of: (i) the end of the calendar year in which the payment is due; (ii) the fifteenth (15th) day of the third (3rd) calendar month following the payment due date; (iii) in the case that the Employer cannot calculate the payment amount on account of administrative impracticality which is beyond the Participant's control (or the control of the Participant's estate), in the first calendar year in which payment is practicable; (iv) in the case that the Employer does not have sufficient funds to make the payment without jeopardizing the Employer's solvency, in the first calendar year in which the Employer's funds are sufficient to make the payment.

ARTICLE 8

Beneficiary Designation

8.1 Designation of Beneficiaries.

(a) Each Participant may designate any person or persons (who may be named contingently or successively) to receive any benefits payable under the Plan upon the Participant's death, and the designation may be changed from time to time by the Participant by filing a new designation. Each designation will revoke all prior designations by the same Participant, shall be in the form prescribed by the Plan Administrator, and shall be effective only when filed with the Plan Administrator during the Participant's lifetime.

(b) In the absence of a valid Beneficiary designation, or if, at the time any benefit payment is due to a Beneficiary, there is no living Beneficiary validly named by the Participant, the Employer shall pay the benefit payment to the Participant's spouse, if then living, and if the spouse is not then living to the Participant's then living descendants, if any, *per stirpes*, and if there are no living descendants, to the Participant's estate. In determining the existence or identity of anyone entitled to a benefit payment, the Employer may rely conclusively upon information supplied by the Participant's personal representative, executor, or administrator.

(c) If a question arises as to the existence or identity of anyone entitled to receive a death benefit payment under the Plan, or if a dispute arises with respect to any death benefit payment under the Plan, the Employer may distribute the payment to the Participant's estate without liability for any tax or other consequences, or may take any other action which the Employer deems to be appropriate.

8.2 **Information to be Furnished by Participants and Beneficiaries; Inability to Locate Participants or Beneficiaries.** Any communication, statement or notice addressed to a Participant or to a Beneficiary at his or her last post office address as shown on the Employer's records shall be binding on the Participant or Beneficiary for all purposes of the Plan. The Employer shall not be obliged to search for any Participant or Beneficiary beyond the sending of a registered letter to such last known address.

ARTICLE 9 **Plan Amendment**

9.1 **Right to Amend.** Subject to Section 409A, the Plan Sponsor, by action of its board of directors or similar governing body, shall have the right to amend the Plan, at any time and with respect to any provisions hereof, and all parties hereto or claiming any interest hereunder shall be bound by such amendment; provided, however, that no such amendment shall deprive a Participant or a Beneficiary of a benefit amount accrued hereunder prior to the date of the amendment. Any such amendment is binding on all Adopting Employers

9.2 **Amendment to Insure Proper Characterization of the Plan.** Notwithstanding the provisions of Section 9.1, the Plan may be amended by the Plan Sponsor at any time, retroactively if required, if found necessary, in the opinion of the Plan Sponsor, in order to ensure that the Plan is characterized as "top-hat" plan of deferred compensation maintained for a select group of management or highly compensated employees as described under ERISA sections 201(2), 301(a)(3), and 401(a)(1), to conform the Plan to the provisions of Section 409A and to conform the Plan to the requirements of any other applicable law (including ERISA and the Code). No such amendment shall be considered prejudicial to any interest of a Participant or a Beneficiary hereunder.

ARTICLE 10 **Plan Termination**

10.1 **Employer's Right to Suspend or Terminate Plan.** Although each Employer anticipates that it will continue the Plan for an indefinite period of time, there is no guarantee it will do so. Each Employer reserves the right to suspend the operation of the Plan or to terminate the Plan at any time in the future as provided for in Sections 10.2 and 10.3.

10.2 **Suspension of Deferrals and Employer Contributions.** In the event of a suspension of the Plan, the Employer shall continue all aspects of the Plan other than contributions to the Plan. During the period of suspension, payments hereunder will continue to be made in accordance with Article 7.

10.3 **Plan Termination.** Upon the termination of the Plan with respect to any Employer, the participation of the affected Participants shall terminate. However, after the Plan termination the Account balances of such Participants shall continue to be credited with Participant Deferral Amounts attributable to a Deferral Election that was in effect prior to the Plan termination to the extent deemed necessary to comply with Section 409A, and any Earnings pursuant to Article 4. Following a Plan termination, Participant Account balances shall remain in the Plan and shall not be distributed until such amounts become eligible for payment in accordance with the other applicable provisions of the Plan. Notwithstanding the preceding sentence, the Employer shall have the authority, to terminate and liquidate the Plan and pay each Participant's entire Account balance to the Participant or, if applicable, his or her Beneficiary in accordance with the requirements, restrictions and limitations of Treasury regulation §1.409A-3(j)(4)(ix) as follows:

(a) **Corporate Dissolution or Bankruptcy.** This Plan may be terminated and liquidated within twelve (12) months of a corporate dissolution taxed under Code § 331, or with the approval of a bankruptcy court pursuant to 11 U.S.C. §503(b)(1)(A), and distributions may then be made to Participants provided that the amounts deferred under this Plan are included in the Participants' gross income in the latest of:

- (i) The calendar year in which the Plan termination occurs;

- (ii) The calendar year in which the amount is no longer subject to a substantial risk of forfeiture; or
- (iii) The first calendar year in which the payment is administratively practicable.

(b) **Change in Control.** This Plan may be terminated within the thirty (30) days preceding or the twelve (12) months following a Change in Control (as defined in Treasury regulation §1.409A-3(i)(5)). This Plan will then be treated as terminated only if all substantially similar arrangements sponsored by the Plan Sponsor and all related employers which are treated as deferred under a single plan under Treasury regulation §1.409A-1(c)(2) are terminated and liquidated with respect to each Participant who experienced the Change in Control Event so that Participants in all such similar arrangements are required to receive all amounts of compensation deferred under the terminated arrangements within twelve (12) months of the date of termination of the arrangements.

(c) **Discretionary Termination.** The Plan Sponsor may also terminate and liquidate this Plan and make distributions provided that:

- (i) All plans sponsored by the Plan Sponsor and related employers that would be aggregated with any terminated arrangements under Treasury regulation §1.409A-1(c) are terminated;
- (ii) No payments, other than payments that would be payable under the terms of this plan if the termination had not occurred, are made within twelve (12) months of this plan termination;
- (iii) All payments are made within twenty-four (24) months of this plan termination; and
- (iv) Neither the Plan Sponsor nor any of its Affiliates adopts a new plan that would be aggregated with any terminated plan if the same Participant participated in both arrangements at any time within three (3) years following the date of termination of this Plan.
- (v) The termination does not occur proximate to a downturn in the financial health of the Plan Sponsor.

ARTICLE 11 **Administration**

11.1 **Plan Administrator Duties.** The Plan Administrator shall be responsible for the management, operation, and administration of the Plan. When making a determination or calculation, the Plan Administrator shall be entitled to rely on information furnished by any Employer, Participant, or Beneficiary. No provision of this Plan shall be construed as imposing on the Plan Administrator any fiduciary duty under ERISA or other law, or any duty similar to any fiduciary duty under ERISA or other law.

11.2 **Plan Administrator Authority.** The Plan Administrator shall enforce this Plan in accordance with its terms, shall be charged with the general administration of this Plan, and shall have all powers necessary to accomplish its purposes, including, but not by way of limitation, the following:

- (a) To select the Deemed Investment Options available from time to time;
- (b) To construe and interpret the terms and provisions of this Plan, in its sole and absolute discretion;
- (c) To compute and certify the amount and kind of benefits payable to Participants and their Beneficiaries; to determine the time and manner in which such benefits are paid; and to determine the amount of any withholding taxes to be deducted;

(d) To maintain all records that may be necessary for the administration of this Plan;

(e) To provide for the disclosure of all information and the filing or provision of all reports and statements to Participants, Beneficiaries, and governmental agencies as shall be required by law;

(f) To make and publish such rules for the regulation of this Plan and procedures for the administration of this Plan so long as no such rules or procedures are not inconsistent with the terms hereof;

(g) To administer this Plan's claims procedures;

(h) To approve Election Forms and procedures for use under this Plan; and

(i) To appoint a plan recordkeeper or any other agent, and to delegate to them such powers and duties in connection with the administration of this Plan as the Plan Administrator may from time to time prescribe.

11.3 **Binding Effect of Decision.** The decision or action of the Plan Administrator with respect to any question arising out of or in connection with the administration, interpretation, and application of this Plan and the rules and regulations promulgated hereunder shall be final and conclusive and binding upon all persons having any interest in this Plan.

11.4 **Compensation, Expenses and Indemnity.** The Plan Administrator shall serve without compensation for services rendered hereunder. The Plan Administrator is authorized at the expense of the Employer to employ such legal counsel and/or Plan recordkeeper as it may deem advisable to assist in the performance of its duties hereunder. Expense and fees in connection with the administration of this Plan shall be paid by the Employer.

11.5 **Employer Information.** To enable the Plan Administrator to perform its functions, the Plan Sponsor and or Employer shall supply full and timely information to the Plan Administrator, on all matters relating to the compensation of its Participants, the date and circumstances of the Disability, death, or Separation from Service of its Employees who are Participants, and such other pertinent information as the Plan Administrator may reasonably require.

11.6 **Periodic Statements.** Under procedures established by the Plan Administrator, a Participant shall be provided a statement of account on an annual basis (or more frequently as the Plan Administrator shall determine) with respect to such Participant's Accounts.

11.7 **Compliance with Section 409A.**

(a) It is intended that the Plan comply with the provisions of Section 409A, so as to prevent the inclusion in gross income of any amounts deferred hereunder in a taxable year that is prior to the taxable year or years in which such amounts would otherwise actually be paid or made available to Participants or Beneficiaries. This Plan shall be construed, administered, and governed in a manner that effects such intent, and the Plan Administrator shall not take any action that would be inconsistent with such intent.

(b) Although the Plan Administrator shall use its best efforts to avoid the imposition of taxation, interest and penalties under Section 409 A of the Code, the tax treatment of deferrals under this Plan is not warranted or guaranteed. Neither the Plan Sponsor, the other members of the Adopting Employers, the Board, nor the Plan Administrator (nor its designee) shall be held liable for any taxes, interest, penalties or other monetary amounts owed by any Participant, Beneficiary or other taxpayer as a result of the Plan.

(c) Any reference in this Plan to Section 409 A will also include any final regulations, or any other guidance, promulgated with respect to such Section 409A by the U.S. Department of Treasury or the Internal Revenue Service. For purposes of the Plan, the phrase "permitted by Section 409A of the Code," or words or phrases of similar import, shall mean that the event or circumstance shall only be permitted to the

extent it would not cause an amount deferred or payable under the Plan to be includible in the gross income of a Participant or Beneficiary under Section 409A(a)(I) of the Code.

ARTICLE 12 **Claims Procedures**

12.1 **Claims Procedure.** This Section is based on final regulations issued by the Department of Labor and published in the Federal Register on November 21, 2000 and codified in Section 2560.503-1 of the Department of Labor Regulations. If any provision of this Section conflicts with the requirements of those regulations, the requirements of those regulations will prevail.

(a) **Claim.** A Participant or Beneficiary who believes he or she is entitled to any Plan benefit under this Plan may file a claim with the Plan Administrator. The Plan Administrator shall review the claim itself or appoint an individual or entity to review the claim.

(b) **Claim Decision.** The Claimant shall be notified within ninety (90) days after the claim is filed (forty-five (45) days for a Disability claim), whether the claim is allowed or denied, unless the claimant receives written notice from the Plan Administrator or appointee of the Plan Administrator prior to the end of the ninety (90) day period (forty-five (45) days for a Disability claim) stating that special circumstances require an extension of the time for decision. For a claim other than for Disability, such extension is not to extend beyond the day which is one hundred eighty (180) days after the day the claim is filed as long as the Plan Administrator notifies the claimant of the circumstances requiring the extension, and the date as of which a decision is expected to be rendered. For a Disability claim, a thirty (30) day extension is permitted, with an additional thirty (30) days permitted, provided that the Plan Administrator notifies the claimant prior to expiration of the first thirty (30) day extension, of the circumstances requiring the extension, and the date as of which a decision is expected to be rendered. If the Plan Administrator denies the claim, it must provide to the Claimant, in writing or by electronic communication:

- (i) The specific reasons for such denial;
- (ii) Specific reference to pertinent provisions of this Plan on which such denial is based;
- (iii) A description of any additional material or information necessary for the Claimant to perfect his or her claim, by providing such material to the Plan Administrator within forty-five (45) days, and an explanation why such material or such information is necessary; and
- (iv) A description of the Plan's appeal procedures and the time limits applicable to such procedures, including a statement of the Claimant's right to bring civil action under Section 502(a) of ERISA following a denial of the appeal of the denial of the benefits claim.

(c) **Review Procedures.** A request for review of a denied claim must be made in writing to the Plan Administrator within sixty (60) days after receiving notice of denial. The decision upon review will be made within sixty (60) days (forty-five (45) days for a Disability claim) after the Plan Administrator's receipt of a request for review. If the Plan Administrator determines that an extension of time for processing is required, written notice of the extension shall be furnished to the claimant (which will include the expected date of rendering a decision) prior to the termination of the initial period, but in no event will the extension exceed sixty (60) days (forty-five (45) days for a Disability claim). The reviewer shall afford the Claimant an opportunity to review and receive, without charge, all relevant documents, information, and records and to submit issues and comments in writing to the Plan Administrator. The reviewer shall take into account all comments, documents, records, and other information submitted by the Claimant relating to the claim regardless of whether the information was submitted or considered in the benefit determination. Upon completion of its review of an adverse initial claim determination, the Plan Sponsor will give the Claimant, in writing or by electronic notification, a notice containing:

- (i) Its decision;
- (ii) The specific reasons for the decision;
- (iii) The relevant Plan provisions on which its decision is based;
- (ii) A statement that the Claimant is entitled to receive, upon request and without charge, reasonable access to, and copies of, all documents, records and other information in the Plan's files which is relevant to the Claimant's claim for benefit;
- (v) A statement describing the Claimant's right to bring an action for judicial review under ERISA Section 502(a);
and
- (vi) If an internal rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination on review, a statement that a copy of the rule, guideline, protocol, or other similar criterion will be provided without charge to the Claimant upon request.

(d) **Calculation of Time Periods.** For purposes of the time periods specified in this Section 12.1, the period of time during which a benefit determination is required to be made begins at the time a claim is filed in accordance with this Plan's procedures without regard to whether all the information necessary to make a decision accompanies the claim. If a period of time is extended due to a Claimant's failure to submit all information necessary, the period for making the determination shall be tolled from the date the notification is sent to the Claimant until the date the Claimant responds.

(e) **Failure of Plan to Follow Procedures.** If the Plan Administrator fails to follow the claims procedure required by this Section 12.1, a Claimant shall be deemed to have exhausted the administrative remedies available under this Plan and shall be entitled to pursue any available remedy under Section 502(a) of ERISA on the basis that this Plan has failed to provide a reasonable claims procedure that would yield a decision on the merits of the claim.

(f) **Failure of Claimant to Follow Procedures.** A Claimant's compliance with the foregoing provisions of this Section is a mandatory prerequisite to the Claimant's right to commence any legal action with respect to any claim for benefits under the Plan.

12.2 **Arbitration of Claims.** All claims or controversies arising out of or in connection with this Plan, other than Disability claims, shall, subject to the initial review provided for in the foregoing provisions of this Article, shall be resolved through arbitration. Except as otherwise mutually agreed to by the parties, any arbitration shall be administered under and by the Judicial Arbitration & Mediation Services, Inc. ("JAMS"), in accordance with the JAMS procedures then in effect. The arbitration shall be held in the JAMS office nearest to where the Claimant is or was last employed by the Employer or at a mutually agreeable location. The prevailing party in the arbitration shall have the right to recover its reasonable attorney's fees, disbursements, and costs of the arbitration (including enforcement of the arbitration decision), subject to any contrary determination by the arbitrator.

ARTICLE 13

The Trust

13.1 **Establishment of Trust.** The Plan Sponsor may establish a grantor trust (the "Trust"), of which the Plan Sponsor is the grantor, within the meaning of subpart E, part I, subchapter J, subtitle A of the Code, to pay benefits under this Plan. To the extent such benefits are not paid from the Trust, the benefits shall be paid from the general assets of the Plan Sponsor. The Trust (if any) shall be a grantor trust similar to the model trust as described in IRS Revenue Procedure 92-64, I.R.B. 1992-33, as same may be amended or modified from time to time. If the Plan Sponsor establishes a Trust, the assets of the Trust will be subject to the claims of the Plan Sponsor's creditors in the event of its insolvency. Except as may otherwise be provided under the Trust, the Plan Sponsor shall not be obligated to set aside, earmark, or escrow any funds or other assets to satisfy its obligations under this Plan, and the Participant and/

or his or her designated Beneficiaries shall not have any property interest in any specific assets of the Plan Sponsor other than the unsecured right to receive payments from the Plan Sponsor, as provided in this Plan.

13.2 **Interrelationship of the Plan and the Trust.** The provisions of this Plan shall govern the rights of a Participant to receive distributions pursuant to this Plan. The provisions of the Trust (if established) shall govern the rights of the Participant and the creditors of the Plan Sponsor to the assets transferred to the Trust. The Plan Sponsor and each Participant shall at all times remain liable to carry out its obligations under this Plan. The Plan Sponsor's obligations under this Plan may be satisfied with Trust assets distributed pursuant to the terms of the Trust.

13.3 **Contribution to the Trust.** Amounts may be contributed by the Plan Sponsor to the Trust at the sole discretion of the Plan Sponsor.

ARTICLE 14 **Miscellaneous**

14.1 **Validity.** In case any provision of this Plan shall be illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts hereof, but this Plan shall be construed and enforced as if such illegal or invalid provision had never been inserted herein.

14.2 **Nonassignability.** Neither any Participant nor any other person shall have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage, or otherwise encumber, transfer, hypothecate, alienate, or convey in advance of actual receipt, the amounts, if any, payable hereunder, or any part hereof, which are, and all rights to which are expressly declared to be, unassignable and nontransferable. No part of the amounts payable shall, prior to actual payment, be subject to seizure, attachment, garnishment (except to the extent the Employer may be required to garnish amounts from payments due under this Plan pursuant to applicable law), or sequestration for the payment of any debts, judgments, alimony, or separate maintenance owed by a Participant or any other person, be transferable by operation of law in the event of a Participant's or any other person's bankruptcy or insolvency, or be transferable to a spouse as a result of a property settlement or otherwise. If any Participant, Beneficiary, or successor in interest is adjudicated bankrupt or purports to commute, sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber transfer, hypothecate, alienate, or convey in advance of actual receipt, the amount, if any, payable hereunder, or any part thereof, the Plan Administrator, in its discretion, may cancel such distribution or payment (or any part thereof) to or for the benefit of such Participant, Beneficiary, or successor in interest in such manner as the Plan Administrator shall direct.

14.3 **Not a Contract of Employment.** The terms and conditions of this Plan shall not be deemed to constitute a contract of employment between the Employer and the Participant. Nothing in this Plan shall be deemed to give a Participant the right to be retained in the service of the Employer as an Employee or otherwise or to interfere with the right of the Employer to discipline or discharge the Participant at any time. The Participant confirms his/her understanding that Participant's employment with Employer is and shall continue to be on an 'At-Will' basis, such that Participant is free to resign at any time and that Employer is free to terminate or modify Participant's employment relationship at any time (including the right to demote, to reduce compensation and other benefits and to transfer Participant), with or without cause (as defined in this Supplemental Retirement Plan as well as any other cause) or advance notice.

14.4 **Unclaimed Benefits.** In the case of a benefit payable on behalf of such Participant, if the Plan Administrator is unable to locate the Participant or Beneficiary to whom such benefit is payable, such Plan benefit may be forfeited to the Plan Sponsor upon the Plan Administrator's determination. Notwithstanding the foregoing, if, subsequent to any such forfeiture, the Participant or Beneficiary to whom such Plan benefit is payable makes a valid claim for such Plan benefit, such forfeited Plan benefit shall be paid by the Plan Administrator to the Participant or Beneficiary, without interest, from the date it would have otherwise been paid.

14.5 **Governing Law.** To the extent, if any, not governed by ERISA, the provisions of this Plan shall be construed and interpreted according to the internal laws of the State indicated in the Adoption Agreement, without regard to its conflicts of laws principles.

14.6 **Notice.** Any notice, consent, or demand required or permitted to be given under the provisions of this Plan shall be in writing and shall be signed by the party giving or making the same. If such notice, consent, or demand is mailed, it shall be sent by United States certified mail, postage prepaid, addressed to the addressee's last known address as shown on the records of the Employer. The date of such mailing shall be deemed the date of notice consent, or demand. Any person may change the address to which notice is to be sent by giving notice of the change of address in the manner aforesaid.

14.7 **Coordination with Other Benefits.** The benefits provided for a Participant or a Participant's Beneficiary under this Plan are in addition to any other benefits available to such Participant under any other plan or program for employees of the Plan Sponsor. This Plan shall supplement and shall not supersede, modify, or amend any other such plan or program except as may otherwise be expressly provided herein.

14.8 **Aggregation of Employers.** If the Employer is a member of a controlled group of corporations or a group of trades or businesses under common control (as described in Code sections 414(b) or (c)), but substituting a fifty percent (50%) ownership level for the eighty percent (80%) level set forth in those Code sections), all members of the group shall be treated as a single employer for purposes of determining whether there has occurred a Separation from Service and for any other purposes under the Plan as Code section 409A shall require. For purposes of Section 10.3(b), in the case of a Change in Control event, the entities to be treated as a single Employer shall be determined immediately following the Change in Control event.

14.9 **Aggregation of Plan.** If the Employer offers other account balance deferred compensation plans in addition to this Plan, those plans together with this Plan shall be treated as a single plan to the extent required under Section 409A for purposes of determining whether an Eligible Employee may make a deferral election pursuant to Section 3.2 and 3.3 within thirty (30) days of the Eligible Employee's Eligibility Date and for any other purposes under the Plan as Section 409A shall require.

14.10 **USERRA.** Notwithstanding anything herein to the contrary, any deferral or distribution election provided to a Participant as necessary to satisfy the requirements of the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended, shall be permissible hereunder.

SEE ADOPTION AGREEMENT ATTACHED HERETO

**WM BOLTHOUSE FARMS, INC.
"DEFERRED COMPENSATION PLAN"
ADOPTION AGREEMENT**

THIS ADOPTION AGREEMENT is made and effective as of the 1st day of August, 2010, by Wm. Bolthouse Farms, Inc., a corporation organized and existing under the laws of the State of California, hereinafter referred to as the "Plan Sponsor".

WHEREAS, the undersigned, by execution of this Adoption Agreement, hereby establishes this Deferred Compensation Plan (the "Plan") consisting of the Master Plan Document, this Adoption Agreement, Election Forms, and all other documents to which they refer; and

WHEREAS, the Plan Sponsor desires to adopt the Plan as an unfunded nonqualified deferred compensation plan; and

WHEREAS, as of the Effective Date of the Plan, the Plan Sponsor identifies the following "Adopting Employer(s)" to also be a party to this Plan;

<u>Name of Adopting Employer</u>	<u>Address</u>
_____	_____
_____	_____

NOW, THEREFORE, the Plan Sponsor and Adopting Employer(s) hereby adopt the Plan in accordance with the Master Plan Document and the terms and conditions set forth in this Adoption Agreement.

(All capitalized terms in this Adoption Agreement shall have the same meaning given in the Master Plan Document, unless some other meaning is expressly herein set forth. By the execution of this Adoption Agreement, the Plan Sponsor hereby represents and warrants that the Plan has been adopted upon proper authorization of this Adoption Agreement and agrees to be bound by the terms of the Plan. This Adoption Agreement may only be used in connection with this Plan. The Plan Sponsor hereby makes the following elections for the purpose of this Plan.)

1. Permissible Payment Events: The Plan will provide payment of benefits upon a Participant's Separation from Service and the following Permissible Payment Events.

- Payment following death.**
- Payment following Disability.**
- Payment at a Specified Time.**
- Payment following a Change in Control.**
- Payment in the event of an Unforeseeable Emergency.**

2. The definition of Change in Control shall include:

- All Change in Control Events identified under Section 409A**
- Limited to the Following Change in Control Events identified under Section 409A:**

- Change in Ownership; and/or
 - Change in Effective Control; and/or
 - Change in the Ownership of a Substantial Portion of the Corporate Assets.
-

3. Participant Elective Deferrals:

Participant Elective Deferrals are not allowed under the Plan.

Elective Deferrals Permitted from the Following Sources:

- Base Salary
 - Bonus
 - Sales Commissions
 - Director Fees
 - Other (*specify*): _____
-

4. Scheduled Withdrawal Accounts: The Plan will allow a Participant to establish up to a maximum of (5) Scheduled Withdrawal Accounts.

5. Employer Matching Contributions:

Employer Matching Contributions are not allowed under the Plan.

Employer Matching Contributions will be made in the following manner:

 % of Participant Deferral Amount for a given year.

 % of Participant Base Salary deferred for a given year.

 % of Participant Bonus deferred for a given year.

An amount determined each year by the Employer (including zero).

6. Employer Discretionary Contributions:

Employer Discretionary Contributions are not allowed under the Plan.

Discretionary Amount. An amount determined each year by the Employer, including zero.

7. Earnings on Account(s):

Earnings Based on Deemed Investment Options:

Participant Direction. As a result of the Participant's selection of Deemed Investment Options for his or her Account(s).

- Plan Sponsor Direction.** As a result of the Plan Administrator's selection of Deemed Investment Options for the Account(s).
- Earnings Based upon a Declared Interest Rate/Index:**
 - Discretionary Interest.** Interest Rate declared by the Employer, from time to time, compounded daily on all Account(s).
 - Index.** (Please describe): _____
 - Fixed Interest.** An effective annual interest rate of ___ % compounded daily on all Account(s).

8. Form of Payments: The Plan will make periodic payments based on selections specified in the following table.

< ----- DURATION OF PAYMENTS ----- > < -- MODE OF PAYMENTS-- >

Permissible Payment Event	Fixed # of OR Years Payable Years Payable	M	Q	S	A
Separation from Service [or (a) and (b) below]	() 1 to ()	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(a) Separation from Service on or after Age (65)	() 1 to (10)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
(b) Separation from Service before Age (65)	(1) 1 to ()	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
Death	() 1 to (10)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
Disability	() 1 to (10)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
Change in Control	() 1 to (10)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X

Note: The form of payment for Participant Deferral Amounts allocated to Scheduled Withdrawal Accounts is stated in the Master Plan Document as a choice of lump sum or annual installments over a period of 2-5 years.

9. Treatment of Installment Payments following Death:

- Continue remaining installment payments (if any) to named Beneficiaries.
- Commute remaining installment payments (if any) and pay Beneficiaries a lump sum.

10. Installment Payments. In the event the Plan allows for installment payments (for purposes of applying Subsequent Deferral Election rules pursuant to Section 3.6 of the Master Plan Document), such installment payments will be treated as:

- A Single Payment.
- A Series of Separate Payments.

11. Lump Sum Payment of Minimum Account Balance. If benefit payments are in the form of installments they shall be paid instead in a lump sum **if** the Participant's vested Account balance at the time of the first installment is below (\$500,000.00). For purposes of this provision, the minimum Account balance shall not be applied in the event of payment at a Specified Time (i.e., payment of a Scheduled Withdrawal Account).

IN WITNESS WHEREOF, the Plan Sponsor agrees to the provisions of this Plan, and has executed this Adoption Agreement on the date first written above.

WITNESS

For: WM. BOLTHOUSE FARMS, INC.

/s/ Debbie Borland

/s/ Lyndon D. Richardson

(Signature)

(Signature)

Debbie Borland

Lyndon D. Richardson

(Print Name)

(Print Name)

Treasurer

(Title)

**CERTIFICATION PURSUANT
TO RULE 13a-14(a)**

I, Denise M. Morrison, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Campbell Soup Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 11, 2015

By: /s/ Denise M. Morrison

Name: Denise M. Morrison

Title: President and Chief Executive Officer

**CERTIFICATION PURSUANT
TO RULE 13a-14(a)**

I, Anthony P. DiSilvestro, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Campbell Soup Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 11, 2015

By: /s/ Anthony P. DiSilvestro

Name: Anthony P. DiSilvestro

Title: Senior Vice President — Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350**

In connection with the Quarterly Report of Campbell Soup Company (the "Company") on Form 10-Q for the fiscal quarter ended February 1, 2015 (the "Report"), I, Denise M. Morrison, President and Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 11, 2015

By: /s/ Denise M. Morrison
Name: Denise M. Morrison
Title: President and Chief Executive Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350**

In connection with the Quarterly Report of Campbell Soup Company (the "Company") on Form 10-Q for the fiscal quarter ended February 1, 2015 (the "Report"), I, Anthony P. DiSilvestro, Senior Vice President — Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 11, 2015

By: /s/ Anthony P. DiSilvestro

Name: Anthony P. DiSilvestro

Title: Senior Vice President — Chief Financial Officer