Oreo Maker Gave CEO Sweet Pay Hike In 2012

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NEW YORK (AP) — Mondelez International gave CEO Irene Rosenfeld a pay package worth $22 million last year, as the maker of Oreo cookies and other sweet snacks split from Kraft Foods and began operating as an independent company.

The compensation represents a 40 percent increase from Rosenfeld's pay in 2011, according to an AP analysis of a filing with the Securities and Exchange Commission. The pay bump was primarily the result of a $10 million special stock grant the company gave Rosenfeld for her restructuring work since signing on as CEO in 2006.

Mondelez, based in Deerfield, Ill., also makes Cadbury chocolates, Ritz crackers and Tang drinks.

After rising through the ranks at Kraft Foods for more than two decades, Rosenfeld left the company for a brief stint as the head of Frito-Lay in 2004. She returned to Kraft as CEO in 2006 and set to work on transforming the company. In 2010, she oversaw the acquisition of the British candy maker Cadbury, a deal that was questioned by shareholders including Warren Buffett but that gave the company greater reach into international markets. The move set the stage for what came next: the spinoff of the company's North American grocery unit, which has brands such as Oscar Mayer and Jell-O. Mondelez and Rosenfeld took international snack brands that were seen as more promising for growth.

But in its first quarters, Mondelez International Inc.'s revenue growth has fallen short of its own projections in part because of what Rosenfeld characterized as "short-term executional missteps." In the SEC filing, Mondelez noted that the 59-year-old executive's special stock grant was partly intended to encourage her to continue to "lead the company in the future."

For 2012, Rosenfeld's base salary was roughly even from the previous year at $1.6 million. Her stock awards doubled to $15.5 million and her option awards rose to $2.5 million, from $1.9 million in 2011.

Her annual incentive bonus, which is based on the company's financial performance, was cut in half to $2.1 million. All other compensation came to $419,721 and covered costs for use of a company plan, car expenses and contributions to retirement plans.

The Associated Press formula for executive compensation takes into account salary, bonuses, perks, above-market interest the company pays on deferred compensation and the estimated value of stock and stock options awarded during the year. The AP formula does not count changes in the present value of pension benefits, which makes the AP total slightly different in most cases from the total reported by

companies to the SEC.

The value that a company assigned to an executive's stock and option awards for 2012 was the present value of what the company expected the awards to be worth to the executive over time.

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