

TreeHouse Foods, Inc.  
Form PRE 14A  
March 06, 2009

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 14A**

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

**TREEHOUSE FOODS, INC.**

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

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

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

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

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

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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PRELIMINARY FORM  
OF PROXY STATEMENT

**TREEHOUSE FOODS, INC.  
TWO WESTBROOK CORPORATE CENTER  
TOWER TWO, SUITE 1070  
WESTCHESTER, ILLINOIS 60154**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
ON APRIL 30, 2009**

You are cordially invited to attend the Annual Meeting of Stockholders of TreeHouse Foods, Inc. ( TreeHouse or the Company ) that will be held at Two Westbrook Corporate Center, First Floor, Conference Center (Link Two/Five), Westchester, Illinois 60154, on Thursday, April 30, 2009, at 9:00 a.m., local time.

For the first time, we are pleased to take advantage of the Securities and Exchange Commission rule allowing companies to furnish proxy materials to their stockholders over the Internet. We believe that this e-proxy process expedites stockholders receipt of proxy materials, while also lowering the costs and reducing the environmental impact of our annual meeting. On March 18, 2009, we mailed to our stockholders who had not already requested paper material, a Notice containing instructions on how to access our 2009 proxy statement and annual report and vote online. All stockholders who have elected to continue to receive paper material will receive a copy of the proxy statement and annual report by mail. The proxy statement contains instructions on how you can (i) receive a paper copy of the proxy statement and annual report, if you only received a Notice by mail, or (ii) elect to receive your proxy statement and annual report over the Internet, if you received them by mail this year.

At the annual meeting you will be asked to vote on the following matters:

1. To elect two directors to hold office until the 2012 Annual Meeting of Stockholders;
2. To ratify the selection of Deloitte & Touche LLP as our independent registered public accounting firm for fiscal year 2009;
3. To vote on a proposal to amend Article Fourth of the Company s Restated Certificate of Incorporation to increase the number of authorized shares of common stock, \$0.01 par value, from 40,000,000 to 90,000,000; and
4. To consider any other business that may properly come before the meeting.

The matters listed above are fully discussed in the proxy statement accompanying this notice. A copy of our 2008 Annual Report is also enclosed.

The record date for the annual meeting is March 3, 2009. Only stockholders of record as of March 3, 2009 are entitled to notice of and to vote at the meeting.

Whether or not you attend the annual meeting, it is important that your shares be represented and voted at the meeting. Therefore, I urge you to promptly vote and submit your proxy by phone, via the Internet, or by completing, signing, dating, and returning the enclosed proxy card in the enclosed envelope. If you decide to attend the Annual Meeting, you will be able to vote in person, even if you have previously submitted your proxy.

Thomas E. O Neill  
*Corporate Secretary*

March 3, 2009

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**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON APRIL 30, 2009**

This communication presents only an overview of the more complete proxy materials that are available to you on the Internet. We encourage you to access and review all of the important information contained in the proxy materials before voting.

This proxy statement and our annual report are available at <http://bnymellon.mobular.net/bnymellon/ths/>. This proxy statement includes information on the following matters, among other things:

The date, time and location of the Annual Meeting;

A list of the matters being submitted to the stockholders for approval; and

Information concerning voting in person at the Annual Meeting.

If you want to receive a paper copy or e-mail of these documents, you must request one. There is no charge to you for requesting a copy. Please make your request for a copy as instructed below on or before March 18, 2009 to facilitate timely delivery.

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**TREEHOUSE FOODS, INC.  
TWO WESTBROOK CORPORATE CENTER  
TOWER TWO, SUITE 1070  
WESTCHESTER, ILLINOIS 60154**

**PROXY STATEMENT**

**SUMMARY OF THE ANNUAL MEETING**

We are furnishing this proxy statement in connection with the solicitation of proxies by the Board of Directors of TreeHouse Foods, Inc. ( TreeHouse or the Company ) for use in voting at the Annual Meeting of Stockholders (the Meeting ). The meeting will be held at our corporate headquarters at Two Westbrook Corporate Center, First Floor, Conference Center (Link Two/Five), Westchester, Illinois 60154, on Thursday, April 30, 2009, at 9:00 a.m. (Central Time). This proxy statement is being sent to stockholders on or about March 18, 2009.

The solicitation of proxies from the stockholders is being made by the Board of Directors and management of the Company. The cost of this solicitation, including the cost of preparing and making the proxy statement, the proxy card, notice of annual meeting and annual report are all being paid for by the Company.

**Who May Vote**

If you are a stockholder of record on March 3, 2009, you are entitled to vote at the Meeting. As of that date, there were 31,547,500 shares of the Company s common stock ( Common Stock ) outstanding, the only class of voting securities outstanding. You are entitled to one vote for each share of common stock you own, without cumulation, on each matter to be voted upon at the Meeting.

**How Proxies Work**

Only votes cast in person at the Meeting or received by proxy before the beginning of the Meeting will be counted at the Meeting. Giving us your proxy means you authorize us to vote your shares at the Meeting in the manner you direct. If your shares are held in your name, you can vote by proxy in three convenient ways:

*By Internet:* Go to <http://www.eproxy.com/thf> and follow the instructions.

*By Telephone:* Call toll-free 1-866-580-9477 and follow the instructions.

*By mail:* Complete, sign, date and return your proxy card in the enclosed envelope.

Telephone and Internet voting facilities for stockholders of record will be available 24 hours a day and will close at 11:59 p.m. (Central Time) on April 29, 2009.

As permitted by Securities and Exchange Commission rules, TreeHouse Foods is making this proxy statement and its annual report available to its stockholders electronically via the Internet. On March 18, 2009, we mailed our stockholders a Notice containing instructions on how to access this proxy statement and our annual report and vote online. If you received a Notice by mail, you will not receive a printed copy of the proxy materials in the mail. Instead, the Notice instructs you on how to access and review all of the important information contained in the proxy statement and annual report. The Notice also instructs you on how you may submit your proxy over the Internet. If you received a Notice by mail and would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting such materials contained in the Notice.

If your proxy is properly returned, the shares it represents will be voted at the Meeting in accordance with your instructions. If you do not give specific instructions, your shares will be voted as follows:

FOR the election of each of the two nominees for director set forth herein;

FOR the ratification of the selection of Deloitte & Touche LLP as our independent registered public accounting firm for 2009;

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FOR the increase in authorized shares of Common Stock; and

with respect to any other matter that may properly come before the Meeting, in the discretion of the persons voting the respective proxies.

The Board of Directors does not intend to bring any matters before the Meeting except those indicated in the notice. If any other matters properly come before the Meeting, however, the persons named in the enclosed proxy, or their duly constituted substitutes acting at the Meeting, will be authorized to vote or otherwise act thereon in accordance with their judgment on such matters.

### **Shares Held Through a Bank, Broker or Other Nominee**

If you are the beneficial owner of shares held in street name through a bank, broker or other nominee, such bank, broker or nominee, as the record holder of the shares, must vote those shares in accordance with your instructions. If you do not give instructions to your broker, your broker can vote your shares with respect to discretionary items but not with respect to non-discretionary items. On non-discretionary items, for which you do not give instructions, the shares will be treated as broker non-votes. A discretionary item is a proposal that is considered routine under the rules of the New York Stock Exchange. Shares held in street name may be voted by your broker on discretionary items in the absence of voting instructions given by you. The proposal concerning the election of directors (Proposal 1), the ratification of the independent registered public accounting firm (Proposal 2) and the proposal concerning the increase in authorized shares of common stock (Proposal 3) are all discretionary.

### **Quorum**

Stockholders of record may vote their proxies by telephone, internet or mail. By using your proxy to vote in one of these ways, you authorize the three officers whose names are listed on the front of the proxy card accompanying this Proxy Statement to represent you and vote your shares. Holders of a majority of the shares entitled to vote at the meeting must be present in person or represented by proxy to constitute a quorum. Of course, if you attend the meeting, you may vote by ballot. If you are not present, your shares can be voted only when represented by a properly submitted proxy. Abstentions and broker non-votes (as described below under the heading Required Vote ) are counted for purposes of determining whether a quorum is met.

### **Revoking a Proxy**

Submitting your proxy now will not prevent you from voting your shares at the meeting if you desire to do so, as your proxy is revocable at your option. You may revoke your proxy at any time before it is voted at the Meeting by:

delivering to Thomas E. O Neill, our Senior Vice President, General Counsel, Chief Administrative Officer and Corporate Secretary, a signed written revocation letter dated later than the date of your proxy;

submitting a proxy to the Company with a later date; or

attending the meeting and voting in person (your attendance at the meeting will not, by itself, revoke your proxy; you must also vote in person at the meeting).

### **Required Vote**

The election of the nominees for director will become effective only upon the affirmative vote of shares of common stock representing a plurality of the votes cast for such nominee. A plurality means that the two individuals who receive the highest number of votes will be elected as directors. The ratification of the selection of our independent registered public accounting firm, the increase in authorized shares of Common Stock and the approval of any other matter that may properly come before the Meeting will become effective only upon the affirmative vote of shares of common stock representing a majority of the votes cast for or against such proposal. We refer to the election of each nominee for director, the ratification of our independent registered public accounting firm and the proposed increase in authorized shares of Common Stock each as a Proposal. Votes cast

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as for, against or withhold are counted as a vote, while votes cast as abstentions will not be counted as a vote. So-called broker non-votes (brokers failing to vote by proxy on any non-discretionary matters shares of the common stock held in nominee name for customers) will not be counted as a vote at the Meeting.

**Majority Vote Policy**

Our Corporate Governance Guidelines utilize a majority vote policy in the election of directors. Accordingly, if a nominee receives a greater number of votes marked withhold from his or her election than votes marked for his or her election, that nominee is required to tender his or her resignation following certification of the stockholder vote. The Nominating and Corporate Governance Committee is required to make recommendations to the Board with respect to any such letter of resignation. The Board is required to take action with respect to this recommendation and to disclose its decision-making process.

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**ELECTION OF DIRECTORS PROPOSAL 1**

We have a classified Board of Directors (the Board ) consisting of three classes. At each annual meeting a class of directors is elected for a term of three years to succeed any directors whose terms are expiring.

At the Meeting, you will elect a total of two directors to hold office, subject to the provisions of the Company s Bylaws, until the annual meeting of stockholders in 2012 and until their successors are duly elected and qualified. Unless you indicate otherwise, the shares represented by your proxy will be voted FOR the election of Mr. Frank J. O Connell and Mr. Terdema L. Ussery, II, the nominees set forth below. See Summary of the Annual Meeting Required Vote beginning on page 3 in this Proxy Statement and Summary of the Annual Meeting Majority Vote Policy on page 4 in this Proxy Statement.

Messrs. O Connell and Ussery have each agreed to be nominated and to serve as a director if elected. However, if any nominee at the time of his or her election is unable or unwilling to serve, or is otherwise unavailable for election, and as a result, another nominee is designated by the Board of Directors, then you or your designate will have discretion and authority to vote or refrain from voting for such nominee.

**Proposal 1 Election of Directors**

***Election of Frank J. O Connell Continuing in office Term expiring 2012***

The Nominating and Corporate Governance Committee and the Board have recommended Mr. O Connell for nomination for re-election to the Company s Board of Directors. Certain information about Mr. O Connell is contained below.

*Frank J. O Connell* was elected as a Director on June 6, 2005. Since June 2004, Mr. O Connell has served as a senior partner of The Parthenon Group. From November 2000 to June 2002, Mr. O Connell served as President and Chief Executive Officer of Indian Motorcycle Corporation. From June 2002 to May 2004, Mr. O Connell served as Chairman of Indian Motorcycle Corporation. Indian Motorcycle Corporation was liquidated under applicable California statutory procedures in January 2005. From 1996 to 2000, Mr. O Connell served as Chairman, President and Chief Executive Officer of Gibson Greetings, Inc. From 1991 to 1995, Mr. O Connell served as President and Chief Operating Officer of Skybox International. Mr. O Connell has previously served as President of Reebok Brands, North America, President of HBO Video and Senior Vice President of Mattel s Electronics Division. Mr. O Connell holds a B.A. and an M.B.A. from Cornell University. Mr. O Connell is the Chairman of the Nominating and Corporate Governance Committee of our Board of Directors.

***Election of Terdema L. Ussery, II Continuing in office Term expiring 2012***

The Nominating and Corporate Governance Committee and the Board have recommended Mr. Ussery for nomination for re-election to the Company s Board of Directors. Certain information about Mr. Ussery is contained below.

*Terdema L. Ussery, II* was elected as a Director on June 6, 2005. Since April 1997, Mr. Ussery has served as the President and Chief Executive Officer of the Dallas Mavericks. Since September 2001, Mr. Ussery has also served as Chief Executive Officer of HDNet. From 1993 to 1996, Mr. Ussery served as the President of Nike Sports Management. From 1991 to 1993, Mr. Ussery served as Commissioner of the Continental Basketball Association (the CBA ). Prior to becoming Commissioner, Mr. Ussery served as Deputy Commissioner and General Counsel of the CBA from 1990 to 1991. From 1987 to 1990, Mr. Ussery was an attorney at Morrison & Foerster LLP. In addition to

our Board, Mr. Ussery serves on the Board of Directors of The Timberland Company, and Entrust, Inc. He also serves on the Advisory Board of Wingate Partners, LP and as Chairman of the Board of Commissioners of the Dallas Housing Authority. Mr. Ussery holds a B.A. from Princeton University, an M.P.A. from Harvard University and a J.D. from the University of California at Berkeley. Mr. Ussery is the Chairman of our Compensation Committee and he is a member of the Audit Committee of our Board of Directors.

**RECOMMENDATION:**

**THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE FOR THE ELECTION OF BOTH DIRECTOR NOMINEES TO SERVE ON THE COMPANY'S BOARD OF DIRECTORS**



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**RATIFICATION OF THE SELECTION OF INDEPENDENT REGISTERED  
PUBLIC ACCOUNTING FIRM (PROPOSAL 2)**

Deloitte & Touche LLP audited our financial statements for fiscal year 2008 and has been selected by the Audit Committee of our Board of Directors to audit our financial statements for fiscal year 2009. A representative of Deloitte & Touche LLP will attend our annual meeting, where he or she will have the opportunity to make a statement, if he or she desires, and will be available to respond to appropriate stockholder questions.

Stockholder ratification of the selection of Deloitte & Touche LLP is not required by our By-laws. However, our Board of Directors is submitting the selection of Deloitte & Touche LLP to you for ratification as a matter of good corporate practice. If our stockholders fail to ratify the selection, our Audit Committee will reconsider whether or not to retain Deloitte & Touche LLP. Even if the selection is ratified, the Audit Committee in its discretion may direct the appointment of a different independent registered public accounting firm if they determine such a change would be in the best interests of the Company and our stockholders.

For information regarding audit and other fees billed by Deloitte & Touche LLP for services rendered in fiscal years 2007 and 2008, see Fees Billed by Independent Registered Public Accounting Firm on page 32 of this Proxy Statement.

**RECOMMENDATION:**

**THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE FOR THE  
RATIFICATION OF THE SELECTION OF OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING  
FIRM**

**INCREASE IN AUTHORIZED SHARES OF COMMON STOCK (PROPOSAL 3)**

The Board of Directors believes that it is in the Company's best interest to approve a proposal to amend the Company's Restated Certificate of Incorporation to increase the number of shares of Common Stock the Company is authorized to issue from 40,000,000 to 90,000,000. As of March 3, 2009, there were 31,547,500 shares of Common Stock of the Company issued and outstanding. Taking into account the 4,708,211 shares granted but not exercised under the Equity and Incentive Plan, the Company has only approximately 3,744,289 shares of Common Stock available for issuance under its current Certificate of Incorporation. The Company believes that the amount of Common Stock available for issuance needs to be increased for general corporate purposes and as well as to avail itself of opportunities to raise capital or make acquisitions through the issuance of equity securities.

The Company has no current plans to use its shares in an exchange, merger, consolidation, acquisition or similar transaction, but approval of the amendment would permit such actions to be taken without the delays and expense associated with obtaining shareholder approval, except to the extent required by applicable state law or stock exchange listing requirements for the particular transaction. Although the availability of additional shares of Common Stock provides flexibility in carrying out corporate purposes, such availability, as well as the availability of preferred stock that the Board may issue on such terms as it selects, could make it more difficult for a third party to acquire a majority of our outstanding voting stock. Although this effect could be construed as having potential anti-takeover effects, neither the Board nor the Company's management views this proposal in that perspective. This proposal is not being submitted as a result of or in response to any known accumulation of stock or threatened takeover or attempt to obtain control of the Company by means of a business combination, tender offer, solicitation in opposition to management or otherwise by any person. In addition, the issuance of additional shares of Common Stock could lead to

the dilution of existing shareholders.

Under its Restated Certificate of Incorporation, the Company currently has authorized 10,000,000 shares of preferred stock (\$0.01 par value), none of which are currently outstanding. The Company is not proposing any change to the authorized preferred stock or any other provision of the Restated Certificate of Incorporation.

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The Board of Directors has adopted resolutions setting forth the following proposed amendment to the Certificate of Incorporation and directing that the proposed amendment be submitted to the holders of the Company's Common Stock for approval at the Meeting:

*FOURTH:* The total number of shares of all classes of stock which the Company shall have authority to issue is 100,000,000 shares, consisting of (i) 90,000,000 shares of Common \$0.01 par value per share ( Common Stock ), and (ii) 10,000,000 shares of preferred \$0.01 par value per share ( Preferred Stock ).

If adopted by the shareholders, the amendment will become effective upon filing of a certificate of amendment with the Secretary of State of Delaware.

**Vote Required**

Approval of the amendment to the Certificate of Incorporation requires the affirmative vote of a majority of the shares of the Common Stock entitled to vote on the matter. As a result, abstentions, broker non-votes or the failure to submit a proxy or vote in person at the Meeting will have the same effect as a vote against the proposal.

**RECOMMENDATION:**

**THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE FOR THE APPROVAL OF THE AMENDMENT TO ARTICLE FOURTH OF ITS CERTIFICATE OF INCORPORATION TO INCREASE THE AUTHORIZED NUMBER OF SHARES OF COMMON STOCK FROM 40,000,000 TO 90,000,000**

**CORPORATE GOVERNANCE**

**Current Board Members**

The members of the Board of Directors on the date of this proxy statement, and the committees of the Board on which they serve, are identified below. In addition to the current members set forth below, Mr. Gregg L. Engles was a member of our Board, but he retired from the Board when his term expired at the May 1, 2008 annual meeting of stockholders.

<b>Director</b>	<b>Compensation Committee</b>	<b>Audit Committee</b>	<b>Nominating and Corporate Governance Committee</b>
Sam K. Reed			
George V. Bayly		**	
Diana S. Ferguson	*		*
Frank J. O'Connell			**
Ann M. Sardini		*	*
Gary D. Smith	*		
Terdema L. Ussery, II	**	*	

\* Member

\*\* Chairman

### **Corporate Governance Guidelines**

We are committed to the highest standards of business integrity and corporate governance. All of our directors, executives and employees must act ethically and in accordance with our Code of Ethics. All of the Company's corporate governance materials, including the Corporate Governance Guidelines, committee charters and the Code of Ethics are published on the Company's website at [www.treehousefoods.com](http://www.treehousefoods.com) in the investor relations information section and are also available upon request from the Corporate Secretary. The Board regularly reviews corporate governance developments and modifies the Company's corporate governance materials as warranted. We will post any modifications of our corporate governance materials on our Company's website.

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### **Director Independence**

The New York Stock Exchange listing rules require that a majority of the Company's directors be independent. The Board determined that (i) Messrs. Bayly, O'Connell, Smith and Ussery and Ms. Sardini have no direct or indirect material relationships with management, and that they satisfy the New York Stock Exchange's independence guidelines and are independent, (ii) Ms. Ferguson has only an immaterial relationship with us and satisfies the New York Stock Exchange's independence guidelines and is independent and (iii) Mr. Reed is not independent.

In making its independence determination with respect to Ms. Ferguson, the Board considered that Ms. Ferguson was a director of Integrys Energy Corporation until March 31, 2008 whose subsidiary, Wisconsin Public Service, provides energy services to the Company. The Board noted, however, that the amount of the services provided was less than the thresholds contained in the New York Stock Exchange's independence guidelines and that such services were provided to the Company on an arms-length basis and in accordance with normal sourcing procedures for this type of service. The Board has concluded that this relationship is not material and that Ms. Ferguson is independent.

All members of our Audit, Compensation and Nominating and Corporate Governance committees are independent directors. The Board has determined that all of the members of our Audit Committee also satisfy the additional Securities and Exchange Commission independence requirement, which provides that they may not accept directly or indirectly any consulting, advisory or other compensatory fee from the Company or any of its subsidiaries other than their directors' compensation. The portion of the Corporate Governance Guidelines addressing director independence is attached to this proxy statement as *Appendix A*.

### **Nomination of Directors**

The Board, which is responsible for approving candidates for Board membership, has delegated the process of screening and recruiting potential director nominees to the Nominating and Corporate Governance Committee in consultation with the Chairman of the Board and Chief Executive Officer. The Nominating and Corporate Governance Committee seeks candidates who have a reputation for integrity, honesty and adherence to high ethical standards and who have demonstrated business acumen, experience and ability to exercise sound judgment in matters that relate to the current and long-term objectives of the Company. When the committee reviews a candidate for Board membership, the committee looks specifically at the candidate's background and qualifications in light of the needs of the Board and the Company at that time, given the then current composition of the Board.

### **Code of Ethics**

All directors, officers and employees of the Company must act ethically at all times and in accordance with the policies comprising the Company's Code of Ethics. The Company's Code of Ethics is published on the investor relations section of the Company's website at [www.treehousefoods.com](http://www.treehousefoods.com).

### **Lead Independent Director**

The Board of Directors has appointed a non-management director to serve in a lead capacity (Lead Independent Director) to coordinate the activities of the other non-management directors, and to perform such other duties and responsibilities as the Board of Directors may determine.

Currently, the Lead Independent Director is Gary D. Smith. The role of the Lead Independent Director includes:

Conducting and presiding at executive sessions of the Board.

Acting as a regular communication channel between the non-employee members of the Board and the Chief Executive Officer of the Company.

In the event of the unavailability or incapacity of the Chairman of the Board, calling and conducting special meetings of the Board.

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**Meetings of the Board of Directors**

The Board of Directors met six times during 2008. In addition, there was also one written consent approved by the Board in 2008. Each of the members of the Board participated in over 90% of the meetings of the Board of Directors and committee meetings that took place while such person was a member of the Board and the applicable Committee. Members of the Board are expected to attend each meeting, as set forth in the Company's Corporate Governance Guidelines, and substantially all of the members of the Board participated in 100% of the Board and Committee meetings during 2008. It is the Board's policy that all of our directors attend the Annual Meeting of Stockholders absent exceptional cause. All of our directors attended the Annual Meeting of Stockholders in 2008. The non-management directors of the Company meet regularly (at least quarterly) in executive session of the Board without management present. The Lead Independent Director presides over non-management sessions.

The Board of Directors has established standing Audit, Compensation, and Nominating and Corporate Governance committees. The Board of Directors determines the membership of each of these committees from time to time and, to date, only outside directors have served on these committees.

**Committee Meetings/Role of Committees**

*Audit Committee:* The Audit Committee held nine meetings during 2008. The Committee presently consists of Messrs. Bayly and Ussery and Ms. Sardini. The Audit Committee is composed entirely of independent directors (in accordance with the New York Stock Exchange listing standards and SEC rules). In addition, the Board of Directors has determined that Messrs. Bayly and Ussery and Ms. Sardini are each qualified as an audit committee financial expert within the meaning of SEC regulations and the Board has determined that each of them has accounting and related financial management expertise within the meaning of the listing standards of the New York Stock Exchange. The Committee reviews and approves the scope and cost of all services (including non-audit services) provided by the firm selected to conduct the audit. The Committee also monitors the effectiveness of the audit effort and financial reporting, and inquires into the adequacy of financial and operating controls. The report of the Audit Committee is set forth later in this proxy statement.

*Compensation Committee:* The Compensation Committee held seven meetings in 2008. In addition, there was also one written consent approved by the Committee in 2008. The Committee presently consists of Messrs. Ussery and Smith and Ms. Ferguson. The Committee is composed entirely of non-management, independent directors. The Compensation Committee reviews and approves salaries and other matters relating to compensation of the senior officers of the Company, including the administration of the TreeHouse Foods, Inc. Equity and Incentive Plan. The Compensation Committee also reviews the Company's general compensation and benefit policies and programs, administers the Company's 401(k) plan, and recommends director compensation programs to the Board of Directors. The report of the Compensation Committee is set forth later in this proxy statement.

*Nominating and Corporate Governance Committee:* The Nominating and Corporate Governance Committee held seven meetings in 2008. The Committee presently consists of Mr. O'Connell, Ms. Ferguson and Ms. Sardini. The Committee is composed entirely of non-management, independent directors. The Nominating and Corporate Governance Committee also met in February 2009 to propose the nominees whose election to the Company's Board of Directors is a subject of this proxy statement. The purposes of the Nominating and Corporate Governance Committee are (i) to identify individuals qualified to become members of the Board, (ii) to recommend to the Board the persons to be nominated for election as directors at any meeting of the stockholders, (iii) in the event of a vacancy on or increase in the size of the Board, to recommend to the Board the persons to be nominated to fill such vacancy or additional Board seat, (iv) to recommend to the Board the persons to be nominated for each committee of the Board,

(v) to develop and recommend to the Board a set of corporate governance guidelines applicable to the Company, including the Company's Code of Ethics, and (vi) to oversee the evaluation of the Board. The Nominating and Corporate Governance Committee will consider nominees who are recommended by stockholders, provided such recommendations are made in accordance with the nominating procedures set forth in the Company's By-laws. The report of the Nominating and Corporate Governance Committee is set forth later in this proxy statement.



**Table of Contents****STOCK OWNERSHIP****Holdings of Management**

The executive officers and directors of the Company own shares, and exercisable rights to acquire shares, representing an aggregate of 2,186,167 shares of Common Stock or approximately 6.9% of the outstanding shares of Common Stock (see Security Ownership of Certain Beneficial Owners and Management ). Such officers and directors have indicated an intention to vote in favor of each Proposal.

**Security Ownership of Certain Beneficial Owners and Management**

The following table sets forth, as of the close of business on February 20, 2009, certain information with respect to the beneficial ownership of common stock beneficially owned by (i) each director of the Company, (ii) the Chief Executive Officer, Chief Financial Officer of the Company and three most highly compensated executive officers of the Company other than the Chief Executive Officer (collectively, the TreeHouse Executive Officers or TEOs ), (iii) all executive officers and directors as a group and (iv) each stockholder who is known to the Company to be the beneficial owner, as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the Exchange Act ), of more than 5% of the outstanding Common Stock. Each of the persons listed below has sole voting and investment power with respect to such shares, unless otherwise indicated. The address of the Directors and Officers listed below is c/o TreeHouse Foods, Inc., Two Westbrook Corporate Center, Suite 1070, Westchester, Illinois 60154.

Name of Beneficial Owner	Common Stock Beneficially Owned	Percent of Class(1)
<i>Directors and Named Officers:</i>		
Sam K. Reed	687,054(2)	2.2%
George V. Bayly	14,731(3)	*
Gregg L. Engles	460,932(4)	1.5%
Diana S. Ferguson	1,166(5)	
Frank J. O'Connell	14,531(6)	*
Ann M. Sardini	0	
Gary D. Smith	16,531(7)	*
Terdema L. Ussery, II	14,531(8)	*
David B. Vermynen	380,255(9)	1.2%
Dennis F. Riordan	120,698(10)	*
Thomas E. O'Neill	237,869(11)	*
Harry J. Walsh	237,869(12)	*
All directors and executive officers as a group (11 persons)	2,186,167	6.9%
<i>Principal Stockholders:</i>		
Barclays Global Investors, NA	2,196,526(13)	7.0%
FMR LLC	4,726,456(14)	15.0%
Friess Associates LLC	1,637,400(15)	5.2%
Keeley Asset Management Corp.	1,785,000(16)	5.7%

Except as otherwise noted, the directors and executive officers, and all directors and executive officers as a group, have sole voting power and sole investment power over the shares listed.

- (1) An asterisk indicates that the percentage of common stock projected to be beneficially owned by the named individual does not exceed one percent of our common stock.
- (2) Includes 410,377 shares of Common Stock issued under options currently exercisable within 60 days of February 20, 2009.
- (3) Includes 14,531 shares of Common Stock issued under options currently exercisable within 60 days of February 20, 2009.

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- (4) Includes 31,321 shares of Common Stock issued under options currently exercisable within 60 days of February 20, 2009.
- (5) Includes 1,166 shares of Common Stock issued under options currently exercisable within 60 days of February 20, 2009.
- (6) Includes 14,531 shares of Common Stock issued under options currently exercisable within 60 days of February 20, 2009.
- (7) Includes 14,531 shares of Common Stock issued under options currently exercisable within 60 days of February 20, 2009.
- (8) Includes 14,531 shares of Common Stock issued under options currently exercisable within 60 days of February 20, 2009.
- (9) Includes 273,585 shares of Common Stock issued under options currently exercisable within 60 days of February 20, 2009.
- (10) Includes 115,698 shares of Common Stock issued under options currently exercisable within 60 days of February 20, 2009.
- (11) Includes 186,534 shares of Common Stock issued under options currently exercisable within 60 days of February 20, 2009.
- (12) Includes 186,534 shares of Common Stock issued under options currently exercisable within 60 days of February 20, 2009.
- (13) We have been informed pursuant to the Schedule 13G filed with the Securities and Exchange Commission on February 5, 2009 that (i) Barclays Global Investors, NA, Barclays Global Fund Advisors, Barclays Global Investors, LTD, Barclays Global Investors Japan Limited Barclays Global Investors Canada Limited, Barclays Global Investors Australia Limited, and Barclays Global Investors (Deutschland) AG may be deemed to beneficially own 2,196,526 shares of our Common Stock; (ii) Barclays Global Investors, NA has (A) sole voting power as to 682,753 shares and (B) sole dispositive power as to 803,036 shares; (iii) Barclays Global Fund Advisors has (A) sole voting power as to 1,013,436 shares and (B) sole dispositive power as to 1,372,402 shares; (iv) Barclays Global Investors, LTD has (A) sole voting power as to 840 shares and (B) sole dispositive power of 21,088 shares; and (v) Barclays Global Investors Japan Limited, Barclays Global Investors Canada Limited, Barclays Global Investors Australia Limited, and Barclays Global Investors (Deutschland) AG do not have voting or dispositive power over any of our Common Stock. The principal business address of Barclays Global Investors, NA and Barclays Global Fund Advisors is 400 Howard Street, San Francisco, CA 94105. The principal business address of Barclays Global Investors, LTD is Murray House, 1 Royal Mint Court, London, EC3N 4HH England. The principal business address of Barclays Global Investors Japan Limited is Ebisu Prime Square Tower; 8th Floor, 1-1-39 Hiroo Shibuya-Ku Tokyo 150-0012 Japan. The principal business address of Barclays Global Investors Canada Limited is Brookfield Place, 161 Bay Street, Suite 2500, PO Box 614 Toronto, Ontario M5J 2S1 Canada. The principal business address of Barclays Global Investors Australia Limited is Level 43, Grosvenor Place, 225 George Street, PO Box N43, Sydney, Australia NSW 1220. The principal business address of Barclays Global Investors (Deutschland) AG is Apianstrasse 6, D-85774, Unterföhring, Germany.

- (14) We have been informed pursuant to the Schedule 13G filed with the Securities and Exchange Commission on February 17, 2009 by FMR LLC ( FMR ), that (i) Fidelity Management and Research Company, a wholly owned subsidiary of FMR and a registered investment adviser, is the beneficial owner of 4,726,456 shares of our Common Stock as a result of acting as investment adviser to various investment companies registered under Section 8 of the Investment Company Act of 1940; (ii) the ownership of one investment company, Fidelity Contrafund, amounted to 3,120,427 shares of our Common Stock; (iii) neither FMR nor Edward C. Johnson 3d in his capacity as Chairman of FMR have sole voting power over any of the shares owned directly by Fidelity Contrafund; and (iv) Edward C. Johnson 3d. and FMR has sole dispositive power as to 4,726,456 shares. The principal business address of FMR and Fidelity Contrafund is 82 Devonshire Street, Boston, Massachusetts 02109.
- (15) We have been informed pursuant to Schedule 13G filed with the Securities and Exchange Commission on February 17, 2009 that (i) Friess Associates LLC may be deemed to beneficially own 1,637,400 shares of our

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Common Stock; and (ii) Friess has sole voting power and sole dispositive power as to 1,637,400 of our Common Stock. The principal business address of Friess Associates LLC is 115 E. Snow King, Jackson, WY 83001.

(16) We have been informed pursuant to Schedule 13G filed with the Securities and Exchange Commission on February 13, 2009 that (i) Keeley Asset Management Corp. and Keeley Small Cap Value Fund, a series of Keeley Funds, Inc. may be deemed to beneficially own 1,785,000 shares of our Common Stock; (ii) Keeley Asset Management Corp. has (A) sole voting power as to 1,785,000 shares and (B) sole dispositive power as to 1,785,000; and (iii) Keeley Small Cap Value Fund does not have voting or dispositive power over any of our Common Stock. The principal business address of Keeley Asset Management and Keeley Small Cap Value Fund, a series of Keeley Funds, Inc. is 401 South LaSalle Street, Chicago, Illinois 60605.

**SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Exchange Act requires the Company's executive officers and directors and persons who own more than ten percent of a registered class of the Company's equity securities (collectively, the reporting persons) to file reports of ownership and changes in ownership with the Securities and Exchange Commission and to furnish the Company with copies of these reports. Based on the Company's review of the copies of these reports received by it, and written representations, if any, received from reporting persons with respect to such filings, the Company believes that all filings required to be made by the reporting persons for 2008, were made on a timely basis.

**DIRECTORS AND MANAGEMENT**

**Directors and Executive Officers**

The following table sets forth the names and ages of the Company's directors and executive officers. In addition, biographies of Company's directors and officers are also provided below, with the exception of Messrs. O'Connell and Ussery, whose biographies are set forth in Election of Directors Proposal 1 beginning on page 5 of this Proxy Statement.

<b>Name</b>	<b>Age</b>	<b>Position</b>
Sam K. Reed	62(b)	Chief Executive Officer and Chairman of the Board
George V. Bayly	66(a)	Director
Diana S. Ferguson	45(a)	Director
Frank J. O'Connell	65	Director
Ann M. Sardini	59(b)	Director
Gary D. Smith	66(a)	Director
Terdema L. Ussery, II	50	Director
David B. Vermynen	58	President and Chief Operating Officer
Dennis F. Riordan	51	Senior Vice President and Chief Financial Officer
Thomas E. O'Neill	53	Senior Vice President, General Counsel, Chief Administrative Officer and Corporate Secretary
Harry J. Walsh	53	Senior Vice President of TreeHouse Foods, Inc. and President of Bay Valley Foods, LLC

(a) Ms. Ferguson and Messrs. Bayly and Smith comprise a class of directors whose terms expires in 2010.

(b) Mr. Reed and Ms. Sardini comprise a class of directors whose terms expires in 2011.

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*George V. Bayly* was elected as a Director on June 6, 2005. Since August 12, 2008, Mr. Bayly has served as principal of Whitehall Investors, LLC, a consulting and venture capital firm. Mr. Bayly served as Chairman and Interim-Chief Executive Officer of Altivity Packaging LLC located in Carol Stream, IL from September 2006 to March 10, 2008. He also served as Co-Chairman of U.S. Can Corporation from 2003 to 2006; as well as Chief Executive Officer in 2005. In addition, from January 1991 to December 2002, Mr. Bayly served as Chairman, President and Chief Executive Officer of Ivex Packaging Corporation. From 1987 to 1991, Mr. Bayly served as Chairman, President and Chief Executive Officer of Olympic Packaging, Inc. Mr. Bayly also held various management positions with Packaging Corporation of America from 1973 to 1987. In addition to our Board, Mr. Bayly serves on the Board of Directors of ACCO Brands Corporation, Graphic Packaging Holding Company, Huhtamaki Oyj and Ryt-Way Industries Inc. Mr. Bayly holds a B.S. from Miami University and an M.B.A from Northwestern University. Mr. Bayly also served as a Lieutenant Commander in the United States Navy. Mr. Bayly is the Chairman of the Audit Committee of our Board of Directors.

*Diana S. Ferguson* was elected as a Director on January 25, 2008. Ms. Ferguson served as Senior Vice President and Chief Financial Officer of The Folgers Company from April 2008 to November 2008. Prior to joining Folgers, Ms. Ferguson served as the Executive Vice President and Chief Financial Officer of Merisant Worldwide, Inc. from April 2007 until March 2008. On January 6, 2009, Merisant Worldwide, Inc. filed for reorganization under Chapter 11 of the U.S. Bankruptcy Laws. Ms. Ferguson also served as the Chief Financial Officer of Sara Lee Foodservice, a division of Sara Lee Corporation from June 2006 to March 2007. She had previously served in a number of leadership positions at Sara Lee Corporation including Senior Vice President of Strategy and Corporate Development from February 2005 to June 2006 as well as Treasurer from January 2001 to February 2005. Earlier, she held treasury management positions at Fort James Corporation, from 2000 to 2001 and Eaton Corporation from 1995 to 2000, she also served in various financial positions at Federal National Mortgage Association (Fannie Mae) from 1993 to 1995, the First National Bank of Chicago from 1989 to 1993 and IBM from 1985 to 1989. Ms. Ferguson holds a B.A. from Yale University and a Masters degree from Northwestern University. Ms. Ferguson is a member of the Company's Compensation Committee and Nominating and Corporate Governance Committee.

*Sam K. Reed* is the Chairman of our Board of Directors. Mr. Reed has served as our Chief Executive Officer since January 27, 2005. Prior to joining us, Mr. Reed was a principal in TreeHouse LLC, an entity unrelated to the Company that was formed to pursue investment opportunities in consumer packaged goods businesses. From March 2001 to April 2002, Mr. Reed served as Vice Chairman of Kellogg Company. From January 1996 to March 2001, Mr. Reed served as the President and Chief Executive Officer, and as a director of Keebler Foods Company. Prior to joining Keebler, Mr. Reed served as Chief Executive Officer of Specialty Foods Corporation's (unrelated to Dean Foods) Western Bakery Group division from 1994 to 1995. Mr. Reed has also served as President and Chief Executive Officer of Mother's Cake and Cookie Co. and has held Executive Vice President positions at Wyndham Bakery Products and Murray Bakery Products. Mr. Reed holds a B.A. from Rice University and an M.B.A. from Stanford University.

*Ann M. Sardini* was elected as a Director on May 1, 2008. Ms. Sardini has served as the Chief Financial Officer of Weight Watchers International, Inc. since April 2002. Ms. Sardini has over 20 years of experience in senior financial management positions in branded media and consumer products companies. She served as Chief Financial Officer of Vitamin Shoppe.com, Inc. from September 1999 to December 2001, and from March 1995 to August 1999 she served as Executive Vice President and Chief Financial Officer for the Children's Television Workshop. In addition, Ms. Sardini has held finance positions at QVC, Inc., Chris Craft Industries and the National Broadcasting Company. Ms. Sardini holds a B.A. from Boston College and an M.B.A from Simmons College Graduate School of Management. Ms. Sardini is a member of the Company's Audit Committee and Nominating and Corporate

Governance Committee.

*Gary D. Smith* was elected as a Director on June 6, 2005. Mr. Smith has served as Chief Executive Officer and Chairman of Encore Associates, Inc. since January 2001, and he has also been a managing director of Encore Consumer Capital since 2005. From April 1995 to December 2004, Mr. Smith served as Senior Vice President Marketing of Safeway Inc. Mr. Smith also held various management positions at Safeway Inc. from 1961 to 1995. In addition to our Board, Mr. Smith serves on the Board of Directors of Supply Chain Systems Ltd., Altierre Corporation, Philly's Famous Water Ice, Inc. and AgriWise, Inc. Mr. Smith is our Lead Independent Director and is also a member of Compensation Committee of our Board of Directors.



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**Executive Officers**

*David B. Vermynen* is our President and Chief Operating Officer and has served in that position since January 27, 2005. Prior to joining us, Mr. Vermynen was a principal in TreeHouse, LLC. From March 2001 to October 2002, Mr. Vermynen served as President and Chief Executive Officer of Keebler Foods Company, a division of Kellogg Company. Prior to becoming Chief Executive Officer of Keebler, Mr. Vermynen served as the President of Keebler Brands from January 1996 to February 2001. Mr. Vermynen has also served as the Chairman, President and Chief Executive Officer of Brother's Gourmet Coffee, and Vice President of Marketing and Development and later President and Chief Executive Officer of Mother's Cake and Cookie Co. His prior experience also includes three years with the Fobes Group and fourteen years with General Foods Corporation where he served in various marketing positions. Mr. Vermynen serves on the Boards of Directors of Aeropostale, Inc. and Birds Eye Foods, Inc. Mr. Vermynen holds a B.A. from Georgetown University and an M.B.A. from New York University.

*Dennis F. Riordan* has been our Senior Vice President and Chief Financial Officer since January 3, 2006. Prior to joining us, Mr. Riordan was Senior Vice President and Chief Financial Officer of Océ-USA Holding, Inc., where he was responsible for the company's financial activities in North America. Mr. Riordan joined Océ-USA, Inc. in 1997 as Vice President and Chief Financial Officer and was elevated to Chief Financial Officer of Océ-USA Holding, Inc. in 1999. In 2004, Mr. Riordan was named Senior Vice President and Chief Financial Officer and assumed the chairmanship of the company's wholly owned subsidiaries Arkwright, Inc. and Océ Mexico de S.A. Previously, Mr. Riordan held positions with Sunbeam Corporation, Wilson Sporting Goods and Coopers & Lybrand. Mr. Riordan has also served on the Board of Directors of Océ-USA Holdings, Océ North America, Océ Business Services, Inc. and Arkwright, Inc., all of which are wholly owned subsidiaries of Océ NV.

*Thomas E. O'Neill* is our Senior Vice President, General Counsel, Chief Administrative Officer and Corporate Secretary and has served in that position since January 27, 2005. Prior to joining us, Mr. O'Neill was a principal in TreeHouse, LLC. From February 2000 to March 2001, he served as Senior Vice President, Secretary and General Counsel of Keebler Foods Company. He previously served at Keebler as Vice President, Secretary and General Counsel from December 1996 to February 2000. Prior to joining Keebler, Mr. O'Neill served as Vice President and Division Counsel for the Worldwide Beverage Division of the Quaker Oats Company from December 1994 to December 1996; Vice President and Division Counsel of the Gatorade Worldwide Division of the Quaker Oats Company from 1991 to 1994; and Corporate Counsel at Quaker Oats from 1985 to 1991. Prior to joining Quaker Oats, Mr. O'Neill was an attorney at Winston & Strawn LLP. Mr. O'Neill holds a B.A. and J.D. from the University of Notre Dame.

*Harry J. Walsh* is a Senior Vice President of TreeHouse Foods, Inc. and President of Bay Valley Foods, LLC. TreeHouse Foods is the parent company of Bay Valley Foods. From January 2005 through July 2008 Mr. Walsh served in the position of Senior Vice President - Operations of TreeHouse Foods. Prior to joining us, Mr. Walsh was a principal in TreeHouse, LLC. From June 1996 to October 2002, Mr. Walsh served as Senior Vice President of the Specialty Products Division of Keebler Foods Company. Mr. Walsh was President and Chief Operations Officer of Bake-Line Products from March 1999 to February 2001; Vice President-Logistics and Supply Chain Management from April 1997 to February 1999; Vice President-Corporate Planning and Development from January 1997 to April 1997; and Chief Operating Officer of Sunshine Biscuits from June 1996 to December 1996. Prior to joining Keebler, Mr. Walsh served as Vice President of G.F. Industries, Inc. and President and Chief Operating Officer and Chief Financial Officer for Granny Goose Foods, Inc. Prior to entering the food industry, Mr. Walsh was an accountant with Arthur Andersen & Co. Mr. Walsh holds a B.A. from the University of Notre Dame.

**COMPENSATION DISCUSSION AND ANALYSIS**

This section provides information regarding the compensation program in place for our Chief Executive Officer, Chief Financial Officer and, in addition, the three most highly compensated executive officers. Collectively we refer to these executives as the TreeHouse Executive Officers ( TEOs ). This section includes information regarding, among other things, the overall objectives of our compensation program and each element of compensation that we provide.

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**Objectives of Our Compensation Program**

TreeHouse was formed in June 2005 by Dean Foods Company through a spin-off of the Dean Specialty Foods Group and the subsequent issuance of TreeHouse common stock to Dean Foods shareholders. Six months prior to the spin-off, Dean Foods Company recruited Messrs. Reed, Vermilyen, O Neill, Walsh and E. Nichol McCully (our former CFO who retired in April 2006) to lead the Company. These individuals collectively invested \$10 million of their own money in Company stock and received a compensation package that Dean Foods Company determined was fair and comparable to other spun-off companies. In connection with the spin-off, Messrs. Reed, Vermilyen, O Neill, McCully and Walsh received restricted stock and restricted stock units which vest only after performance criteria are achieved. In addition, these individuals received pre-approved stock options which were issued on June 28, 2005 with a strike price of \$29.65, which was equal to the closing price of Company common stock on the New York Stock Exchange on the grant date. As a new company, we assumed the existing employment agreements of Dean Specialty Foods Group and undertook a detailed study of compensation practices in the food industry. Our overriding goals and objectives for executive compensation programs are:

To attract, motivate and retain superior leadership talent for the Company.

To closely link TEO compensation to our performance goals with particular emphasis on rapid growth, operational excellence and acquisitions through attractive bonus opportunities based on aggressive targets.

To align our TEOs' financial interests with those of our shareholders by delivering a substantial portion of their total compensation in the form of equity awards.

We have worked with Hewitt Associates LLC (Hewitt), our compensation consultant, to review our compensation programs to ensure competitiveness with companies with whom we compete for our management talent. Hewitt helped us determine the salary levels, as well as the bonus target percentages and the metrics used in the bonus plan. In addition to stock options that reward increase in stock price, we provided restricted stock, restricted stock units and performance units to our management. We issued restricted stock, in conjunction with the spin-off and later to other Senior Vice Presidents, which vests based on exceeding the total shareholder return of companies in our business category. We refer to this group of companies as the Comparator Group. We also use this Comparator Group as the benchmark for determining our financial performance. We reward our management team based on how well we perform compared to our Comparator Group. We believe this provides a clear and objective way of ensuring our management team's compensation and incentives are aligned with shareholder interests. The following companies are included in our Comparator Group: Kraft Foods Inc., Sara Lee Corp., General Mills, Inc., Kellogg Co., ConAgra Foods Inc., Archer Daniels Midland Co., H.J. Heinz Company, Campbell Soup Co., McCormick & Co. Inc., The JM Smucker Co., Del Monte Foods Co., Corn Products Int'l., Lancaster Colony Corp., Flower Foods, Inc., Ralcorp Holdings Inc., The Hain Celestial Group, Inc., Lance, Inc., J&J Snack Foods Corp., B&G Foods, Inc., American Italian Pasta Co., Farmer Bros. Inc. and Peet's Coffee and Tea. Restricted Stock Units may vest when our stock price exceeds \$29.65 for any 20 consecutive trading days.

In addition to the Comparator Group, our compensation consultant provides us with survey information for other companies of similar size to TreeHouse from both general industry and the packaged foods sector. We believe that this additional information broadens our awareness of the practices of companies who compete for management talent with TreeHouse. The Compensation Committee also considers recommendations from the Company's Chief Executive Officer regarding salary, bonus and stock option awards for senior executives.

**Components of Compensation**

There are three primary components to our management compensation program: base salary, annual incentive bonus and long-term incentive compensation. We seek to have each of these components at levels that are competitive with comparable companies. Each of these components was evaluated based on assessment of competitive conditions for employment agreements for executives at spun-off companies at the time of our spin-off from Dean Foods.

*Base Salary:* Our management team has been assembled to lead a growth company that will expand significantly in size and complexity over time. We believe that the base salary component should be in the third quartile of our competitive benchmarks when those benchmarks are size adjusted (through regression analysis) to

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our current revenue size. By positioning the base salary somewhat above the median for similarly sized businesses we have been able to attract talent that has the ability to grow and lead a much larger business in the near future. For 2008, we elected to increase the salaries for the executive officers and management by 3.5% after evaluating market surveys by Hewitt.

**Annual Incentive Bonus:** Our TEOs' annual incentive bonus opportunity also reflects a third quartile position. The annual incentive bonus for TEOs is based on attaining specific annual performance targets such as the net income targets determined by the Board, as adjusted positively or negatively for one-time items, and cash flow targets. For 2008, the amount of the potential bonus was 80% tied to the achievement of a net income target of \$49.66 million (based on the Company's budgeted net income established by the Compensation Committee), adjusted (as approved by the Compensation Committee) for acquisitions and one-time items. For 2008, 20% of the potential bonus was tied to the achievement of an operating cash flow target of \$57.05 million. We do not otherwise use discretion in determining the amount of bonus paid to TEOs. We consider the market expectations of the Comparator Group in setting our budget with targets reflecting performance that exceeds the expected performance of our peer group. Our goal is to provide meaningful yet challenging goals relative to the expected performance of our peer group. In establishing goals, the Committee strives to ensure that the targets are consistent with the strategic goals set by the Board, and that the goals set are sufficiently ambitious so as to provide meaningful results, but with an opportunity to exceed targets if performance exceeds expectations. We believe the annual incentive bonus keeps management focused on attaining strong near term financial performance. The 2008 annual incentive bonus opportunity for the TEOs was awarded as follows:

		<b>Minimum</b>	<b>Target</b>	<b>Maximum</b>
Sam K. Reed	Chief Executive Officer	\$ 0	\$ 832,000	\$ 1,664,000
David B. Vermylen	Chief Operating Officer	\$ 0	\$ 444,000	\$ 888,000
Dennis F. Riordan	Chief Financial Officer	\$ 0	\$ 233,100	\$ 466,200
Thomas E. O'Neill	Chief Administrative Officer	\$ 0	\$ 233,100	\$ 466,200
Harry J. Walsh	Senior Vice President and President of Bay Valley Foods	\$ 0	\$ 233,100	\$ 466,200

TEOs begin to earn amounts under the plan upon achievement of 90% of the net income and operating cash flow targets ratably up to the achievement of targeted payment upon the full achievement of 100% of the net income and operating cash flow targets. In addition, a TEO can earn 200% of the targeted payment if 110% or more of the targeted net income and operating cash flow is achieved. In 2008, after adjusting for one-time items, we attained \$50 million in net income or 100.7% of the net income target, \$145.2 million of the cash flow or 255% of the cash flow target which together resulted in a 125.6% of target payment under the annual incentive plan.

**Long-Term Incentive Compensation:** The long-term incentive compensation program was established to ensure that our senior management is focused on long-term growth and profitability. We believe our key stakeholders, including shareholders and employees, are best served by having our executives focused and rewarded based on the longer-term results of our company. We accomplish this through four primary programs:

Stock Options

Restricted Stock

Restricted Stock Units

Performance Units

**Historic Long-Term Incentive Compensation Approach**

We have historically used stock options as a means of aligning the executive management team with the interests of our shareholders by ensuring that they have a direct interest in increasing shareholder value. The stock options vest ratably over three years, and the holder must exercise vested options within 10 years of the original grant. Starting in 2005 we annually granted options to key management employees (except for Messrs. Reed, Vermylen, O Neill, McCully and Walsh) to link their financial opportunity to the overall performance of the Company. The first grants under this program were made on the first day of regular trading following the spin-off

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date. We have continued to use the anniversary of that date as the measurement date for all recurring option and equity grants since that is the anniversary date of the Company as a public entity. We also grant options to certain new employees. Historically these options have been dated as of the date of their commencement of employment or as of the last trading day of the month following their employment with the Company. All of our option grants are approved prior to or on the grant date with a strike price equal to the closing price of our common stock on the NYSE on the date of grant. Messrs. Reed, Vermynen, O'Neill and Walsh were not granted options in 2006 or 2007 because the original grant of options as well as performance-based restricted stock and restricted stock units were designed to cover a period which ended January 2, 2008.

In addition to stock options, we awarded 2% of the outstanding stock of the Company in the form of restricted stock and an additional 2% of the outstanding shares in the form of restricted stock units on June 28, 2005 to the original five management investors of the Company per their employment agreements. These include Messrs. Reed, Vermynen, O'Neill and Walsh, along with Mr. McCully who retired in April 2006. All of the restricted stock and restricted stock units granted prior to 2008 are performance based, which means the Company must meet certain performance goals in order for the award to vest. For the restricted stock to vest, the Company must exceed the median shareholder return of the Comparator Group since the grant date as measured each year on January 31. For the restricted stock units, the Company's closing share price must exceed \$29.65 on June 28, 2006, June 28, 2007 and June 28, 2008 or any 20 trading day period subsequent to June 28, 2008 through June 28, 2010. The restricted stock vests ratably, based on performance over three years with a two-year catch up provision and a five-year term. The restricted stock units vest ratably, based on performance over three-years, with a two-year catch up provision and a five-year term. Shares that do not vest based upon performance are forfeited at the end of the term.

We granted performance-based restricted stock to Dennis F. Riordan on January 30, 2007. These shares of restricted stock have the same performance goals and remaining term as the restricted stock granted in 2005 to Messrs. Reed, Vermynen, O'Neill and Walsh. The purpose of the restricted stock grant was to have all executive officers motivated to achieve the same performance goals.

### **2008 Long-Term Incentive Grants**

The executive grants that were issued in conjunction with the spin-off were designed to cover a period that expired on January 2, 2008. At the conclusion of that period, our Compensation Committee, working closely with Hewitt, conducted a full evaluation of our long-term incentive compensation approach for all management employees, including the TEOs, during 2008. A survey was conducted by Hewitt of all of our management equity program participants to understand better the effectiveness of previous grants in aligning incentives with performance and retention. The Committee reviewed the survey responses and also engaged Hewitt to report on the type, amount and metrics of long-term incentive programs at comparable companies. The Committee reviewed the Hewitt analysis and the views of senior management including, our Chief Executive Officer.

After a full evaluation of the information, the Compensation Committee determined that for the 2008 annual grant structure a mix of approximately 50% options, 25% performance units and 25% restricted stock would best align the incentives of senior management with the shareholders' interests of motivating long-term performance and management retention. The Committee took special note that the previous restricted stock and restricted stock unit programs had not vested and that the Company did not have an effective retention program in place for the TEOs. Consequently, in addition to a normal annual grant, the Committee determined that it was in the shareholders' best interest to establish in 2008 a restricted stock grant designed to achieve a commitment by the senior executives of the Company to remain with the business for the next three years. The Committee, in consultation with Hewitt, designed the 2008 Restricted Stock grant to achieve this retention objective. Finally, the Committee recognized that the long-term incentive program for Messrs. Reed, Vermynen, O'Neill and Walsh expired on January 2, 2008. Instead of making a grant at that time the Compensation Committee decided to delay their grants to June 27, 2008 so that all

annual grants are made at the same time to all management team members. The Committee elected to adjust the grant size to reflect 17 months instead of 12 months to equitably reflect the delayed timing of the grant. The grant for each of our TEOs is listed in the 2008 Grants of Plan Based Awards Table on page 21 of this Proxy Statement.



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**2008 Option Grant Features**

The TEOs and certain other senior managers of the Company received stock option grants which were issued on June 27, 2008. We used this date because it coincides with the anniversary of our first public offering. We believe it is good corporate governance to select a grant date that is consistent on an annual basis. These options have a strike price of \$24.06 and vest ratably over a three year period on the anniversary of the grant date. They expire on the tenth anniversary of the grant.

**2008 Performance Unit Features**

The TEOs and certain other senior managers of the Company received performance units that were issued on June 27, 2008. The performance units vest on June 27, 2011 based on achieving targeted operating net income of \$30.9 million for the six month period from July 1, 2008 through December 31, 2008; \$53.84 million for fiscal year 2009; \$58.14 million for fiscal year 2010 and \$142.96 million cumulatively over the entire period. The number of units that will be awarded is based on the level of achievement relative to the targets. There is no payout below 80% achievement, and up to 200% if achievement meets or exceeds 120% of the targets. Vested units pay out in cash or shares of the Company's common stock at the discretion of the Compensation Committee.

**2008 Restricted Stock Features**

The TEOs and certain other managers of the Company received an annual restricted stock grant and a retention restricted stock grant that were issued on June 27, 2008. These restricted stock grants vest ratably over a three year period on the anniversary of the grant date. No restricted stock awards will vest in any year in which the Company is not profitable.

**General Compensation Matters**

All matters of our executive compensation programs are reviewed and approved by the Compensation Committee of the Board of Directors. This includes approving both the amounts of compensation and the timing of all grants. The Compensation Committee is given full access to compensation experts, and has elected to use Hewitt to provide consulting services with respect to the Company's executive compensation practices including salary, bonus, perquisites, equity incentive awards, deferred compensation and other matters. The Compensation Committee regularly meets with Hewitt representatives without the presence of Company management.

More details regarding the employment agreements of our management investors are summarized below.

**Executive Perquisites:** We annually review the Company's practices for executive perquisites with the assistance of our compensation consultant. We believe that the market trend is moving toward a cash allowance in lieu of various specific executive benefits such as automobile plans, financial planning consulting or club fees. We have granted an annual allowance of \$25,000 to Mr. Reed, \$15,000 to Mr. Vermeylen and \$10,000 to Messrs. O'Neill, Walsh and Riordan to cover these types of benefits. This approach reduces the administrative burden of such programs and satisfies the desire to target market practices. These allowances are not included as eligible compensation for bonus or other purposes and do not represent a significant portion of the executive's total compensation. Our Board has also adopted policies regarding the personal use of the company owned aircraft by our TEOs. Generally, personal use is permitted, subject to availability. Personal use of the Company aircraft is principally that of our Chief Executive Officer. Personal use by other TEOs is infrequent. We calculate compensation for personal use based on the incremental costs of operating the aircraft. The largest single component of this cost is fuel. The 2008 Summary Compensation Table beginning on page 20 of this proxy statement contains itemized disclosure of all perquisites to our TEOs, regardless of amount.

*Deferred Compensation Plan:* Our Deferred Compensation Plan allows certain employees, including the TEOs, to defer receipt of salary and/or bonus payments. Deferred amounts are credited with earnings or losses based on the rate of return of mutual funds selected by the participants in the plan. We do not match amounts that are deferred by employees in the Deferred Compensation Plan except to the extent that employees in the plan have their match in the 401(k) plan limited as a result of participating in the Deferred Compensation Plan. In those cases, the lost match would be credited to the Deferred Compensation Plan. Distributions are paid either upon termination

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of employment or at a specified date (at least two years after the original deferral) in the future, as elected by the employee. The employee may elect to receive payments in either a lump sum or a series of installments. Participants may defer up to 100% of salary and bonus payments. The Deferred Compensation Plan is not funded by us, and participants have an unsecured contractual commitment from us to pay the amounts due. When such payments are due to employees, the cash will be distributed from our general assets.

We provide deferred compensation to permit our employees to save for retirement on a tax-deferred basis. The Deferred Compensation Plan permits them to do this while also receiving investment returns on deferred amounts, as described above. We believe this is important as a retention and recruitment tool as many if not all of the companies with which we compete for executive talent provide a similar plan for their senior employees.

*Employment Agreements:* We have entered into employment agreements with Messrs. Reed, Vermylen, O Neill, Walsh and Riordan. These agreements provide for payments and other benefits if the officer's employment terminates for a qualifying event or circumstance, such as being terminated without Cause or leaving employment for Good Reason, as these terms are defined in the employment agreements. The agreements also provide for benefits, upon a qualifying event or circumstance after there has been a Change-in-Control (as defined in the agreements) of the Company. Additional information regarding the employment agreements, including a definition of key terms and a quantification of benefits that would have been received by our TEOs had termination occurred on December 31, 2008, is found under the heading Potential Payments upon Termination or Change-in-Control beginning on page 25 of this proxy statement.

We believe these severance programs are an important part of overall arrangements for our TEOs. We also believe these agreements will help to secure the continued employment and dedication of our TEOs prior to or following a change in control, without concern for their own continued employment. We also believe it is in the best interest of our shareholders to have a plan in place that will allow management to pursue all alternatives for the Company without undue concern for their own financial security. We also believe these agreements are important as a recruitment and retention device, as most of the companies with which we compete for executive talent have similar agreements in place for their senior employees. We have received consulting services from Hewitt with regard to market practices in an evaluation of severance programs.

In 2008, we amended the agreements with Messrs. Reed, Vermylen, O Neill and Walsh to delay payments for six months in certain circumstances to conform to recently adopted deferred compensation rules contained in Internal Revenue Code Section 409A.

*401(k) Savings Plan:* Under our TreeHouse Foods Savings Plan (the Savings Plan), a tax-qualified retirement savings plan, employees, including our TEOs, may contribute up to 20 percent of regular earnings on a before-tax basis into their Savings Plan accounts (subject to IRS limits). Total contributions may not exceed 20 percent of regular earnings. In addition, under the Savings Plan, we match an amount equal to one dollar for each dollar contributed by participating employees on the first two percent of their regular earnings and fifty cents for each additional dollar contributed on the next four percent of their regular earnings. Amounts held in Savings Plan accounts may not be withdrawn prior to the employee's termination of employment, or such earlier time as the employee reaches the age of 59 1/2, subject to certain exceptions as directed by the IRS.

In 2008, the Savings Plan limited the annual additions that could be made to an employee's account to \$46,000 per year. Annual additions include our matching contributions and before-tax contributions made by the employee under Section 401(k) of the Internal Revenue Code.

Of those annual additions, the 2008 maximum before-tax contribution was \$15,500 per year. In addition, no more than \$230,000 of annual compensation in 2008 may be taken into account in computing benefits under the Savings Plan.

Participants age 50 and over may also contribute, on a before-tax basis, and without regard to the \$46,000 limitation on annual additions or the \$15,500 general limitation on before-tax contributions, catch-up contributions of up to \$5,000 per year.

*Tax Treatment of Executive Compensation:* Section 162(m) of the Internal Revenue Code imposes a limitation on the deductibility of nonperformance-based compensation in excess of \$1 million for the Chief

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Executive Officer, Chief Financial Officer of the Company and each of the other three most highly compensated executive officers. Our plans link all of our key incentive programs to the financial performance of the Company, therefore, we believe that we will preserve the deductibility of the executive compensation payments.

**EXECUTIVE COMPENSATION****Summary Compensation Table**

The following table sets forth annual and long-term compensation for the Company's Chief Executive Officer, Chief Financial Officer and three other most highly compensated officers during 2008, as well as certain other compensation information for the named officers during the years indicated.

**2008 Summary Compensation Table**

Name and Principal Position	Year	Salary (\$)	Non-Equity Incentive Plan	Other Bonus (\$)	Stock Awards (\$)(b)	Option Awards (\$)(c)	All Other Compensation (\$)(d)	Total (\$)
			Compensation (\$)(a)					
John K. Reed Chief Executive Officer	2008	827,250	1,045,306	0	1,978,505	909,883	123,309	4,884,253
	2007	798,958	485,314	0	2,489,419	1,510,187	36,475	5,320,353
	2006	771,875	1,046,950	0	4,592,853	1,510,187	36,275	7,958,140
David B. Vermeylen President and Chief Operating Officer	2008	551,833	557,832	0	1,395,198	572,970	40,791	3,118,624
	2007	532,917	258,995	0	1,659,617	1,006,793	25,710	3,484,032
	2006	514,583	558,400	0	3,061,907	1,006,793	25,510	5,167,193
Thomas F. Riordan Senior Vice President and Chief Financial Officer	2008	384,167	292,862	0	219,533	408,956	20,504	1,326,022
	2007	360,417	131,370	0	140,761	302,714	20,197	955,458
	2006	350,000	283,250	46,602	0	230,853	19,997	930,702
Thomas E. O'Neill Senior Vice President, General Counsel and Chief Administrative Officer	2008	386,250	292,862	0	963,487	391,897	20,516	2,055,002
	2007	372,875	135,900	0	1,131,556	686,445	20,197	2,346,973
	2006	360,208	293,150	0	2,087,656	686,445	19,997	3,447,456
Garry J. Walsh Senior Vice President of TreeHouse Foods, Inc. President of Bay Valley Foods, Inc.	2008	386,250	292,862	0	963,487	391,897	20,516	2,055,002
	2007	372,875	135,900	0	1,131,556	686,445	20,197	2,346,973
	2006	360,208	293,150	0	2,087,656	686,445	19,997	3,447,456

a) The amounts shown in this column include payments made under our Annual Incentive Plan. At the beginning of each year, the Compensation Committee sets target bonuses and performance criteria that will be used to

determine whether and to what extent the TEOs will receive payments under the Annual Incentive Plan. For fiscal 2008, the Compensation Committee selected operating net income and cash flow as the relevant performance criteria.

- b) The awards shown in this column include restricted stock, restricted stock units and performance units granted under our Equity and Incentive Plan in 2005, 2007 and 2008. No restricted stock, restricted stock units or performance units were granted in 2006. The amounts listed above are based on the compensation expense recognized pursuant to Statement of Financial Accounting Standards No. FAS 123R, disregarding any estimates of forfeitures. For a detailed description of the assumptions used in the valuation of these awards, please see Note 13 to the Consolidated Financial Statements included in our Annual Reports on Form 10-K for the years ended December 31, 2008 and 2007.
- c) The awards shown in this column include stock options granted under our Equity and Incentive Plan in 2005, 2006, 2007 and 2008. The amounts listed above are based on the compensation expense recognized pursuant to Statement of Financial Accounting Standards No. FAS 123R, disregarding any estimates of forfeitures. For a detailed description of the assumptions used in the valuation of these awards, please see Note 13 to the Consolidated Financial Statements included in our Annual Reports on Form 10-K for the years ended December 31, 2008 and 2007.
- d) The amounts shown in this column include matching contributions under the Company's 401(k) plan, life insurance premiums, cash payments in lieu of perquisites and personal use of the Company's corporate aircraft.

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<b>Name</b>	<b>Registrant Defined Contribution</b>	<b>Insurance Premiums</b>	<b>Cash Payment in Lieu of Perquisites</b>	<b>Aircraft Usage</b>	<b>Total</b>
<b>Sam K. Reed</b>	\$ 9,200	\$ 2,786	\$ 25,000	\$ 86,323	\$ 123,309
<b>David B. Vermylen</b>	\$ 9,200	\$ 1,876	\$ 15,000	\$ 14,715	\$ 40,791
<b>Dennis F. Riordan</b>	\$ 9,200	\$ 1,304	\$ 10,000	\$ 0	\$ 20,504
<b>Thomas E. O Neill</b>	\$ 9,200	\$ 1,316	\$ 10,000	\$ 0	\$ 20,516
<b>Harry J. Walsh</b>	\$ 9,200	\$ 1,316	\$ 10,000	\$ 0	\$ 20,516

**2008 Grants of Plan Based Awards**