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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

**SCHEDULE 14A  
(RULE 14a-101)**

**INFORMATION REQUIRED IN PROXY STATEMENT  
SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (Amendment No.       )**

Filed by the Registrant ☒

Filed by a Party other than the Registrant ☐

Check the appropriate box:

- ☐ Preliminary Proxy Statement
- ☐ **Confidential, For Use of the Commission Only** (as permitted by Rule 14a-6(e)(2))
- ☒ Definitive Proxy Statement
- ☐ Definitive Additional Materials
- ☐ Soliciting Material Pursuant to Section 240.14a-12

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**LANCASTER COLONY CORPORATION**

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(Name of Registrant as Specified in Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

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

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

(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:

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(4) Date Filed:

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380 Polaris Parkway, Suite 400  
Westerville, Ohio 43082

## NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

**To Be Held On November 11, 2020**

The Annual Meeting of Shareholders (the “Annual Meeting”) of Lancaster Colony Corporation (the “Corporation”) will be held exclusively online at 1:00 p.m. Eastern Standard Time on November 11, 2020, or at any adjournment or postponement thereof. Shareholders of record will be able to attend, vote shares and submit questions electronically during the Annual Meeting by visiting [www.virtualshareholdermeeting.com/LANC2020](http://www.virtualshareholdermeeting.com/LANC2020) and entering the 16-digit control number included on their proxy card or in the instructions accompanying their proxy materials. A live webcast of the Annual Meeting will also be available to the general public at [www.lancastercolony.com](http://www.lancastercolony.com). There is no physical location for the Annual Meeting.

The meeting will be held for the following purposes:

1. To elect three directors, each for a term that expires in 2023;
2. To approve, by non-binding vote, the compensation of the Corporation’s named executive officers;
3. To ratify the selection of Deloitte & Touche LLP as the Corporation’s independent registered public accounting firm for the year ending June 30, 2021; and
4. To transact such other business as may properly come before the Annual Meeting or any adjournments or postponements of the Annual Meeting.

By action of the Board of Directors, only shareholders of record at the close of business on September 14, 2020 will be entitled to receive notice of and vote at the Annual Meeting.

**Your vote is important, regardless of the number of shares you own.** On behalf of the Board of Directors, we request that you sign, date and return the enclosed proxy card as soon as possible, even if you plan to attend the Annual Meeting. This will not prevent you from voting electronically at the Annual Meeting but will ensure that your vote is counted if you are unable to attend. A self-addressed envelope with pre-paid postage is enclosed for your convenience in returning the proxy. Alternatively, internet voting is available, as described in the proxy voting instructions on your proxy card. If you are the beneficial owner of shares held in “street name,” then the broker, bank or nominee, as the record holder of the shares, should have enclosed a voting instruction card for you to use in directing it on how to vote your shares.

John B. Gerlach, Jr.

*Executive Chairman of the Board*

October 13, 2020

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**LANCASTER COLONY CORPORATION**  
**380 Polaris Parkway, Suite 400**  
**Westerville, Ohio 43082**

**PROXY STATEMENT**

**General Information**

This Proxy Statement is furnished to the shareholders of Lancaster Colony Corporation (the “Corporation”) in connection with the solicitation by the Board of Directors of the Corporation (the “Board”) of proxies to be used in voting at the Annual Meeting of Shareholders, which will be held exclusively online at [www.virtualshareholdermeeting.com/LANC2020](http://www.virtualshareholdermeeting.com/LANC2020) at 1:00 p.m. Eastern Standard Time on November 11, 2020, or any adjournment or postponement thereof (the “Annual Meeting”). The proposals referenced on the enclosed proxy card are described in this Proxy Statement. This Proxy Statement and enclosed proxy card are first being mailed to shareholders on or about October 13, 2020.

By signing and returning the enclosed proxy card to the Corporation prior to the Annual Meeting, or by voting electronically or by telephone in a timely manner, a shareholder authorizes the Board of Directors’ designees to represent and vote that shareholder’s shares at the Annual Meeting in accordance with the shareholder’s instructions. The authorized designees of the Corporation may vote those shares to adjourn the meeting and will be authorized to vote those shares at any postponements or adjournments of the meeting. The shareholder’s proxy may be revoked at any time before the vote. The mere presence of a shareholder (online) at the Annual Meeting will not revoke that shareholder’s proxy unless specific notice of revocation is given to the Secretary or Assistant Secretary of the Corporation. To be effective, any revocation must be communicated to the Secretary or Assistant Secretary of the Corporation prior to the vote at the Annual Meeting.

The Corporation will bear the cost of soliciting proxies, including any charges and expenses of brokerage firms and others for forwarding solicitation material to the beneficial owners of the Corporation’s shares. Proxies may be solicited by personal interview, mail, telephone and electronic communications through the efforts of employees of the Corporation.

By action of the Board, only the Corporation’s shareholders of record at the close of business on September 14, 2020 are entitled to receive notice of and vote at the Annual Meeting (online) or any adjournments or postponements thereof. As of September 14, 2020, the Corporation had outstanding 27,537,277 common shares without par value (“Common Stock”), with each such share of Common Stock entitling its holder to one vote. The Corporation has no other class of stock outstanding.

The presence, in person (online) or by proxy, of a majority of the outstanding shares of Common Stock of the Corporation is necessary to constitute a quorum for the transaction of business at the Annual Meeting. Proxies reflecting abstentions and broker non-votes are counted for purposes of determining the presence or absence of a quorum. Broker non-votes occur when brokers holding their customers’ shares in “street name” sign and submit proxies for those shares but fail to vote on some matters.

Beneficial owners of shares held in “street name” should receive a voting instruction card from their broker, bank or nominee, as the record holder of the shares, to direct the record holder on how to vote such shares.

**Voting Requirements**

The election of the director nominees requires the favorable vote of a plurality of all votes cast by the holders of the Common Stock at a meeting at which a quorum is present. Broker non-votes and proxies marked “Withhold” will not be counted toward the election of director nominees specified in the form of proxy. Any director nominee who receives more “Withhold” votes than “For” votes in an uncontested election such as this one is expected to tender his or her resignation for consideration by the Nominating and Governance Committee and the Board, pursuant to the Board’s policy summarized herein under “Corporate Governance – Majority Voting Policy in Uncontested Elections.”

The non-binding approval of the compensation of our named executive officers and the ratification of the Corporation’s independent registered public accounting firm for the year ending June 30, 2021 require the favorable vote of a majority of all votes cast by the holders of the Common Stock at a meeting at which a quorum is present. Broker non-votes and abstentions will have no effect on the outcome of these proposals.

**PROPOSAL ONE**  
**NOMINATION AND ELECTION OF DIRECTORS**

The Board is saddened by the recent passing of director and friend Ken Cooke and would like to acknowledge his contributions to the Board and the Corporation since 2010. His leadership, guidance and encouragement will be greatly missed.

Pursuant to the Corporation's Amended and Restated Regulations and resolutions adopted by the Board, the size of the Board of Directors has been set at nine members, eliminating the vacancy created by Mr. Cooke's death. The Board currently consists of nine members and is divided into three classes of three members each. The members of the three classes are elected to serve for staggered terms of three years.

Each of the nominees is a current director of the Corporation who has consented to stand for re-election to the Board with a term expiring at the Corporation's 2023 Annual Meeting of Shareholders. In the event that any of the nominees becomes unavailable to serve as a director before the Annual Meeting, the Board will designate a new nominee and the persons named as proxies will vote for that substitute nominee.

**The Board of Directors recommends a vote "FOR" the election of each of the nominees listed below by executing and returning the enclosed proxy card before the Annual Meeting.**

**Nominees for Term to Expire in 2023**

| <b>Name</b>          | <b>Position with the Corporation</b>         | <b>Age</b> | <b>Director Since</b> |
|----------------------|--|------------|-----------------------|
| Robert L. Fox        | Director of the Corporation                  | 71         | 1991                  |
| John B. Gerlach, Jr. | Director and Executive Chairman of the Board | 66         | 1985                  |
| Robert P. Ostryniec  | Director of the Corporation                  | 59         | 2014                  |

**Continuing Directors – Term to Expire in 2021**

| <b>Name</b>       | <b>Position with the Corporation</b> | <b>Age</b> | <b>Director Since</b> |
|-------------------|--------------------------------------|------------|-----------------------|
| Neeli Bendapudi   | Director of the Corporation          | 57         | 2005                  |
| William H. Carter | Director of the Corporation          | 67         | 2015                  |
| Michael H. Keown  | Director of the Corporation          | 58         | 2018                  |

**Continuing Directors – Term to Expire in 2022**

| <b>Name</b>        | <b>Position with the Corporation</b>                               | <b>Age</b> | <b>Director Since</b> |
|--------------------|--|------------|-----------------------|
| Barbara L. Brasier | Director of the Corporation  | 62         | 2019                  |
| David A. Ciesinski | Director, Chief Executive Officer and President of the Corporation | 54         | 2017                  |
| Alan F. Harris     | Director of the Corporation  | 66         | 2008                  |

The following information is provided for each continuing director and each person nominated for election as a director and includes their principal occupations during the past five years; their specific experiences, qualifications, attributes or skills that qualify them to serve as directors; and certain other information.

Robert L. Fox currently serves as an Account Executive at Boenning & Scattergood, Inc., a stock brokerage firm, and has held that position since August 2019. He previously served as Financial Adviser at Sweney Cartwright & Co., a stock brokerage firm, from November 2014 to August 2019, as Financial Adviser for Wells Fargo Advisors, a stock brokerage firm, from July 2008 to November 2014, as Financial Adviser for A.G. Edwards & Sons, Inc., a stock brokerage firm, from 2005 to July 2008, and as Financial Adviser for Advest, Inc., a stock brokerage firm, from 1978 to 2005. Mr. Fox has over 40 years of experience in the securities industry analyzing and evaluating the financial, operational and managerial capabilities of public companies. This experience enables Mr. Fox to better view the Corporation from a shareholder's perspective and contribute that perspective to the Board. As a member of the Board for over 20 years, Mr. Fox demonstrates an extensive knowledge of our business, our history and the markets we serve. Mr. Fox's significant ownership interest in the Corporation assures that his interests are directly aligned with those of our shareholders.

John B. Gerlach, Jr. currently serves as Executive Chairman of the Board of the Corporation and has held that position since July 2017. He served as Chief Executive Officer of the Corporation from 1997 until June 2017.

Mr. Gerlach brings significant leadership and operational management experience to the Board. Mr. Gerlach has demonstrated strong executive leadership skills through over 35 years of executive officer service with the Corporation, including over 20 years as CEO. Mr. Gerlach is the Corporation's longest-serving director. This experience, combined with his prior service on the board of Huntington Bancshares Incorporated and numerous nonprofit organizations, provides Mr. Gerlach with vast board level leadership capabilities. Perhaps most importantly, Mr. Gerlach's significant ownership interest in the Corporation ensures that top leadership is directly aligned with the interests of our shareholders.

Robert P. Ostryniec retired from full-time employment in March 2017. He served as Chief Product Supply Officer for Keurig Green Mountain, Inc. from 2013 until March 2017. He also served as Global Supply Chain Officer for H.J. Heinz Company from 2010 to 2013 and Supply Chain Vice President of H.J. Heinz Company from 2003 to 2010. Mr. Ostryniec has 34 years of experience as an executive in manufacturing, purchasing, supply chain and logistics roles for publicly traded, consumer-focused companies including General Electric Company, Stanley Black & Decker, Inc., H.J. Heinz Company and Keurig Green Mountain, Inc. Mr. Ostryniec's significant management experience, particularly in manufacturing, purchasing, supply chain and logistics, enables him to provide valuable perspective and insight to the Board.

Neeli Bendapudi, Ph.D. currently serves as President of the University of Louisville and has held that position since May 2018. The University of Louisville is a Carnegie R-1 institution that enrolls over 22,000 students and has a budget of \$1.23 billion. In addition, Dr. Bendapudi chairs the board of the University's health care enterprise, UofL Health, which has a budget of \$1.8 billion. She previously served as Provost and Executive Vice Chancellor of the University of Kansas from July 2016 to May 2018. She also served as Dean of the School of Business of the University of Kansas from July 2011 to July 2016. She served as Professor/Associate Professor of Marketing at The Ohio State University from 1996 to 2007 and from October 2008 to July 2011, and Executive Vice President and Chief Customer Officer of Huntington National Bank from April 2007 until October 2008. She also served as a director of Fred's Inc. from March 2018 until May 2018, during which period that company had a class of securities registered pursuant to Section 12 of the Exchange Act. Dr. Bendapudi's extensive knowledge of marketing, brand strategies and consumer behavior provides considerable benefit in the Board's oversight of our retail marketing strategies. As an educator, Dr. Bendapudi adds to the diversity of experience the Corporation values in its leadership.

William H. Carter has been retired from full-time employment since December 2015. He served as Executive Vice President and Chief Financial Officer of Hexion Inc. (formerly known as Momentive Specialty Chemicals Inc.), an international specialty chemicals and materials company, from April 1995 to December 2015. In addition, he served as a director of Hexion Inc. from November 2001 to December 2015. Mr. Carter also served as Executive Vice President and Chief Financial Officer and as a director of Momentive Performance Holdings LLC and its wholly-owned subsidiary, Momentive Performance Materials Inc., from October 2010 until October 2014. Momentive Performance Materials Inc. voluntarily filed to reorganize under Chapter 11 of the U.S. Bankruptcy Code in April 2014 and emerged from the Chapter 11 reorganization in October 2014. Prior to joining Hexion Inc., Mr. Carter was a partner with PwC, which he joined in 1975. Currently, he is a director of M/I Homes, Inc. and chair of its audit committee, providing additional experience overseeing the issues that public companies face. He currently serves on the board of trustees of the James Cancer Foundation. Mr. Carter's extensive finance and accounting experience provides the Board with valuable expertise in numerous financial areas, including accounting, tax, treasury, capital markets and strategic planning.

Michael H. Keown currently serves as Chief Executive Officer of Honey Stinger, a sports nutrition brand which provides natural and organic energy to athletes and consumers who want to optimize their athletic performance. He has served in this capacity since August 2019. Prior to that, he served as President, Chief Executive Officer and Director of Farmer Brothers, a national coffee roaster, wholesaler and distributor of coffee, tea and culinary products, from March 2012 through May 2019. Prior to joining Farmer Brothers, Mr. Keown served in various executive capacities at Dean Foods Company, a food and beverage company, from 2003 to March 2012. He was at WhiteWave Foods Company, a subsidiary of Dean Foods, from 2004 to March 2012, including as President, Indulgent Brands from 2006 to March 2012. He was also responsible for WhiteWave's alternative channel business comprised largely of foodservice. Mr. Keown served as President of the Dean Branded Products Group of Dean Foods from 2003 to 2004. Mr. Keown joined Dean Foods from The Coca-Cola Company, where he served as Vice President and General Manager of the Shelf Stable Division of The Minute Maid Company. Mr. Keown has over 30 years of experience in the Consumer Goods business, having also held various positions with E&J Gallo Winery and The Procter & Gamble Company. He served on the Board of Directors of Welch Foods Inc., a wholly owned subsidiary of the National Grape

Cooperative Association, Inc., from 2015-2018. He has also maintained Governance Fellow status from the NACD (National Association of Corporate Directors) since 2016. The Board believes Mr. Keown's significant management experience in the food industry provides valuable perspective to the Board.

Barbara L. Brasier retired in April 2018 as Chief Financial Officer and Senior Vice President of Herc Rentals, Inc., an equipment rental company, after leading its spinoff from Hertz Global Holdings, Inc. beginning in 2015. She served as Senior Vice President, Tax and Treasury for Mondelez International (successor to Kraft Foods, Inc.) from 2012 to 2015 and as a Senior Vice President of Kraft Foods Inc. in several finance roles from 2009 to 2012. In addition, she served as Vice President and Treasurer of Ingersoll Rand, a diversified industrial company, from 2004 to 2008. Prior to that, Ms. Brasier held various leadership roles at Mead Corporation, a packaging and forest product company, including service as a divisional President. She currently serves as Chairperson of the Audit Committee of the Board of Directors of John Bean Technologies Corporation, as a member of the Audit Committee of the Board of Directors of Molina Healthcare Inc., and as a member of the Board of Directors of Henny Penny Corporation. Ms. Brasier's executive leadership of a diverse portfolio of international public companies over a 38-year career and her current service as a director of three companies with a class of securities registered pursuant to Section 12 of the Exchange Act (our Corporation, John Bean Technologies Corporation and Molina Healthcare Inc.) and one private company provides the Board with valuable insight and expertise in numerous areas, including strategic planning, change management, mergers and acquisitions, accounting, tax and audit.

David A. Ciesinski currently serves as President and Chief Executive Officer of the Corporation. He has served as President of the Corporation since April 2016 and as Chief Executive Officer since July 2017. Mr. Ciesinski previously served as President of the Meal Solutions Division at Kraft Foods Group, Inc. and as its Executive Vice President and President of Meals & Desserts from 2014 to 2015, in which capacity he was responsible for leading Kraft's grocery business. Between 2013 and 2014, Mr. Ciesinski served as Chief Commercial Officer and Executive Vice President of Forever, Inc., a cloud-based storage company, in which capacity he was responsible for leading the sales, marketing, business development and operations functions. From 2012 to 2013, Mr. Ciesinski served as the Vice President of Global Business Development at H.J. Heinz Company, in which capacity he was responsible for leading the corporate business development activities of H.J. Heinz Company. Between 2011 and 2012, Mr. Ciesinski served as Group Vice President and Chief Marketing Officer of the U.S. Retail Division at H.J. Heinz Company, in which capacity he was responsible for leading Heinz's marketing and demand generation functions of their U.S. consumer products business. Between 2003 and 2011, Mr. Ciesinski served in various other leadership roles at H.J. Heinz Company, including those in marketing and strategic planning functions. Prior to joining H.J. Heinz Company, Mr. Ciesinski was a consultant with Ernst & Young LLP. As a veteran of the packaged foods industry with a broad base of executive leadership positions, Mr. Ciesinski's past experience provides a strong background to draw from in his role as the Corporation's President and Chief Executive Officer.

Alan F. Harris has been retired from full-time employment since 2007. He served as Executive Vice President and Chief Marketing and Customer Officer of Kellogg Company, a food products company, from 2003 to 2007, and Executive Vice President and President, Kellogg Company International Division from 2000 to 2003. With over 23 years of experience at Kellogg in a variety of positions, Mr. Harris possesses extensive domestic and international experience in the retail food industry, as well as considerable consumer marketing expertise. In addition, Mr. Harris embodies many other desirable qualities that contribute to the leadership of the Corporation, including strong general management breadth and experience and significant strategic acumen. Mr. Harris has made significant contributions to the Board in key areas of oversight, including strategic planning, risk assessment and product development.

## CORPORATE GOVERNANCE

The Board has four standing committees: the Audit Committee, the Compensation Committee, the Nominating and Governance Committee, and the Executive Committee. In addition, the Board has adopted a Corporate Governance Program that includes Corporate Governance Principles, a Code of Business Ethics, Standards of Conduct and an Insider Trading Policy. Each of these documents and the charters of the Board Committees are posted on the Corporation's web site at <http://www.lancastercolony.com/investors/corporate-governance/governance-documents/default.aspx>.

**Director Independence** — The Board and the Nominating and Governance Committee have reviewed and evaluated transactions and relationships with Board members and Board nominees to determine the independence of each of the members or nominees. The Board does not believe that any of its nonemployee members or nominees have relationships with the Corporation that would interfere with the exercise of independent judgment in carrying out his or her responsibilities as a director. The Board and the Nominating and Governance Committee have determined that a majority of the Board's members are "independent directors," as that term is defined in the applicable Nasdaq Global Select Market ("Nasdaq") listing standards. The Board has identified and determined that Dr. Bendapudi, Ms. Brasier, and Messrs. Carter, Fox, Harris, Keown and Ostryniec are independent directors, and Messrs. Cooke and Sofia were also independent directors for the duration of their service on the Board.

**Board Attendance** — Each member of the Board is expected to make a reasonable effort to attend all meetings of the Board, all applicable committee meetings and each annual meeting of shareholders. All members of the Board attended the 2019 Annual Meeting and each of the current members of the Board is expected to virtually attend the 2020 Annual Meeting. The Board held a total of seven meetings during fiscal 2020. Each director attended at least 75% of the aggregate meetings of the Board and the committees on which he or she served in fiscal 2020.

**Board Leadership Structure** — Mr. John B. Gerlach, Jr. currently serves as the Executive Chairman of the Board. Mr. David A. Ciesinski currently serves as the Corporation's Chief Executive Officer ("CEO"). The Board believes that the Corporation and its shareholders are best served by retaining the Board's flexibility to allocate the responsibilities of Executive Chairman of the Board and CEO in any way that is in the best interests of the Corporation at any future point in time.

The Corporation's Corporate Governance Principles require the Corporation to have a Lead Independent Director at any time during which the positions of Chairman of the Board and CEO are held by the same person. Mr. Alan F. Harris is our Lead Independent Director and has served in that capacity since November 14, 2018. Under the Corporate Governance Principles, the Lead Independent Director:

- works closely with the Chairman to approve the information presented to the Board and set and approve meeting agendas and meeting schedules;
- chairs meetings of the Board in the absence of the Chairman;
- oversees meetings of the independent directors, including executive sessions of the nonemployee directors;
- serves as the principal liaison between the independent directors and the Chairman;
- takes a leading role in the Board evaluation process; and
- has the authority to call meetings of the independent directors from time to time.

Mr. Gerlach, in his capacity as Executive Chairman, serves as a bridge between the Board and management and provides critical leadership for executing the Corporation's strategic initiatives and confronting its challenges. An Executive Chairman who is both a member of the management team and a significant shareholder is well-situated to assess the Corporation's strategy and maximize shareholder value. The Board believes that Board independence and oversight of management are effectively maintained through the Board's current composition, committee system and the position of Lead Independent Director.

**Board Role in Risk Oversight** — The Board, together with the Audit Committee and the Compensation Committee, are primarily responsible for overseeing the Corporation's risk management. Management of the Corporation has formed an Enterprise Risk Management Committee ("ERM Committee") consisting of the CEO, CFO, Chief Supply Chain Officer, Director of Internal Audit, General Counsel, Assistant General Counsel and Manager of Corporate Insurance. The primary responsibility of the ERM Committee is to promote the development of sound policies, procedures and practices for managing the Corporation's material risks and to report the results of



the ERM Committee's activities to the Audit Committee. The ERM Committee provides the Audit Committee with reports on a periodic basis and the full Board is provided an overview of key risks from various members of senior management. In addition, the Compensation Committee oversees risk requiring its expertise, such as those related to incentive compensation programs and policies.

Although the Board and its committees oversee risk management for the Corporation, management is responsible for the day-to-day management and mitigation of the Corporation's risks. We believe this division of responsibility reflects the appropriate roles of the Board and management in assessing and managing risks and has no effect on the Board's leadership structure.

**Director Qualifications** — The Nominating and Governance Committee looks for candidates who possess qualifications that meet our strategic needs, who maintain the highest personal and professional ethics, integrity and values, who understand our business, who have diverse backgrounds and experiences in key business, financial and other challenges that are faced by publicly held corporations with a consumer focus, who contribute a diverse frame of reference or point of view by virtue of ethnicity, age, gender or otherwise, and who represent the long-term interest of our shareholders. In particular, the Nominating and Governance Committee looks for candidates with experience in areas such as: management of public companies or other large organizations; consumer packaged goods, particularly retail food companies; investment banking or the banking industry; accounting and finance; technology; supply chain; and retail/mass marketing experience. The Corporation's long-standing commitment to diversity was reinforced in 2020 with the adoption of a rule in the Corporate Governance Principles that requires the Board to include highly qualified women and minority candidates in the pool of potential candidates considered for nomination as directors. We expect our directors to represent all shareholders rather than special interest groups or any group of shareholders.

**Corporate Governance Principles** — The Board, on the recommendation of the Nominating and Governance Committee, adopted a set of Corporate Governance Principles in 2005. These Corporate Governance Principles were amended in 2007, 2012, 2016, 2017 and 2020. The Corporate Governance Principles relate to the role, composition, structure and functions of the Board and the Corporation. The Nominating and Governance Committee is responsible for periodically reviewing these Corporate Governance Principles and recommending any changes to the Board.

**Majority Voting Policy in Uncontested Elections** — The Board, on the recommendation of the Nominating and Governance Committee, adopted a policy in 2016 stating that in an uncontested election of directors (i.e. an election where the number of nominees does not exceed the number of directors to be elected), a nominee who receives more "Withhold" votes than "For" votes in such election is expected to promptly tender his or her resignation as a director. The Nominating and Governance Committee shall consider each tendered director resignation and recommend to the Board whether to accept or reject it. After considering the recommendation of the Nominating and Governance Committee and any other information the Board deems appropriate, and within 90 days following the certification of the election results, the Board will act to accept or reject each tendered director resignation and promptly disclose its decision.

If a director's resignation is rejected, the Board will disclose the reasons for its decision and the director will continue to serve the remainder of his or her term until his or her successor is duly elected or until his or her earlier death, resignation or removal. If a director's resignation is accepted, the Board, in its sole discretion, may fill any resulting vacancy or decrease the size of the Board, in each case to the extent permitted by the Corporation's Amended and Restated Code of Regulations.

Any director who tenders a resignation under this policy may not participate in the Nominating and Governance Committee recommendation or the action of the Board regarding whether to accept or reject such tender of resignation.

**Code of Business Ethics and Standards of Conduct** — The Corporation has adopted a Code of Business Ethics and Standards of Conduct that inform the Corporation's directors and employees of their legal and ethical obligations to the Corporation and set a high standard of business conduct. The Code of Business Ethics and Standards of Conduct apply to all employees and, where applicable, to directors of the Corporation. The Corporation intends to satisfy the disclosure requirement under Item 5.05 of Form 8-K regarding any amendment to, or waiver from, any provision (including the standards listed under Item 406(b) of Regulation S-K) of the Code of Business Ethics that applies to the Corporation's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions by posting such information on the Corporation's website at <http://www.lancastercolony.com/investors/corporate-governance/default.aspx>.

**Shareholder Communication with the Board** — Any of the directors may be contacted by writing to them at: Board of Directors, c/o Corporate Secretary's Office, Lancaster Colony Corporation, 380 Polaris Parkway, Suite 400, Westerville, Ohio 43082. The directors have requested that the Secretary of the Corporation act as their agent in processing any communication received. All communications that relate to matters that are within the scope of responsibilities of the Board and its committees will be forwarded to the Board of Directors. Communications relating to matters within the responsibility of one of the committees of the Board will be forwarded to the Chairperson of the appropriate committee. Communications relating to ordinary business matters are not within the scope of the Board's responsibility and will be forwarded to the appropriate officer at the Corporation. Solicitations, advertising materials, and frivolous or inappropriate communications will not be forwarded.

## BOARD COMMITTEES AND MEETINGS

**Audit Committee** — The Board has established an audit committee (the “Audit Committee”) that currently consists of Ms. Brasier and Messrs. Carter, Harris and Ostryniec. Mr. Cooke served as Chairperson until his death in September 2020. Mr. Carter currently serves as interim Chairperson of the Audit Committee. The Board has determined that each member of the Audit Committee meets Nasdaq independence requirements and that Ms. Brasier and Messrs. Carter, Cooke and Harris qualified as “audit committee financial experts,” as defined in Item 407(d)(5) of Regulation S-K. With respect to its assessment of whether Ms. Brasier and Messrs. Carter, Cooke and Harris qualified as “audit committee financial experts,” the Board considered, among other things, their business experience and background. The Audit Committee operates pursuant to a charter that was approved by the Board in 2004 and amended in 2007, 2010 and 2020. The duties of the Audit Committee include the responsibility of reviewing financial information (both external and internal) about the Corporation and its subsidiaries to ensure that: (i) the overall audit coverage of the Corporation and its subsidiaries is satisfactory and appropriate to protect the shareholders from undue risks, and (ii) an adequate system of internal financial control has been designed and implemented throughout the Corporation and is being effectively maintained. Additionally, the Audit Committee has sole authority and direct responsibility with respect to the appointment, compensation, retention and oversight of the Corporation’s independent registered public accounting firm or independent auditor. Also, as part of its duties, the Audit Committee has adopted procedures for receiving and acting on complaints received by the Corporation regarding accounting, internal controls and auditing issues. Such complaints should be sent to the attention of the Corporate Secretary’s Office, Lancaster Colony Corporation, 380 Polaris Parkway, Suite 400, Westerville, Ohio 43082. The Audit Committee annually reviews the Audit Committee charter and annually evaluates the Audit Committee’s performance. The Audit Committee held four meetings during fiscal 2020.

**Compensation Committee** — The Board has established a compensation committee (the “Compensation Committee”) that currently consists of Dr. Bendapudi and Messrs. Carter and Fox. Mr. Cooke served on the Compensation Committee until his death in September 2020, and Mr. Sofia served as Chairperson of the Compensation Committee until his retirement in November 2019. Mr. Carter currently serves as Chairperson of the Compensation Committee. It has been determined by the Board that each member of the Compensation Committee meets Nasdaq independence requirements. The Compensation Committee operates pursuant to a charter that was approved by the Board in 2004 and amended in 2008, 2010, 2013, 2016 and 2020. The duties of the Compensation Committee include: annually determining the compensation of the Chief Executive Officer and other key executives, and reviewing and approving goals and objectives relevant to their activities; reviewing and approving the Chief Executive Officer’s recommendations as to the compensation of other executive officers of the Corporation; reviewing and approving offers to potential executive officers to join the Corporation; reviewing and approving perquisite policies; reviewing and approving employment agreements, severance or retention plans or agreements and severance or termination payments; having direct responsibility to retain, compensate and oversee independent compensation consultants and other advisors; overseeing regulatory compliance regarding compensation matters; establishing and evaluating performance goals and the level of achievement of such goals; reviewing and offering advice regarding direct compensation, equity-based compensation and retirement pay programs; administering equity-based compensation plans and approving equity awards; reporting activities to the Board; reviewing and discussing the Compensation Discussion and Analysis with the Corporation’s management; determining whether to recommend to the Board that the Compensation Discussion and Analysis be included in the Corporation’s Annual Report on Form 10-K and Proxy Statement; preparing a Compensation Committee Report for inclusion in the Corporation’s Annual Report on Form 10-K and Proxy Statement; periodically reviewing director compensation in relation to other comparable companies and in light of other facts the Compensation Committee finds appropriate; annually reviewing the Compensation Committee charter; and annually evaluating the Compensation Committee’s performance. The charter does not provide the Compensation Committee with any delegation authority regarding its duties, except for the ability to delegate authority to approve equity awards to a subcommittee of the Compensation Committee. See the discussion below under “Compensation Discussion and Analysis” and “Compensation of Directors” for more information about the Compensation Committee’s processes and procedures. The Compensation Committee held four meetings during fiscal 2020.

**Nominating and Governance Committee** — The Board has established a nominating and governance committee (the “Nominating and Governance Committee”) that currently consists of Dr. Bendapudi and Messrs. Fox, Harris and Keown. Mr. Sofia served on the Nominating and Governance Committee until his retirement in November 2019. Mr. Fox serves as Chairperson of the Nominating and Governance Committee. It has been determined by the Board that each member of the Nominating and Governance Committee meets Nasdaq

independence requirements. The Nominating and Governance Committee operates pursuant to a charter that was approved by the Board in 2004 and amended in 2005, 2010, 2012 and 2020. The duties of the Nominating and Governance Committee include the identification and nomination of candidates to the Board for election as directors of the Corporation, the annual review of its charter, and the development and review of a set of Corporate Governance Principles. The Nominating and Governance Committee has reviewed the Corporate Governance Principles and found them to be acceptable in scope and application and has so reported to the Board. The Nominating and Governance Committee also reviews the Corporation's policies regarding corporate social responsibility, including policies regarding sustainability matters and the environment, and generally considers the subject of diversity as further described in this section and in the "Corporate Governance – Director Qualifications" section of this Proxy Statement. The Nominating and Governance Committee held four meetings during fiscal 2020.

The Nominating and Governance Committee uses various sources to identify Board candidates, including the Corporation's executive officers, current members of the Board and independent third-party search firms. The Nominating and Governance Committee also considers the nomination of director candidates recommended by shareholders in conformance with the tests and standards outlined in the Nominating and Governance Committee's charter and the Corporation's Amended and Restated Code of Regulations. Section 2.03 of the Corporation's Amended and Restated Code of Regulations authorizes director nominations to be made by shareholders if the conditions specified therein are met, including the giving of advance notice and the furnishing of certain personal background information and a written statement from the proposed candidate agreeing to be identified in the Proxy Statement as a nominee and, if elected, to serve as a director. Recommendations to the Nominating and Governance Committee from shareholders regarding candidates must be delivered to the Corporation's Corporate Secretary no later than June 30 of the year in which such shareholder proposes that the recommended candidate stand for election.

The Nominating and Governance Committee has not established specific, minimum qualifications or criteria for nominees that it proposes for Board membership, but it evaluates the entirety of each candidate's credentials, believing that the Corporation will be best served if its directors bring a variety of experiences and backgrounds and demonstrate integrity, executive leadership, and financial, marketing, technology, supply chain or business knowledge and experience, among other things. Highly qualified women and minority candidates, as well as highly qualified candidates with other diverse backgrounds, will be included in the pool of potential candidates considered for nomination as directors. The Nominating and Governance Committee uses the same manner and process for evaluating every candidate for Board membership, regardless of the original source of the candidate's nomination.

**Executive Committee** — The Board has established an executive committee (the "Executive Committee") that currently consists of Messrs. Gerlach, Fox and Harris. No particular director serves as Chairperson of the Executive Committee. The Executive Committee operates pursuant to resolutions that were adopted by the Board in February 2008. The Executive Committee exercises the power and authority of the Board in managing the business and affairs of the Corporation (other than any power or authority specifically precluded by applicable law, the Corporation's Articles of Incorporation or Amended and Restated Code of Regulations, or by limiting resolutions of the Board), but the Executive Committee acts only in the intervals between meetings of the Board. Furthermore, all acts of the Executive Committee must be reported at the next Board meeting. The Executive Committee met one time during fiscal 2020.

#### **DELINQUENT SECTION 16(a) REPORTS**

To the Corporation's knowledge, based solely on its review of copies of forms filed with the Securities and Exchange Commission ("SEC"), all filing requirements applicable to the officers, directors and beneficial owners of more than 10% of the outstanding Common Stock under Section 16(a) of the Securities Exchange Act of 1934, as amended, were complied with during the fiscal year ended June 30, 2020, except that there was one untimely report on Form 4 for Dr. Neeli Bendapudi, Director of the Corporation, which was filed on September 11, 2019 with respect to three transactions.

## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The following shareholders have beneficial ownership, directly or indirectly, of more than five percent of the outstanding Common Stock as of September 14, 2020:

| Name and Address of Beneficial Owner  | Nature of Beneficial Ownership | Amount of Beneficial Ownership | Percent of Class <sup>(1)</sup> |
|---|--------------------------------|--------------------------------|---------------------------------|
| John B. Gerlach, Jr. <sup>(2)</sup><br>c/o Lancaster Colony Corporation<br>380 Polaris Parkway, Suite 400<br>Westerville, Ohio 43082      | Direct and indirect            | 8,198,690                      | 29.8%                           |
| Dareth A. Gerlach <sup>(3)</sup><br>c/o Lancaster Colony Corporation<br>380 Polaris Parkway, Suite 400<br>Westerville, Ohio 43082         | Direct and indirect            | 5,922,350                      | 21.5%                           |
| John B. Gerlach Trust A-1 <sup>(2)</sup><br>c/o Lancaster Colony Corporation<br>380 Polaris Parkway, Suite 400<br>Westerville, Ohio 43082 | Direct                         | 5,737,602                      | 20.8%                           |
| BlackRock, Inc. <sup>(4)</sup><br>55 East 52nd Street<br>New York, NY 10055   | Direct and indirect            | 2,309,238                      | 8.4%                            |
| The Vanguard Group <sup>(5)</sup><br>100 Vanguard Blvd.<br>Malvern, PA 19355  | Direct and indirect            | 2,152,006                      | 7.8%                            |
| State Street Corporation <sup>(6)</sup><br>One Lincoln Street<br>Boston, MA 02111   | Direct and indirect            | 1,789,986                      | 6.5%                            |

- (1) Aside from Mr. Gerlach, percentages are based upon 27,537,277 shares outstanding as of September 14, 2020. The percentage for Mr. Gerlach is based on 27,542,450 shares, which includes 5,173 shares available from vested stock appreciation rights, assuming exercise on September 14, 2020.
- (2) Mr. Gerlach beneficially owns 8,198,690 shares in the aggregate. This includes: (i) 243,397 shares held by Mr. Gerlach's spouse either directly or as trustee for which Mr. Gerlach's spouse has the sole power to vote and dispose of these shares. Mr. Gerlach disclaims beneficial ownership of all of these shares; (ii) 5,737,602 shares held by the John B. Gerlach Trust A-1, of which Mr. Gerlach is trustee with no power to vote or dispose of the shares, and of which Mr. Gerlach's mother, Dareth A. Gerlach, is the special trustee with the sole power to vote and dispose of the shares. Mr. Gerlach disclaims beneficial ownership of all of these shares; (iii) 137,430 shares held by the John B. Gerlach Taxable Trust U/A dtd. 2/23/74, as amended, of which Mr. Gerlach is trustee with no power to vote or dispose of the shares, and of which Mr. Gerlach's mother, Dareth A. Gerlach, is the special trustee with the sole power to vote and dispose of the shares. Mr. Gerlach disclaims beneficial ownership of all of these shares; (iv) 372,200 shares held by Mr. Gerlach as trustee or custodian for which he has the sole power to vote and dispose of the shares. Mr. Gerlach disclaims beneficial ownership of all of these shares; (v) 360,500 shares held by a family limited partnership and a family corporation. Mr. Gerlach has shared power to vote and dispose of all of these shares and disclaims beneficial ownership of 351,461 of these shares; (vi) 280,326 shares held by the Gerlach Foundation Inc., a private charitable foundation for which Mr. Gerlach shares the power to vote and dispose of the shares. Mr. Gerlach disclaims beneficial ownership of all of these shares; (vii) 132,160 shares held by Lancaster Lens Inc., a private charitable foundation for which Mr. Gerlach shares the power to vote and dispose of the shares. Mr. Gerlach disclaims beneficial ownership of all of these shares; and (viii) 620,122 shares held by Lehrs, Inc., a for profit corporation that is owned by the Fox Foundation, Inc., Gerlach Foundation, Inc. and The FG Foundation. Messrs. Gerlach and Fox serve as trustees of The FG Foundation, which is a supporting foundation of a public charitable foundation. Messrs. Gerlach and Fox each have shared power to vote and dispose of the shares held by Lehrs, Inc., and each disclaims beneficial ownership of all of those shares.
- (3) Includes 5,737,602 shares held by the John B. Gerlach Trust A-1 and 137,430 shares held by the John B. Gerlach Taxable Trust U/A. Mr. Gerlach is trustee of these trusts with no power to vote or dispose of the shares, and Mr. Gerlach's mother, Dareth A. Gerlach, is the special trustee with the sole power to vote and dispose of the shares. These shares are also included in the total number of shares held by Mr. Gerlach in the above table. Mr. Gerlach disclaims beneficial ownership of these shares, all of which are also reported in footnote 2.
- (4) BlackRock, Inc. filed a Schedule 13G/A with the SEC on February 5, 2020 indicating that, as of December 31, 2019, BlackRock, Inc. has sole voting power with respect to 2,269,388 shares and sole dispositive power with respect to 2,309,238 shares.
- (5) The Vanguard Group filed a Schedule 13G/A with the SEC on February 12, 2020 indicating that, as of December 31, 2019, The Vanguard Group has sole voting power with respect to 34,647 shares, sole dispositive power with respect to 2,116,988 shares, shared voting power with respect to 3,482 shares and shared dispositive power with respect to 35,018 shares.
- (6) State Street Corporation filed a Schedule 13G with the SEC on February 14, 2020 indicating that, as of December 31, 2019, State Street Corporation has shared voting power with respect to 1,700,011 shares and shared dispositive power with respect to 1,789,986 shares.

The following information indicates the beneficial ownership of outstanding Common Stock as of September 14, 2020 by all executive officers and directors of the Corporation as a group, each individual director, each individual director nominee, and each named executive officer in the 2020 Summary Compensation Table:

| Name of Beneficial Owner                                     | Amount and Nature of Beneficial Ownership | Percent of Class(1) |
|--|---|---------------------|
| Neeli Bendapudi  | 9,004 shares                              | *                   |
| Kristin J. Bird  | 1,037 shares(2)                           | *                   |
| Barbara L. Brasier   | 610 shares                                | *                   |
| William H. Carter  | 3,304 shares                              | *                   |
| David A. Ciesinski   | 38,687 shares                             | *                   |
| Robert L. Fox  | 1,060,255 shares(3)                       | 3.9%                |
| John B. Gerlach, Jr.   | 8,198,690 shares(2)(4)                    | 29.8%               |
| Alan F. Harris   | 18,149 shares(5)                          | *                   |
| Michael H. Keown   | 1,137 shares                              | *                   |
| David S. Nagle   | 6,394 shares(2)                           | *                   |
| Robert P. Ostryniec  | 4,664 shares                              | *                   |
| Thomas K. Pigott   | 2,434 shares(2)                           | *                   |
| Carl R. Stealey  | 1,903 shares(2)                           | *                   |
| All executive officers and directors as a group (13 persons) | 8,726,146 shares(6)                       | 31.7%               |

\* Less than 1%

(1) Aside from Ms. Bird and Messrs. Gerlach, Nagle, Pigott and Stealey, individual percentages are based upon 27,537,277 shares outstanding as of September 14, 2020. Percentages for Ms. Bird and Messrs. Gerlach, Nagle, Pigott and Stealey are based on 27,537,404 shares; 27,542,450 shares; 27,541,300 shares; 27,537,773 shares and 27,537,623 shares, respectively, which include the individual amounts noted in footnote 2 below. Percentages for the group are based on 27,547,442 shares, which includes the total amount noted in footnote 2 below.

(2) Includes 127 shares; 5,173 shares; 4,023 shares; 496 shares; and 346 shares available from vested stock appreciation rights for Ms. Bird and Messrs. Gerlach, Nagle, Pigott and Stealey, respectively, assuming exercise on September 14, 2020.

(3) Mr. Fox beneficially owns 1,060,255 shares in the aggregate. This includes: (i) 53,273 shares held directly by Mr. Fox's spouse. Mr. Fox disclaims beneficial ownership of all of these shares; (ii) 86,997 shares held by Mr. Fox as trustee for which he has the sole power to vote and dispose of the shares. Mr. Fox disclaims beneficial ownership of 78,398 of these shares; (iii) 53,720 shares held by the Fox Foundation Inc., a private charitable foundation for which Mr. Fox shares the power to vote and dispose of the shares. Mr. Fox disclaims beneficial ownership of all of these shares; and (iv) 620,122 shares held by Lehrs, Inc., a for profit corporation that is owned by the Fox Foundation, Inc., Gerlach Foundation, Inc. and The FG Foundation. Messrs. Fox and Gerlach serve as trustees of The FG Foundation, which is a supporting foundation of a public charitable foundation. Messrs. Fox and Gerlach each have shared power to vote and dispose of the shares held by Lehrs, Inc., and each disclaims beneficial ownership of all of those shares.

(4) See footnote 2 for Mr. Gerlach in the beneficial ownership table listed previously within this Proxy Statement.

(5) Includes 13,156 shares held as trustee for which Mr. Harris has the sole power to vote and dispose of these shares.

(6) For purposes of this calculation, the 620,122 shares held by Lehrs, Inc. have only been counted once.

## COMPENSATION DISCUSSION AND ANALYSIS

In this section, we discuss the principles underlying our executive compensation policies and decisions and the most important factors relevant to an analysis of these policies and decisions. We provide qualitative information regarding the manner and context in which compensation is awarded to and earned by our named executive officers to give perspective to the data we present in the compensation tables below, as well as the narratives that follow the tables.

### Executive Officers

The following is a list of the names and ages of all of the executive officers of the Corporation, indicating all positions and offices held by each such person and each person's principal occupation or employment during the past five years. The executive officers are appointed annually by the Board:

| Name                              | Principal Occupation   | Age | Executive Officer Since |
|-----------------------------------|--|-----|-------------------------|
| David A. Ciesinski <sup>(1)</sup> | Chief Executive Officer of the Corporation since 2017; President of the Corporation since 2016; President of T. Marzetti Company, the specialty foods subsidiary of the Corporation, since 2016  | 54  | 2016                    |
| Thomas K. Pigott                  | Chief Financial Officer, Vice President and Assistant Secretary of the Corporation since 2019; Vice President, Finance and Chief Financial Officer of MGP Ingredients, Inc. from 2015 to 2019; Vice President of Finance for the Kraft Foods Group Meals and Desserts Business Unit from 2014 to 2015  | 55  | 2019                    |
| David S. Nagle                    | Chief Supply Chain Officer of T. Marzetti Company, the specialty foods subsidiary of the Corporation, since 2019; Senior Vice President of Supply Chain of T. Marzetti Company from 2017 to 2019; Chief Operating Officer of Phillips Pet Food & Supply from 2014 to 2017; President, Distribution of Associated Materials from 2012 to 2014 | 56  | 2017                    |
| Carl R. Stealey                   | President, Retail Division of T. Marzetti Company, the specialty foods subsidiary of the Corporation, since 2018; General Manager and Vice President of Conagra Brands from 2016 to 2018; Vice President, U.S. Marketing of Mead Johnson Nutrition from 2010 to 2016   | 49  | 2018                    |
| Kristin J. Bird <sup>(2)</sup>    | President, Foodservice Division of T. Marzetti Company, the specialty foods subsidiary of the Corporation since 2019; General Manager of Basic American Foods from 2018 to 2019; Vice President and Senior Vice President, Foodservice Channel Development of Tyson Foods from 2008 to 2018  | 49  | 2019                    |
| John B. Gerlach, Jr.              | Executive Chairman of the Board of the Corporation since 2017; Chairman of the Board and Chief Executive Officer of the Corporation from 1997 to 2017; President of the Corporation from 1997 to 2016  | 66  | 1982                    |

(1) See "Proposal One - Nomination and Election of Directors" for Mr. Ciesinski's employment information prior to 2016.

(2) Ms. Bird became an executive officer of the Corporation effective September 1, 2019.

### Executive Summary

During 2020, we continued the three-pillar growth strategy we believe will best increase long-term shareholder value: (1) accelerate our base business growth; (2) simplify our supply chain to reduce our costs and grow our margins; and (3) identify and execute complementary mergers and acquisitions. Although we did not complete any acquisitions during fiscal 2020, we will continue to evaluate acquisition opportunities that fit our strategic goals.

Our business was significantly impacted by the effects of the COVID-19 pandemic in the United States over the last four months of the fiscal year (March – June 2020). Our Retail segment sales benefited from the impacts of

COVID-19, driven by greater at-home food consumption by U.S. consumers, while our Foodservice segment sales declined as a result of temporary restaurant closings. During fiscal 2020, we achieved the following financial outcomes from continuing operations:

- Overall net sales increased 2.0% to \$1.334 billion.
  - Our Retail segment net sales increased 8.8% to \$714.1 million due primarily to higher retail channel demand attributed to the impacts of COVID-19 and contributions from shelf-stable dressings and sauces sold under license agreements, including new product introductions. Higher sales volumes for frozen garlic bread and frozen dinner rolls, along with beneficial net price realization, added to the growth in Retail segment net sales.
  - Our Foodservice segment net sales decreased 4.7% to \$620.3 million despite growth of 7.2% in the first half of the fiscal year. Foodservice segment net sales declined 16.1% in the second half of the year as consumer demand shifted away from the foodservice channel due primarily to the impacts of COVID-19. Excluding all sales attributed to a temporary supply agreement in connection with the November 2018 acquisition of Omni Baking, Foodservice segment net sales decreased 5.3%.
- Operating income decreased 7.8% as impacted by the fiscal 2019 favorable adjustment related to Angelic Bakehouse's contingent consideration, increased expenditures for our enterprise resource planning system and related initiatives ("Project Ascent"), higher costs attributed to the impacts of COVID-19 and increased investments in technology and IT infrastructure. These unfavorable factors were partially offset by a more favorable sales mix, our cost savings programs, improved net price realization, and lower commodity costs.
- Net income and net income per common share (fully diluted) each decreased by 9%, as impacted by the factors described above, particularly the increased expenditures for Project Ascent and costs attributed to the impacts of COVID-19 in 2020, in addition to the reduction in fair value of the contingent consideration for Angelic Bakehouse in 2019.
- We demonstrated continued financial strength with a year-end cash balance of \$198.3 million and no debt.
- Return on beginning shareholders' equity was 18.8%. This figure also represents our return on capital given that we have no debt.
- Our ongoing shareholders experienced a total shareholder return of 6.2% during fiscal 2020. Shareholder returns include dividends of \$75.6 million or \$2.75 per share. Three-year total shareholder return was 33.2%, including dividends, an annualized rate of 10.0%.

Beginning in fiscal 2019, we introduced a new Annual Incentive Plan (the "2019 AIP") under our 2015 Omnibus Incentive Plan that focused on the key financial performance criteria of net sales and adjusted operating income, both at the Corporation level and at the individual business unit level (Retail and Foodservice), which we believe together serve to drive long-term shareholder value. The 2019 AIP replaced our previous short-term incentive plan that was almost exclusively focused on corporate-wide value-added income (operating income after a capital charge).

We continued the format of the 2019 AIP for 2020 (the "2020 AIP") with an important exception driven by the impacts of the COVID-19 pandemic in fiscal 2020. Specifically, we based all payouts on the performance of the Corporation as a whole, rather than considering the performance of our individual business units (Retail and Foodservice). The Compensation Committee believed such a change was appropriate because of how the entire Corporation came together to appropriately and safely respond to the pandemic. This modification did not change the payouts for the named executive officers in Corporate (i.e., Messrs. Ciesinski, Pigott and Nagle), but did change the payouts for Ms. Bird and Mr. Stealey.



Overall, in the context of the 2020 AIP goals, we fell just short of our overall net sales target but exceeded our operating income target for fiscal 2020, despite additional operating costs related to the pandemic. Based primarily on the financial performance results noted above, we provided the following pay outcomes to our ongoing named executive officers (Messrs. Ciesinski, Pigott, Stealey and Nagle) for fiscal 2020:

| Executive        | Executive Pay Decisions - Increases/Decreases in Fiscal 2020 |                  |                     |                           | Notes   |
|------------------|--|------------------|---------------------|---------------------------|---|
|                  | Salary   | Annual Incentive | Long-Term Incentive | Total Direct Compensation |   |
| Mr. Ciesinski    | 3.2%   | -3.6%            | 23.5%               | 11.0%                     | Based on financial performance and continued movement of total compensation toward market competitive pay   |
| Mr. Pigott       | 1.6%   | 312.6%           | 12.5%               | 42.2%                     | Based on financial performance and full year annual incentive award versus partial year award in 2019   |
| Mr. Stealey      | 1.6%   | 68.0%            | -25.0%              | 5.0%                      | Based on financial performance, full year annual incentive award versus partial year award in 2019, and an additional long-term incentive grant upon hire in 2019 |
| Mr. Nagle        | 5.9%   | 31.2%            | 0.0%                | 10.6%                     | Based on financial performance and continued movement toward market competitive pay   |
| <b>Aggregate</b> | <b>3.0%</b>  | <b>33.1%</b>     | <b>12.5%</b>        | <b>14.7%</b>              |   |

Note: Ms. Bird is not included in the above table because she became an executive officer during fiscal 2020.

The changes in compensation were driven by several key factors including:

- increases in long-term incentives (Mr. Ciesinski) and annual cash compensation (Mr. Nagle) reflecting continuing movement toward market competitive total direct compensation;
- significant annual incentive increases for Messrs. Pigott and Stealey reflecting full year 2020 AIP payouts versus partial year payouts in fiscal 2019; and
- similar annual incentive plan performance overall for fiscal 2020 and fiscal 2019.

Our Compensation Committee believes the above pay outcomes were appropriate in the context of the financial and shareholder return performances described above as well as consideration of our response to the COVID-19 pandemic.

#### Executive Compensation Program Philosophy and Objectives

The primary objective of our key executive compensation program is to reward our named executive officers for their efforts in:

- attaining market or above-market financial results;
- achieving our strategic goals; and
- increasing long-term shareholder value.

As a result, our executive compensation philosophy is focused on “pay for performance.”

For the Corporation, a “pay for performance” philosophy means providing competitive compensation outcomes when performance meets our expectations, but also realizing that results above or below our expectations may result in above-market or below-market compensation outcomes. To further this philosophy, we have designed our executive compensation program to:

- motivate our named executive officers to achieve superior financial and operational performance;
- align our named executive officers’ compensation interests with our goal of creating long-term shareholder value; and
- attract and retain key executive talent.

We believe our executive compensation program should promote long-term shareholder value and should not be overly influenced by the short-term performance of our stock. In our experience, salary, annual cash incentive awards and long-term equity-based awards, as the primary elements of our executive compensation program, are the best vehicles to align our executives' interests with our goal of promoting long-term shareholder value. We also understand our executive compensation programs provide a starting point, or baseline of comparison, for the compensation we pay to our other employees. For this reason, we believe our executive compensation program should strike an appropriate balance among rewards, incentives and expectations.

While these broad concepts generally govern our executive compensation program, we also account for specific factors particular to each executive officer when making individual compensation decisions, which we describe in detail below. These factors include the executive's range of responsibilities and related performance measures and other individual factors affecting each executive's performance. We also engage in a general "double-check" of our executive compensation levels against amounts paid to executive officers with similar responsibilities in similarly situated companies, but we do not specifically benchmark compensation against percentiles or ranges of compensation provided by such companies.

At our 2019 Annual Meeting, our executive compensation program received approval from 98.6% of our shareholders casting votes on the matter, indicating strong shareholder support for the Compensation Committee's executive compensation decisions and policies. There are many factors contributing to the Compensation Committee's decision on whether to make significant changes to our compensation mix, including shareholder approval, peer group actions, target pay levels, performance metrics, or other compensation policies. The Compensation Committee will continue to consider results from future shareholder advisory votes, which will be held annually until the next shareholder advisory vote in 2023 on the frequency of future votes on executive compensation, in its ongoing evaluation of our executive compensation programs and practices.

### **Compensation Administration and Consultant**

The Compensation Committee reviews and determines the compensation for our named executive officers. The compensation we paid our named executive officers for fiscal 2020 is disclosed in detail in the tables and narratives below under the heading "Executive Compensation." Our Compensation Committee is also responsible for, among other duties, structuring and administering the compensation programs and plans in which our named executive officers participate.

During fiscal 2020, the Compensation Committee retained the services of an independent executive compensation consultant, Pay Governance LLC ("Pay Governance"). Pay Governance reports directly to the Compensation Committee and did not provide any other types of service to the Corporation during fiscal 2020. The Compensation Committee believes there were no conflicts of interest between Pay Governance and the Compensation Committee during fiscal 2020. In reaching this conclusion, the Compensation Committee considered the compensation consultant independence factors set forth in Rule 10C-1(b)(4) of the Securities Exchange Act of 1934, as amended.

Pay Governance reevaluated our peer group and, based on its recommendations, the Compensation Committee adopted no changes to the peer group. In addition, Pay Governance provided information regarding median compensation for our named executive officers during fiscal 2020. The information was used by the Compensation Committee to obtain a general understanding of current compensation practices in our competitive market rather than for benchmarking purposes. Pay Governance also worked with the Compensation Committee to prepare the 2020 AIP, which was based on the incentive structure implemented in fiscal 2019, as described in more detail below.

Over time, the Compensation Committee has worked to include peer companies with the following characteristics:

- annual revenues generally between 50% and 250% of the Corporation's annual revenues;
- companies primarily competing in the Packaged Foods and Meats category and other related categories; and
- a market cap similar to ours (i.e., between \$1 billion and \$5 billion vs. our market cap of approximately \$4 billion).

For fiscal 2020, we used the following peer group (the “2020 Peer Group”) to determine competitive pay levels for input into the Compensation Committee’s decision-making process:

|                                  |                                  |
|----------------------------------|----------------------------------|
| • B&G Foods, Inc.                | • The Boston Beer Company, Inc.  |
| • Calavo Growers, Inc.           | • Cal-Maine Foods, Inc.          |
| • Farmer Bros. Co.               | • Flowers Foods, Inc.            |
| • The Hain Celestial Group, Inc. | • Hostess Brands, Inc.           |
| • J&J Snack Foods Corp.          | • John B. Sanfilippo & Son, Inc. |
| • Lamb Weston Holdings, Inc.     | • Sanderson Farms, Inc.          |
| • SunOpta Inc.                   | • Tootsie Roll Industries, Inc.  |

As of April 30, 2019, which was the date on which the 2020 Peer Group was evaluated for purposes of providing input with respect to fiscal 2020 compensation, our Corporation had the following financial characteristics compared to our 2020 Peer Group: our revenues were at the 55<sup>th</sup> percentile; market cap was at the 88<sup>th</sup> percentile; and total enterprise value was at the 86<sup>th</sup> percentile. Total enterprise value is defined as market capitalization plus long-term debt, less cash.

We made no changes to the 2020 Peer Group when evaluating compensation for fiscal 2021.

### **Compensation Processes, Procedures and Comparison to Peer Group**

Generally, our Compensation Committee establishes salaries for the current fiscal year and annual cash incentive award payouts for the prior fiscal year at its regularly scheduled August meeting. Historically, at this meeting, our Compensation Committee reviews the elements of each named executive officer’s total compensation during the previous fiscal year. Our Chief Executive Officer then makes compensation recommendations to our Compensation Committee with respect to the members of senior management who report to him, but those executives are not present in the meeting during compensation deliberations.

The Compensation Committee Chairperson then makes compensation recommendations in executive session to our Compensation Committee with respect to our Chief Executive Officer, who is absent from the meeting at that time. Our Compensation Committee also compares our named executive officers’ compensation with that offered to executive officers employed by companies in our peer group, based on information about the peer group companies supplied by Pay Governance, during the first part of the review process as a “double-check” against market compensation practices rather than as a formal benchmarking process.

Our Compensation Committee may accept or adjust the recommendations it receives in establishing the final compensation for each named executive officer. In general, when setting each component of compensation for our named executive officers, our Compensation Committee considers the following performance factors:

- our previous year’s operating results and achievement of our performance objectives;
- the relative value of the executive’s unique skills, competencies and institutional knowledge, including time in current position;
- the executive’s performance of his or her responsibilities; and
- the executive’s contribution toward our long-term strategic objectives and our goal of creating long-term shareholder value.

We believe the total cash compensation paid to our named executive officers (the combination of salary and annual cash incentives) for fiscal 2020 was in line with market median compensation paid for executives holding similar positions in our 2020 Peer Group based on the Compensation Committee’s general understanding of current compensation practices in our competitive market.

### **Primary Elements of Compensation**

As noted, we have established executive compensation objectives primarily focused on helping to create long-term shareholder value. We believe we can best achieve our executive compensation program objectives by offering competitive short-term cash compensation combined with appropriate long-term equity-based compensation tied to our operating results and our achievement of incremental shareholder value. To this end, the primary elements of our executive compensation program are salary, annual cash incentive awards and long-term equity-based

incentive awards, which are described in detail below. Generally, we look at our named executive officers' compensation arrangements in total when establishing salaries, annual cash incentive awards and long-term equity incentive awards.

**Salaries.** We provide our named executive officers with annual salaries to attract and retain the executives and to provide them with a steady source of annual cash income. For each named executive officer, salary represents a risk-free cash compensation component. We establish salaries to reward our named executive officers for their overall level of expertise, responsibilities, experience and other factors unique to each individual executive officer, as determined by our Compensation Committee. However, our general policy is the salaries for our named executive officers should not exceed median salaries for executive officers with similar responsibilities within our peer group.

For fiscal 2020, the amount of each continuing named executive officer's salary increase expressed as a percentage of such officer's fiscal 2019 salary was as follows: Mr. Ciesinski, 3.2%, Mr. Pigott, 1.6%, Mr. Stealey, 1.6%, and Mr. Nagle, 5.9%. Ms. Bird did not receive a salary increase for fiscal 2020 given her employment starting date in August 2019, after the beginning of the 2020 fiscal year.

**Bonus.** We provided Ms. Bird with a signing bonus of \$75,000 to create an additional incentive to join the Corporation in light of high market demand.

**Annual Cash Incentive Awards.** We also provide our named executive officers with annual cash incentive awards designed to motivate them to help achieve our annual financial goals. The annual cash incentive award represents a performance-based, variable and "at-risk" cash component of compensation for each named executive officer. Under this program, Mr. Ciesinski, Mr. Pigott, Ms. Bird, Mr. Stealey and Mr. Nagle were each provided the opportunity to earn an annual cash incentive payment for fiscal 2020 based on achievement of certain financial and individual objectives. We granted these awards to our named executive officers because of their overall responsibilities for achieving annual financial and operating results and driving the creation of long-term shareholder value. An annual cash incentive payment, if earned, is made early in the following fiscal year. Annual cash incentive payments earned by our named executive officers for fiscal 2020 appear in the "Non-Equity Incentive Plan Compensation" column of our 2020 Summary Compensation Table.

As noted previously, during fiscal 2019 we implemented the 2019 AIP, which replaced our prior annual cash incentive plan that had been in place for many years. The 2019 AIP was developed in conjunction with Pay Governance and was designed to reflect our Corporation's two business unit structure, to create an environment of cooperation across the business units and with corporate functional units, and to drive higher levels of executive accountability deeper into the organization.

As a starting point for the 2020 AIP, each named executive officer was assigned a target cash incentive award under the 2020 AIP expressed as a percentage of salary as follows:

- Mr. Ciesinski – 100% of salary
- Mr. Pigott – 80% of salary
- Mr. Stealey – 70% of salary
- Ms. Bird – 65% of salary (pro-rated to account for her August 2019 start date)
- Mr. Nagle – 65% of salary (increased from his 2019 target of 50% to reflect increasing responsibilities and impact on our operating results in our supply chain activities)

The 2020 AIP provides rewards for the achievement of two key financial metrics: net sales and operating income, as well as for achievement against personal objectives developed for each named executive officer. The financial metrics are weighted as 70% of the total incentive while the achievement of personal objectives is weighted 30%.

All participants have a significant weighting in overall corporate financial outcomes, which promotes teamwork and cooperation across business units and with the corporate functional groups. The weighting on personal objectives is designed to drive personal responsibilities, and most personal objectives, if achieved, are expected to have a positive impact on current and future financial outcomes.

The impacts of the COVID-19 pandemic caused our Compensation Committee to reevaluate the structure of the 2020 AIP, which resulted in a key change to the financial metrics. Specifically, the Compensation Committee, in

conjunction with management recommendations, elected to change the 2020 AIP by eliminating the separate Retail and Foodservice metrics and making payments to all participants, including the named executive officers, solely based on the overall Corporate financial metrics and personal objectives for fiscal 2020.

The key rationale for the change was how well the management team pulled together in reaction to the pandemic, focusing on and achieving the following key overriding objectives, both of which required cooperation among business units and corporate functional departments and significant effort across all aspects of the Corporation:

- ensuring the health, safety and welfare of our employees; and
- continuing to play our part in the vital food supply chain by adequately supplying our customers while maintaining the financial strength of our business.

An additional factor was that the outcomes for the Retail and Foodservice businesses were very different from each other, even though the overall corporate outcomes were within expected financial metric performance ranges set at the beginning of the year. In this regard, please note that:

- the overall corporate financial metrics were not changed during fiscal 2020; the additional costs of addressing COVID-19 are included in the overall outcomes and were not excluded as an extraordinary cost;
- outcomes against the corporate financial metrics included a below-target outcome for net sales and an above-target outcome for operating income; and
- overall corporate financial outcomes were calculated to be 125.1% of target.

As noted above, the key financial metrics are net sales and operating income. Operating income is weighted 70% and net sales is weighted 30%, reflecting the importance our Compensation Committee places on each metric. At the beginning of the 2020 fiscal year, the Compensation Committee set the following targets, thresholds and maximums for corporate net sales and operating income:

Fiscal Year 2020 Corporate AIP Performance Metrics

(\$ in millions)

|           | Net Sales | Operating Income |
|-----------|-----------|------------------|
| Threshold | \$1,257.8 | \$168.3          |
| Target    | \$1,324.0 | \$187.0          |
| Maximum   | \$1,390.2 | \$205.7          |

Targets were based on our Corporation's budgeted outcomes for fiscal 2020, while thresholds and maximums were set as follows:

- Net Sales:
  - Threshold was set at 95% of target
  - Maximum was set at 105% of target
- Operating Income:
  - Threshold was set at 90% of target
  - Maximum was set at 110% of target

Payouts to the named executive officers are 20% of target opportunities at threshold and 200% at maximum.

At the time the Compensation Committee set the above metrics, it also recognized there were certain adjustments in the context of determining the incentives to be paid to the named executive officers. Such adjustments included:

- the exclusion of sales related to a temporary supply agreement with Omni Baking, an acquisition made in November 2018, due to uncertainty regarding its magnitude and ending point (net sales impact);
- changes in contingent consideration for past acquisitions (operating income impact); and
- other unusual costs not associated with the results of operations such as restructuring charges (related to the closure of the Saraland facility) and ERP related costs (operating income impact).

The above adjustments served to reduce the net sales and increase the operating income used in determining payouts to the named executive officers, as shown in the table below:

Fiscal Year 2020 Adjusted Financial Results

(\$ in millions)

| Performance Measure      |   | Corporate |
|--------------------------|---|-----------|
| <u>Net Sales:</u>        | Reported FY 2020 Results                        | \$1,334.4 |
|                          | Adjusted Net Sales for 2020 AIP Purposes        | \$1,312.0 |
| <u>Operating Income:</u> | Reported FY 2020 Results                        | \$ 175.9  |
|                          | Adjusted Operating Income for 2020 AIP Purposes | \$ 194.9  |

These results were compared to the targets set previously and accounted for the various weighting factors related to the 2020 AIP, including:

- the weighting between operating income and net sales (70%/30%, respectively); and
- the overall weighting between financial and individual performance (also 70%/30%, respectively).

We then calculated personal performance outcomes for each of the named executive officers participating in the 2020 AIP. Personal objectives were objective in nature and designed to support our overall financial goals and included such measures as:

- operational cost savings;
- timely and on-budget completion of key capital expenditure projects;
- driving succession planning;
- working with other members of the executive team to craft and implement the corporate responses to the COVID-19 pandemic;
- implementing innovative new products and achieving targeted sales for such products; and
- timely implementation and operation of a new performance management system throughout the Corporation.

Each named executive officer had an overall score for achievement of personal objectives, which was then weighted at 30% of his or her total annual incentive opportunity, with payout opportunities ranging between 0% at minimum, 20% at threshold and 200% at maximum, identical to the financial performance payout opportunities.

Finally, we added the financial and personal performance factors together and multiplied by each named executive officer's total target incentive to derive a total annual incentive payout for the 2020 AIP. We believe the outcomes fairly represent both the financial performance of the Corporation and the achievements of our named executive officers in achieving their personal performance goals and objectives. As a result of this performance, Mr. Ciesinski received a total annual incentive payout of \$1,000,800; Mr. Pigott received a total annual incentive payout of \$459,367; Ms. Bird received a total annual incentive payout of \$298,155; Mr. Stealey received a total annual incentive payout of \$357,286; and Mr. Nagle received a total annual incentive payout of \$309,891. Note that Ms. Bird's annual incentive payout was pro-rated for her start date during the 2020 fiscal year.

**Long-Term Equity-Based Incentive Awards.** We grant our long-term equity incentives in the form of stock-settled stock appreciation rights and time-based restricted stock. During fiscal 2020, we made the following grants to our named executive officers:

| Named Executive      | Appreciation Rights |          | Restricted Shares   |          | Total Grant Value ('000s) |
|----------------------|---------------------|----------|---------------------|----------|---------------------------|
|                      | Grant Value ('000s) | # Rights | Grant Value ('000s) | # Shares |                           |
| Mr. Ciesinski        | \$1,365.0           | 56,569   | \$735.0             | 4,782    | \$2,100.0                 |
| Mr. Pigott           | \$ 292.5            | 12,122   | \$157.6             | 1,025    | \$ 450.1                  |
| Ms. Bird (upon hire) | \$ 65.0             | 3,044    | \$ 35.1             | 227      | \$ 100.1                  |
| Ms. Bird             | \$ 195.0            | 8,081    | \$105.0             | 683      | \$ 300.0                  |
| Mr. Stealey          | \$ 195.0            | 8,081    | \$105.0             | 683      | \$ 300.0                  |
| Mr. Nagle            | \$ 195.0            | 8,081    | \$105.0             | 683      | \$ 300.0                  |

Our regular annual long-term incentive grants were made to Ms. Bird and Messrs. Ciesinski, Pigott, Stealey and Nagle in February 2020 under our 2015 Omnibus Incentive Plan that was previously approved by our shareholders. Ms. Bird received two grants in fiscal 2020, one soon after she began employment in August 2019, which was a pro-rata grant based on her start date, and a grant at the regular grant date in February 2020.

Equity grants are determined based upon total estimated value. The grants are allocated such that the appreciation rights represent 65% of the total equity grant value and restricted stock represents the remaining 35% of the value. Our Compensation Committee believes the appreciation rights grants provide a direct incentive for recipients to increase the share price, leading to the creation of long-term shareholder value. The restricted stock grants are primarily designed to promote the retention of executives over the long term. Overall, our Compensation Committee believes the awards represent an appropriate level of additional annual compensation aligned with the creation of long-term shareholder value and the retention of executive talent.

Appreciation rights give holders the right to receive stock in our Corporation equal in market value to the difference between the closing market price of our stock on the day of exercise and the base price established for the appreciation rights, as set forth in the appreciation rights award agreement, multiplied by the number of appreciation rights exercised. The base price for appreciation rights equals the closing price of our stock on the date on which the appreciation rights are granted, which for Ms. Bird's August 2019 grant was \$154.44 and for the overall February 2020 grant was \$153.71. Appreciation rights cannot be exercised until they vest, and, for retention purposes, the Compensation Committee has currently chosen the following vesting schedule: one-third of the total award will vest on each of the first, second and third anniversaries of the grant date. The appreciation rights granted under our 2015 Omnibus Incentive Plan will vest earlier upon a change in control of the Corporation in a pro rata amount based upon the length of time within the vesting period that has lapsed prior to the change in control. If the grantee's service is terminated by the Corporation without cause or by the grantee with good reason, or in the event of the grantee's death, unvested appreciation rights granted under 2019 award agreements will vest in full, as described in more detail in the award agreement. In contrast, unvested appreciation rights granted in 2020 will be forfeited upon termination of employment except in instances of death, disability or a change in control, unless otherwise determined by the administrator. Appreciation rights granted in 2020 expire no later than seven years from the date of the grant, while appreciation rights granted in 2019 expire no later than five years from the date of the grant. Ms. Bird's grant of appreciation rights in August 2019 must be exercised no later than August 20, 2024, and all appreciation rights granted in February 2020 must be exercised no later than February 25, 2027.

The Compensation Committee granted new awards of restricted stock on the same day as the appreciation rights awards. Unlike the appreciation rights, the shares of restricted stock do not vest ratably, but vest in total on the third anniversary of the grant date, although a portion of the shares may vest at retirement as described below. This restricted stock will vest earlier upon a change in control of the Corporation if it is not assumed by the acquiring or surviving company, or if it is assumed and the grantee's employment is, within 24 months following the change in control, terminated by the Corporation other than for cause or terminated by the grantee for good reason. Once vested, the restricted stock may be traded in the same manner as other shares. Each recipient of restricted stock will receive dividends on the restricted stock during the vesting period but will generally forfeit all unvested restricted stock upon termination of employment unless his or her termination is a result of death or disability or as otherwise determined by the administrator. Two exceptions to the general forfeiture rule apply for unvested restricted stock granted under 2019 award agreements: (1) vesting is accelerated upon a termination by the Corporation without cause or by the recipient for good reason, as described in more detail in the award agreement, and (2) vesting is accelerated upon the employee's retirement if at the date of grant an employee has reached the age of 63 and has at least 10 years of service with the Corporation, in which event one-third will vest if the employee retires after the first anniversary of the grant date but before the second anniversary of the grant date, and two-thirds will vest if the employee retires after the second anniversary of the grant date but before full vesting of the award.

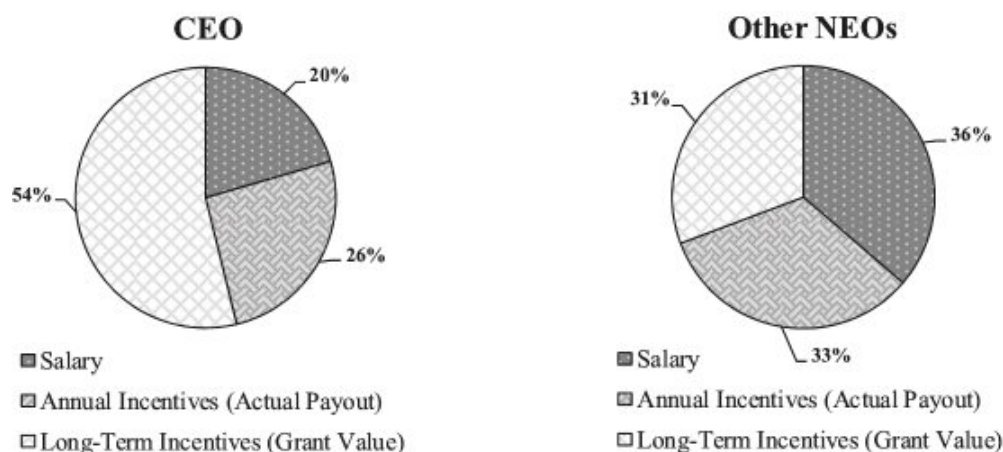
The Compensation Committee did not rely upon any specific formulas, mathematical calculations or peer group comparisons when determining the value of equity grants to individual employees, including our named executive officers, during 2020. Instead, the 2020 grants were made based on the Compensation Committee's judgment, which in turn was based on the Compensation Committee's desire to award each employee enough value to achieve our retention and motivation objectives discussed above.

In the Compensation Committee's view, the amounts awarded in 2020 were necessary to retain executive talent and provide incentives for our executives to create long-term shareholder value. Long-term equity awards for Messrs. Ciesinski and Pigott were based on the Compensation Committee's desire to retain them over the long term, assist

them with building significant share ownership going forward and move them toward market competitive levels of overall compensation. Mr. Ciesinski's and Mr. Pigott's awards increased by 23.5% and 12.5%, respectively, over their 2019 awards. Awards for Ms. Bird and Messrs. Stealey and Nagle represent historically appropriate awards for their positions.

We believe these types of equity awards offer our named executive officers the best form of motivation and retention incentives aligned with the long-term interests of our shareholders. We expect our Compensation Committee will continue to use its judgment, based in part on recommendations by the Chief Executive Officer, to determine the appropriate level of appreciation rights and restricted stock awards because this gives the Compensation Committee the most flexibility to make awards in amounts necessary to help achieve our long-term objectives. At this time, the Compensation Committee has not made any determinations about awards for fiscal 2021 or future years.

The following charts depict the pay mix for Mr. Ciesinski, our CEO, and Messrs. Pigott, Stealey and Nagle, the named executive officers who were employed during all of fiscal 2020. Ms. Bird was not included in the charts below because she was not employed for the full year in fiscal 2020:



The above charts show that a significant majority of the compensation provided to Mr. Ciesinski and the other named executive officers is annual and long-term incentives, which we think serves to focus their attention on achieving strong financial and long-term shareholder returns.

## 2021 Executive Pay Changes

The Compensation Committee took the following executive pay actions at its August 2020 meeting relative to fiscal 2021:

**Salaries.** For fiscal 2021, we increased our named executive officers' salaries in the aggregate by 4.0%. The amount of each named executive officer's salary increase for fiscal 2021, expressed as a percentage of such officer's fiscal 2020 base salary, is as follows: Mr. Ciesinski, 2.5%; Mr. Pigott, 2.9%; Ms. Bird, 4.6%; Mr. Stealey, 2.9%; and Mr. Nagle, 9.0%. The 2021 salaries for each of the named executive officers became effective on July 1, 2020. The larger increases for Ms. Bird and Mr. Nagle were provided to increase the competitiveness of their total direct compensation, and the increase for Mr. Nagle also reflected his increased responsibilities. The Compensation Committee increased each named executive officer's salary based on overall satisfaction with their performance during fiscal 2020.

**2021 Annual Incentive Plan** - The Compensation Committee has decided to continue the 2020 AIP for 2021 (the "2021 AIP"). The 2021 AIP was approved by the Compensation Committee at its August 2020 meeting.

The 2021 AIP provides for several levels of performance metrics, identical to the 2020 AIP, including:

- Corporate metrics — Net sales and operating income.
- Individual metrics — Expectations related to individual performance over the course of a fiscal year.



The Compensation Committee believes the performance metrics continue to represent key indicators for the Corporation. Overall, financial performance metrics will be weighted at 70% of the total, with operating income again weighted at 70% and net sales at 30%, reflecting what the Compensation Committee and management believe are the relative impacts of the key drivers of long-term shareholder performance.

Target incentive opportunities for our named executive officers in the 2021 AIP are identical to those in the 2020 AIP, expressed as a percentage of salary, with the exception of Ms. Bird, whose target incentive was increased to 70% based upon her role as a President of one of our operating segments.

Payouts will range from 0% to 200% of each named executive officer's target percentage, based on performance against the annual operating plan and the achievement of individual objectives.

#### **Other Benefits**

Our named executive officers are also eligible to participate in our employee benefit plans available to all salaried employees, including our 401(k) plans, health insurance plan and group life insurance plan. These other benefits are discussed in detail below. In addition, our named executive officers may elect to participate in our deferred compensation program. We also make some post-termination payments and benefits available to our named executive officers, as described in detail below. The value of these benefits is reviewed annually by our Compensation Committee but is not generally considered as part of the overall compensation program for purposes of allocating among cash, equity and other compensation.

**Perquisites.** We generally do not provide perquisites to our named executive officers because they do not help to achieve any of our compensation program objectives, including the promotion of long-term shareholder value. We limit the perquisites made available to our named executive officers that are not otherwise available to all salaried employees and believe this arrangement is consistent with our "pay for performance" philosophy. During fiscal 2020, we offered our named executive officers the following perquisites: life insurance and travel insurance premium payments, relocation expense reimbursements and payment of certain business-related professional and filing fees. More detailed information about perquisites for fiscal 2020 is presented below in the "All Other Compensation" column of our 2020 Summary Compensation Table.

**Executive Deferred Compensation Program.** The Lancaster Colony Corporation Executive Employee 2005 Deferred Compensation Plan ("DCP") allows our named executive officers to defer up to \$50,000 of their annual cash compensation for future payment. Under the DCP, amounts deferred by our named executive officers are maintained in separate book-entry accounts. Interest on the deferred amounts is credited semi-annually on June 30 and December 31 with an annual rate of interest equal to the prime interest rate reported in the Wall Street Journal on the first business day in January (for the June 30 credit) and July (for the December 31 credit). We do not match amounts that are deferred. Distributions from the DCP are paid upon termination of employment (including death or disability), and the named executive officer may elect to receive payments in either a lump sum or a series of installments upon termination. We do not fund the DCP and participants have only an unsecured contractual commitment from the Corporation to pay the amounts due. More detailed information about the DCP is presented below in the 2020 Nonqualified Deferred Compensation Table and related narrative.

**Health and Welfare Benefits.** We provide healthcare, life and disability insurance and other employee benefits programs to our employees, including our named executive officers. We believe these benefits are competitive within our peer group and, while not separate incentives by themselves because they do not help to achieve any of our compensation program objectives, are essential and expected parts of any compensation program. Our benefits department is responsible for overseeing the administration of these programs. Our employee benefits programs are provided on a non-discriminatory basis to all employees. These benefits include vacation and personal time, paid holidays, medical and long and short-term disability insurance programs.

#### **Retirement Benefits**

**Pension Benefits.** We do not provide defined benefit pension arrangements or post-retirement health coverage for our named executive officers, as we do not believe that providing these types of benefits to our named executive officers helps to achieve any of our compensation program objectives, including the promotion of long-term shareholder value.

**401(k) Plan.** All of our current named executive officers are eligible to participate in our Lancaster Colony Corporation 401(k) Plan, a tax-qualified defined contribution plan that we refer to as our 401(k) Plan. We believe this

benefit is competitive within our peer group and, while not a separate incentive by itself because it does not help to achieve any of our compensation program objectives, it is an essential and expected part of any compensation program. Under the 401(k) Plan, each employee may make pre-tax or Roth contributions, or both, into an individual account, up to 25% of eligible compensation and subject to limits established by the Internal Revenue Service. The Corporation's matching contribution is equal to 100% of each dollar contributed, up to 4% of the participant's eligible compensation. A participant may make partial withdrawals from the 401(k) Plan in the event of financial hardship, for any reason after a participant reaches age 59 ½, or through a loan. Single lump sum withdrawals are permitted upon an employee's termination of employment.

Effective for calendar year 2020, the 401(k) Plan limits the annual additions that can be made to an employee's account to \$57,000 per year. Annual additions include matching contributions by the employer and contributions made by the employee. Of those annual additions, the current maximum contribution is \$19,500 per year, and no more than \$285,000 of annual compensation may be considered in computing benefits under the 401(k) Plan.

Participants age 50 and over may also contribute a catch-up contribution of up to \$6,500 per year, without regard to the \$57,000 limitation on annual additions or the \$19,500 general limitation. Matching contributions from the Corporation that were paid to our named executive officers during fiscal 2020 are included in the "All Other Compensation" column of our 2020 Summary Compensation Table.

### **Employment, Severance and Change in Control Agreements**

Except for Mr. Ciesinski, we do not maintain employment agreements with any of our named executive officers.

Mr. Ciesinski's employment agreement was effective as of April 18, 2016, and had an initial term ending June 30, 2019. Thereafter, the employment agreement automatically renews for successive one-year terms, unless earlier terminated pursuant to its terms, or unless either we or Mr. Ciesinski provides timely written notice that the term will not be extended.

In the event Mr. Ciesinski is terminated by the Corporation without cause, by the Corporation as a result of giving notice of non-extension of the employment agreement, or by Mr. Ciesinski for good reason, then, subject to Mr. Ciesinski signing and not revoking a release of claims against the Corporation, he will receive as severance pay the greater of: (a) continued payment of his base salary for a period of twelve months, plus an amount equal to 80% of his salary in lieu of any annual incentive for the incomplete fiscal year; or (b) the amount due to Mr. Ciesinski under his change in control agreement (see discussion below). Additionally, in the event Mr. Ciesinski's termination occurs after the completion of our fiscal year but before the payment of his annual incentive, Mr. Ciesinski will be entitled to payment of his earned but unpaid annual incentive for such completed fiscal year.

Mr. Ciesinski's employment agreement also provides for a clawback of any incentive compensation or other compensation paid to Mr. Ciesinski as required under applicable law, government regulation, stock exchange listing requirement, or our policy.

We entered into change in control agreements with Mr. Ciesinski, Mr. Pigott, Ms. Bird, Mr. Stealey and Mr. Nagle in April 2016, April 2019, August 2019, October 2018 and October 2018, respectively. If an executive's employment is terminated on or within 12 months following a change in control, either by the Corporation without cause, or by the executive for good reason, the executive would be entitled to a lump sum severance payment equal to the sum of: (i) accrued and unpaid salary, accrued and unpaid annual incentive from any prior completed fiscal year, and a pro-rated portion of the executive's annual incentive for the current fiscal year; (ii) three times the sum of base salary plus target level annual incentive for the current fiscal year for Mr. Ciesinski; or two times the sum of base salary plus target level annual incentive for the current fiscal year for Mr. Pigott, Ms. Bird, Mr. Stealey and Mr. Nagle; (iii) the sum of the executive's unvested 401(k) balance; plus two times the aggregate matching contributions payable by the Corporation into the executive's 401(k) account for the last completed calendar year; and (iv) continued health, dental, long-term disability and life insurance coverage for two years following the executive's date of termination. Notwithstanding the foregoing, the change in control agreements do not provide for any excise tax gross-up payments and provide that the executive's change in control payments thereunder would be reduced by the minimum amount necessary to avoid penalties under Section 4999 of the Internal Revenue Code.

## Share Ownership Guidelines

The Board adopted the following revised share ownership guidelines in 2017 to further align the interests of the Corporation's named executive officers and the Corporation's shareholders:

| Executive Officers   | Share Ownership Guideline |
|--|---------------------------|
| CEO (Mr. Ciesinski)  | 6x annual base salary     |
| CFO (Mr. Pigott)   | 2x annual base salary     |
| Other Named Executive Officers (Ms. Bird, Mr. Stealey and Mr. Nagle) | 1x annual base salary     |
| Other Potential Future Named Executive Officers                      | 1x annual base salary     |

Each named executive officer to whom this policy applies shall have until the later of five years from the date of adoption of this policy or five years from the date such named executive officer becomes subject to this policy to achieve the applicable guideline level of ownership. Mr. Ciesinski, Mr. Pigott, Ms. Bird, Mr. Stealey and Mr. Nagle are required to meet the applicable guideline by July 2022, April 2024, September 2024, October 2023 and July 2022, respectively.

## Insider Trading, Hedging and Pledging Policies

Our Insider Trading Policy prohibits all directors and employees from short-selling common shares of the Corporation or engaging in transactions involving Corporation-based derivative securities, including, but not limited to, trading in Corporation-based option contracts (for example, buying and/or writing puts and calls). Hedging transactions, such as zero-cost collars and forward sale contracts, that permit a director or employee to own securities of the Corporation without the full risks and rewards of ownership are prohibited. This does not prohibit the exercise of options, stock appreciation rights, or other derivative securities received through Corporation-sponsored equity incentive plans.

Our Insider Trading Policy also prohibits pledging Corporation securities as collateral for a loan, except where the person clearly demonstrates the financial capacity to repay the loan without resort to the pledged securities.

In addition, our Insider Trading Policy prohibits our directors, officers and employees from purchasing or selling Corporation securities while in possession of material, non-public information, except through use of stock trading plans adopted pursuant to Rule 10b5-1 of the Securities Exchange Act of 1934, as amended. Rule 10b5-1 allows insiders to sell and diversify their holdings in our common shares over a designated period by adopting pre-arranged stock trading plans at a time when they are not aware of material nonpublic information about the Corporation and thereafter sell our common shares in accordance with the terms of their stock trading plans without regard to whether or not they are in possession of material nonpublic information about the Corporation at the time of the sale.

## Recoupment of Incentive Payments

We do not have a formal policy regarding adjusting or recovering annual cash incentive payments or long-term equity-based incentive awards if the relevant performance metrics upon which such awards or payments are based are later restated or otherwise adjusted in a manner that reduces the actual size of the award or payment. Instead, we will consider making adjustments or recoveries on a case-by-case basis if those situations arise and expect to comply with all recoupment requirements imposed under the Dodd-Frank Wall Street Reform and Consumer Protection Act when such requirements apply.

## Compensation-Related Risk Assessment

In fiscal 2020, the Compensation Committee reviewed and discussed the structure of our compensation program from the point of view of assessing whether any aspect of the program could potentially be expected to provide an incentive to our executive officers or other employees to take any unnecessary or inappropriate risks that could threaten our operating results, financial condition or impact long-term shareholder value. The Compensation Committee assessed our incentive-based compensation plans (including the annual and long-term incentive programs) and our compensation practices. Further, the Compensation Committee discussed the structure of the compensation program with the Executive Chairman and Lead Independent Director.

Based on our internal controls, policies and risk-mitigating components in our incentive arrangements currently in place, informal input from Pay Governance, discussions with the Executive Chairman and Lead Independent Director, as well as the Compensation Committee's formal review and discussion, the Compensation Committee believes our compensation programs represent an appropriate balance of short-term and long-term compensation and do not encourage executive officers or other employees to take unnecessary or excessive risks that are reasonably likely to have a material adverse effect on the Corporation.

## EXECUTIVE COMPENSATION

### 2020 Summary Compensation Table

The following table summarizes compensation earned during the 2020, 2019 and 2018 fiscal years by our named executive officers:

| Name and Principal Position<br>(a)   | Fiscal Year<br>(b) | Salary<br>\$(1)<br>(c) | Bonus<br>\$<br>(d) | Stock Awards<br>\$(2)<br>(f) | Option Awards<br>\$(3)<br>(g) | Non-Equity Incentive Plan Compensation<br>\$(4)<br>(h) | All Other Compensation<br>\$<br>(i) | Total<br>\$<br>(j) |
|--|--------------------|------------------------|--------------------|------------------------------|-------------------------------|--|-------------------------------------|--------------------|
| David A. Ciesinski, President and Chief Executive Officer and President, T. Marzetti Company     | 2020               | \$800,000              | \$ —               | \$735,041                    | \$1,365,010                   | \$1,000,800  | \$ 41,658 <sup>(5)</sup>            | \$3,942,509        |
|  | 2019               | \$775,000              | \$ —               | \$595,057                    | \$1,104,992                   | \$1,037,725  | \$ 37,758                           | \$3,550,532        |
|  | 2018               | \$750,000              | \$ —               | \$490,051                    | \$ 910,000                    | \$ 563,500   | \$ 18,066                           | \$2,731,617        |
| Thomas K. Pigott, Chief Financial Officer, Vice President and Assistant Secretary <sup>(6)</sup> | 2020               | \$457,269              | \$ —               | \$157,553                    | \$ 292,504                    | \$ 459,367   | \$ 23,446 <sup>(7)</sup>            | \$1,390,139        |
|  | 2019               | \$ 95,192              | \$50,000           | \$139,999                    | \$ 260,009                    | \$ 111,330   | \$ 92,692                           | \$ 749,222         |
| Kristin J. Bird, President, Foodservice Division, T. Marzetti Company <sup>(8)</sup>             | 2020               | \$330,769              | \$75,000           | \$140,042                    | \$ 259,984                    | \$ 298,155   | \$208,426 <sup>(9)</sup>            | \$1,312,376        |
| Carl R. Stealey, President, Retail Division, T. Marzetti Company <sup>(10)</sup>                 | 2020               | \$406,462              | \$ —               | \$104,984                    | \$ 194,995                    | \$ 357,286   | \$ 9,703 <sup>(11)</sup>            | \$1,073,430        |
|  | 2019               | \$251,538              | \$75,000           | \$140,082                    | \$ 259,997                    | \$ 212,730   | \$ 56,576                           | \$ 995,923         |
| David S. Nagle, Chief Supply Chain Officer, T. Marzetti Company                                  | 2020               | \$376,292              | \$ —               | \$104,984                    | \$ 194,995                    | \$ 309,891   | \$ 18,084 <sup>(12)</sup>           | \$1,004,246        |
|  | 2019               | \$355,408              | \$ —               | \$105,046                    | \$ 194,993                    | \$ 236,272   | \$ 25,143                           | \$ 916,862         |
|  | 2018               | \$344,250              | \$ 7,888           | \$ 69,990                    | \$ 130,008                    | \$ 112,680   | \$103,222                           | \$ 768,038         |

- (1) The amounts shown in this column represent salary earned in each fiscal year. The amounts shown in this column for 2020 include amounts deferred by our named executive officers under our nonqualified deferred compensation plan, which is further discussed above under “Compensation Discussion and Analysis” and below in the “2020 Nonqualified Deferred Compensation Table” and accompanying narrative.
- (2) The amounts reported in the “Stock Awards” column reflect the aggregate grant date fair value computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, or FASB ASC Topic 718, of the restricted stock granted during the reported years. The assumptions used in determining these valuations are the same as those used in our financial statements. For fiscal 2020, those assumptions can be found in footnote 11 to the financial statements included in our Annual Report on Form 10-K for the fiscal year ended June 30, 2020. See the 2020 Grants of Plan-Based Awards table below for additional information regarding the restricted stock awarded in fiscal 2020.
- (3) The amounts reported in the “Option Awards” column reflect the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 of the stock-settled stock appreciation rights granted during the reported years. The assumptions used in determining these valuations are the same as those used in our financial statements. For fiscal 2020, those assumptions can be found in footnote 11 to the financial statements included in our Annual Report on Form 10-K for the fiscal year ended June 30, 2020. See the 2020 Grants of Plan-Based Awards table below for additional information regarding the stock-settled stock appreciation rights awarded in fiscal 2020.
- (4) The amounts shown in this column for 2020 represent amounts computed for fiscal 2020 performance under our annual cash incentive award program. As discussed under “Compensation Discussion and Analysis” above, these amounts were based on our achievement of certain financial objectives. See “Compensation Discussion and Analysis” for more information about our annual cash incentive award program.
- (5) This amount consists of (A) \$1,200 in life insurance premium payments and (B) \$40,458 of perquisites and other personal benefits in the aggregate consisting of: (i) matching contributions to our 401(k) Plan, (ii) payment of travel insurance premiums and (iii) dividends on unvested restricted stock.
- (6) Mr. Pigott was appointed as an executive officer of the Corporation effective April 1, 2019.
- (7) This amount consists of (A) \$1,200 in life insurance premium payments and (B) \$22,246 of perquisites and other personal benefits in the aggregate consisting of (i) matching contributions to our 401(k) Plan, (ii) payment of travel insurance premiums and (iii) dividends on unvested restricted stock.
- (8) Ms. Bird was appointed as an executive officer of the Corporation on September 1, 2019.
- (9) This amount consists of (A) \$900 in life insurance premium payments, (B) \$201,305 of relocation expense reimbursements and (C) \$6,221 of perquisites and other personal benefits in the aggregate consisting of (i) matching contributions to our 401(k) Plan, (ii) payment of travel insurance premiums and (iii) dividends on unvested restricted stock.
- (10) Mr. Stealey was appointed as an executive officer of the Corporation effective October 31, 2018.
- (11) This amount consists of (A) \$1,200 in life insurance premium payments and (B) \$8,503 of perquisites and other personal benefits in the aggregate consisting of (i) matching contributions to our 401(k) Plan, (ii) payment of travel insurance premiums and (iii) dividends on unvested restricted stock.
- (12) This amount consists of (A) \$1,145 in life insurance premium payments and (B) \$16,939 of perquisites and other personal benefits in the aggregate consisting of (i) matching contributions to our 401(k) Plan, (ii) payment of travel insurance premiums and (iii) dividends on unvested restricted stock.

## 2020 Grants of Plan-Based Awards Table

The following table shows all plan-based awards granted to our named executive officers during fiscal 2020.

| Name<br>(a)        | Grant Date<br>(b) | Estimated Possible Payouts Under Non-Equity Incentive Plan Awards |                        |                        | Estimated Future Payouts Under Equity Incentive Plan Awards |                      |                       | All Other Stock Awards: Number of Shares of Stock or Units<br>(#)<br>(i) | All Other Option Awards: Number of Securities Underlying Options<br>(#)<br>(j) | Exercise or Base Price of Option Awards<br>(#)<br>(k) | Grant Date Fair Value of Stock and Option Awards<br>(#)<br>(l) |
|--------------------|-------------------|---|------------------------|------------------------|---|----------------------|-----------------------|--|--|---|--|
|                    |                   | Threshold<br>(\$)<br>(c)  | Target<br>\$(1)<br>(d) | Maximum<br>(\$)<br>(e) | Threshold<br>(#)<br>(f)                                     | Target<br>(#)<br>(g) | Maximum<br>(#)<br>(h) |  |  |   |  |
| David A. Ciesinski | —                 | \$160,000   | \$800,000              | \$1,600,000            | —   | —                    | —                     | —  | —  | —   | \$ —   |
|                    | 2/25/20           | \$ —  | \$ —                   | \$ —                   | —   | —                    | —                     | 4,782(2)   | —  | —   | \$ 735,041   |
|                    | 2/25/20           | \$ —  | \$ —                   | \$ —                   | —   | —                    | —                     | —  | 56,569(3)  | \$153.71  | \$1,365,010  |
| Thomas K. Pigott   | —                 | \$ 73,400   | \$367,000              | \$ 734,000             | —   | —                    | —                     | —  | —  | —   | \$ —   |
|                    | 2/25/20           | \$ —  | \$ —                   | \$ —                   | —   | —                    | —                     | 1,025(2)   | —  | —   | \$ 157,553   |
|                    | 2/25/20           | \$ —  | \$ —                   | \$ —                   | —   | —                    | —                     | —  | 12,122(3)  | \$153.71  | \$ 292,504   |
| Kristin J. Bird    | —                 | \$ 47,600   | \$238,000              | \$ 476,000             | —   | —                    | —                     | —  | —  | —   | \$ —   |
|                    | 2/25/20           | \$ —  | \$ —                   | \$ —                   | —   | —                    | —                     | 683(2)   | —  | —   | \$ 104,984   |
|                    | 2/25/20           | \$ —  | \$ —                   | \$ —                   | —   | —                    | —                     | —  | 8,081(3)   | \$153.71  | \$ 194,995   |
|                    | 8/20/19           | \$ —  | \$ —                   | \$ —                   | —   | —                    | —                     | 227(4)   | —  | —   | \$ 35,058  |
|                    | 8/20/19           | \$ —  | \$ —                   | \$ —                   | —   | —                    | —                     | —  | 3,044(5)   | \$154.44  | \$ 64,989  |
| Carl R. Stealey    | —                 | \$ 57,200   | \$286,000              | \$ 572,000             | —   | —                    | —                     | —  | —  | —   | \$ —   |
|                    | 2/25/20           | \$ —  | \$ —                   | \$ —                   | —   | —                    | —                     | 683(2)   | —  | —   | \$ 104,984   |
|                    | 2/25/20           | \$ —  | \$ —                   | \$ —                   | —   | —                    | —                     | —  | 8,081(3)   | \$153.71  | \$ 194,995   |
| David S. Nagle     | —                 | \$ 49,600   | \$248,000              | \$ 496,000             | —   | —                    | —                     | —  | —  | —   | \$ —   |
|                    | 2/25/20           | \$ —  | \$ —                   | \$ —                   | —   | —                    | —                     | 683(2)   | —  | —   | \$ 104,984   |
|                    | 2/25/20           | \$ —  | \$ —                   | \$ —                   | —   | —                    | —                     | —  | 8,081(3)   | \$153.71  | \$ 194,995   |

- (1) As we described in “Compensation Discussion and Analysis” above, under our annual cash incentive program, Ms. Bird and Messrs. Ciesinski, Pigott, Stealey and Nagle each receive a fiscal year incentive opportunity, the amount of which is primarily determined by applying a weighted percentage rate to certain financial targets for the entire Corporation for each named executive officer, and certain personal performance targets, each as further described in “Compensation Discussion and Analysis” above. Payouts to the named executive officers are 20% at threshold and 200% at maximum.

Target amounts for annual cash incentive awards are established under our 2020 AIP as a percentage of base salary and calculated based on the Corporation’s net sales and operating income, along with the achievement of personal performance goals. The amounts reflected in column (d) of the above table for Messrs. Ciesinski, Pigott, Stealey and Nagle and Ms. Bird represent the estimated possible payout for fiscal 2020 based on fiscal 2020 targeted performance, as required by applicable guidance. These amounts are not indicative of the actual amounts Messrs. Ciesinski, Pigott, Stealey and Nagle and Ms. Bird received under the 2020 AIP for the reasons explained above in “Compensation Discussion and Analysis.”

The total annual cash incentive payments for our named executive officers in fiscal 2020 made pursuant to a plan were determined by our Compensation Committee on August 18, 2020 based on the Corporation’s performance and are reflected in column (g) of our 2020 Summary Compensation Table above. For more information about our 2020 AIP, see “Compensation Discussion and Analysis” above.

- (2) These amounts represent shares of restricted stock that were granted on February 25, 2020 pursuant to our 2015 Omnibus Incentive Plan. The restricted stock is expected to fully vest on February 25, 2023. The grant date fair value per share was \$153.71.
- (3) These amounts represent stock-settled stock appreciation rights that were granted on February 25, 2020 pursuant to our 2015 Omnibus Incentive Plan. The stock-settled stock appreciation rights vest ratably over a three-year period beginning on February 25, 2021, can be exercised for up to seven years from the date of grant and are expected to fully vest on February 25, 2023. The Black-Scholes determined grant date fair value per right was \$24.13. The amounts reported in column (l) for these awards represent the grant date fair market value computed in accordance with FASB ASC Topic 718.
- (4) This amount represents shares of restricted stock that were granted on August 20, 2019 pursuant to our 2015 Omnibus Incentive Plan. The restricted stock is expected to fully vest on August 20, 2022. The grant date fair value per share was \$154.44.
- (5) This amount represents stock-settled stock appreciation rights that were granted on August 20, 2019 pursuant to our 2015 Omnibus Incentive Plan. The stock-settled stock appreciation rights vest ratably over a three-year period beginning on August 20, 2020, can be exercised for up to five years from the date of grant and are expected to fully vest on August 20, 2022. The Black-Scholes determined grant date fair value per right was \$21.35. The amount reported in column (l) for this award represents the grant date fair market value computed in accordance with FASB ASC Topic 718.

None of our named executive officers is a party to an employment agreement with the Corporation except Mr. Ciesinski. Mr. Ciesinski, Mr. Pigott, Ms. Bird, Mr. Stealey and Mr. Nagle were party to Key Employee Change in Control Agreements with the Corporation in fiscal 2020. For more information about these agreements, see “Compensation Discussion and Analysis — Employment, Severance and Change in Control Agreements” above and the disclosure below under “Potential Payments Upon Termination or Change in Control.” For more information about the other compensation arrangements in which our named executive officers participate and the proportion of our named executive officers’ total compensation represented by base salary and annual cash incentive payments or discretionary bonuses, also see “Compensation Discussion and Analysis” above.

## Outstanding Equity Awards at 2020 Fiscal Year-End Table

The following table shows all outstanding equity awards held by our named executive officers at the end of fiscal 2020.

| Name<br>(a)        | Option Awards  |  |   |                                   | Stock Awards                  |  |   |
|--------------------|--|--|---|-----------------------------------|-------------------------------|--|---|
|                    | Number of Securities Underlying Unexercised Options (#)<br>Exercisable (b) | Number of Securities Underlying Unexercised Options (#)<br>Unexercisable (c) | Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)<br>(d) | Option Exercise Price (\$)<br>(e) | Option Expiration Date<br>(f) | Number of Shares or Units of Stock That Have Not Vested (#)<br>(g) | Market Value of Shares or Units of Stock That Have Not Vested (\$)<br>(h) |
| David A. Ciesinski | 3,382(1)   | —  | —   | \$122.62                          | Jun 30, 2022                  | —  | —   |
|                    | 33,892(2)  | 16,946(2)  | —   | \$121.09                          | Feb 27, 2023                  | —  | —   |
|                    | 15,653(3)  | 31,308(3)  | —   | \$154.48                          | Feb 26, 2024                  | —  | —   |
|                    | —  | 56,569(4)  | —   | \$153.71                          | Feb 25, 2027                  | —  | —   |
|                    | —  | —  | —   | —                                 | —                             | 4,047(5)   | \$ 627,245  |
|                    | —  | —  | —   | —                                 | —                             | 3,852(6)   | \$ 597,021  |
|                    | —  | —  | —   | —                                 | —                             | <u>4,782(7)</u>  | <u>\$ 741,162</u>   |
|                    | 52,927   | 104,823  |   |                                   |                               | 12,681   | \$1,965,428   |
| Thomas K. Pigott   | 3,763(8)   | 7,527(8)   | —   | \$153.34                          | Apr 1, 2024                   | —  | —   |
|                    | —  | 12,122(4)  | —   | \$153.71                          | Feb 25, 2027                  | —  | —   |
|                    | —  | —  | —   | —                                 | —                             | 913(9)   | \$ 141,506  |
|                    | —  | —  | —   | —                                 | —                             | <u>1,025(7)</u>  | <u>\$ 158,865</u>   |
|                    | 3,763  | 19,649   |   |                                   |                               | 1,938  | \$ 300,371  |
| Kristin J. Bird    | —  | 3,044(10)  | —   | \$154.44                          | Aug 20, 2024                  | —  | —   |
|                    | —  | 8,081(4)   | —   | \$153.71                          | Feb 25, 2027                  | —  | —   |
|                    | —  | —  | —   | —                                 | —                             | 227(11)  | \$ 35,183   |
|                    | —  | —  | —   | —                                 | —                             | <u>683(7)</u>  | <u>\$ 105,858</u>   |
|                    | —  | 11,125   |   |                                   |                               | 910  | \$ 141,041  |
| Carl R. Stealey    | 713(12)  | 1,426(12)  | —   | \$180.60                          | Nov 13, 2023                  | —  | —   |
|                    | 2,762(3)   | 5,525(3)   | —   | \$154.48                          | Feb 26, 2024                  | —  | —   |
|                    | —  | 8,081(4)   | —   | \$153.71                          | Feb 25, 2027                  | —  | —   |
|                    | —  | —  | —   | —                                 | —                             | 194(13)  | \$ 30,068   |
|                    | —  | —  | —   | —                                 | —                             | 680(6)   | \$ 105,393  |
|                    | —  | —  | —   | —                                 | —                             | <u>683(7)</u>  | <u>\$ 105,858</u>   |
|                    | 3,475  | 15,032   |   |                                   |                               | 1,557  | \$ 241,319  |
| David S. Nagle     | 9,160(14)  | —  | —   | \$135.06                          | Feb 21, 2022                  | —  | —   |
|                    | 4,842(2)   | 2,421(2)   | —   | \$121.09                          | Feb 27, 2023                  | —  | —   |
|                    | 2,762(3)   | 5,525(3)   | —   | \$154.48                          | Feb 26, 2024                  | —  | —   |
|                    | —  | 8,081(4)   | —   | \$153.71                          | Feb 25, 2027                  | —  | —   |
|                    | —  | —  | —   | —                                 | —                             | 578(5)   | \$ 89,584   |
|                    | —  | —  | —   | —                                 | —                             | 680(6)   | \$ 105,393  |
|                    | —  | —  | —   | —                                 | —                             | <u>683(7)</u>  | <u>\$ 105,858</u>   |
|                    | 16,764   | 16,027   |   |                                   |                               | 1,941  | \$ 300,835  |

(1) These stock-settled stock appreciation rights were granted on June 30, 2017 pursuant to our 2015 Omnibus Incentive Plan. The stock-settled stock appreciation rights vest ratably over a three-year period beginning on June 30, 2018, can be exercised for up to five years from the date of grant and are fully vested.

(2) These stock-settled stock appreciation rights were granted on February 27, 2018 pursuant to our 2015 Omnibus Incentive Plan. The

stock-settled stock appreciation rights vest ratably over a three-year period beginning on February 27, 2019, can be exercised for up to five years from the date of grant and are expected to fully vest on February 27, 2021.

- (3) These stock-settled stock appreciation rights were granted on February 26, 2019 pursuant to our 2015 Omnibus Incentive Plan. The stock-settled stock appreciation rights vest ratably over a three-year period beginning on February 26, 2020, can be exercised for up to five years from the date of grant and are expected to fully vest on February 26, 2022.

- (4) These stock-settled stock appreciation rights were granted on February 25, 2020 pursuant to our 2015 Omnibus Incentive Plan. The stock-settled stock appreciation rights vest ratably over a three-year period beginning on February 25, 2021, can be exercised for up to seven years from the date of grant and are expected to fully vest on February 25, 2023.
- (5) These shares of restricted stock were granted on February 27, 2018 pursuant to our 2015 Omnibus Incentive Plan. The restricted stock is expected to fully vest on February 27, 2021.
- (6) These shares of restricted stock were granted on February 26, 2019 pursuant to our 2015 Omnibus Incentive Plan. The restricted stock is expected to fully vest on February 26, 2022.
- (7) These shares of restricted stock were granted on February 25, 2020 pursuant to our 2015 Omnibus Incentive Plan. The restricted stock is expected to fully vest on February 25, 2023.
- (8) These stock-settled stock appreciation rights were granted on April 1, 2019 pursuant to our 2015 Omnibus Incentive Plan. The stock-settled stock appreciation rights vest ratably over a three-year period beginning on April 1, 2020, can be exercised for up to five years from the date of grant and are expected to fully vest on April 1, 2022.
- (9) These shares of restricted stock were granted on April 1, 2019 pursuant to our 2015 Omnibus Incentive Plan. The restricted stock is expected to fully vest on April 1, 2022.
- (10) These stock-settled stock appreciation rights were granted on August 20, 2019 pursuant to our 2015 Omnibus Incentive Plan. The stock-settled stock appreciation rights vest ratably over a three-year period beginning on August 20, 2020, can be exercised for up to five years from the date of grant and are expected to fully vest on August 20, 2022.
- (11) These shares of restricted stock were granted on August 20, 2019 pursuant to our 2015 Omnibus Incentive Plan. The restricted stock is expected to fully vest on August 20, 2022.
- (12) These stock-settled stock appreciation rights were granted on November 13, 2018 pursuant to our 2015 Omnibus Incentive Plan. The stock-settled stock appreciation rights vest ratably over a three-year period beginning on November 13, 2019, can be exercised for up to five years from the date of grant and are expected to fully vest on November 13, 2021.
- (13) These shares of restricted stock were granted on November 13, 2018 pursuant to our 2015 Omnibus Incentive Plan. The restricted stock is expected to fully vest on November 13, 2021.
- (14) These stock-settled stock appreciation rights were granted on February 21, 2017 pursuant to our 2015 Omnibus Incentive Plan. The stock-settled stock appreciation rights vest ratably over a three-year period beginning on February 21, 2018, can be exercised for up to five years from the date of grant and are fully vested.

## 2020 Option Exercises and Stock Vested Table

| Name<br>(a)        | Option Awards   |   | Stock Awards   |   |
|--------------------|---|---|--|---|
|                    | Number of Shares<br>Acquired on<br>Exercise (#)<br>(b)(1) | Value<br>Realized<br>on Exercise (\$)<br>(c)(1) | Number of Shares<br>Acquired on<br>Vesting (#)<br>(d)(2) | Value Realized<br>on Vesting (\$)<br>(e)(2) |
| David A. Ciesinski | 22,130(3)   | \$3,552,473                                     | 3,305(3)   | \$517,320                                   |
| Thomas K. Pigott   | —   | \$ —  | —  | \$ —  |
| Kristin J. Bird    | —   | \$ —  | —  | \$ —  |
| Carl R. Stealey    | —   | \$ —  | —  | \$ —  |
| David S. Nagle     | —   | \$ —  | 648(3)   | \$101,704                                   |

- (1) The amounts reported in columns (b) and (c) reflect the exercise during fiscal 2020 of stock-settled stock appreciation rights by the named executive officers. The amounts reported in column (c) were computed using the aggregate number of shares acquired on exercise and the closing price of our shares on the respective dates of exercise.
- (2) The amounts reported in columns (d) and (e) reflect the vesting during fiscal 2020 of restricted stock awards for the named executive officers. The amounts reported in column (e) were computed using the number of shares acquired on vesting and the closing price of our shares on the respective date of vesting.
- (3) Shares reported reflect gross shares before tax settlement. A sufficient number of shares were withheld to cover the applicable taxes due upon exercise or vesting.

## 2020 Pension Benefits

We do not maintain any defined benefit plans or other plans with specified retirement benefits in which our named executive officers participate.



## 2020 Nonqualified Deferred Compensation Table

This table shows certain information for fiscal 2020 for each of our named executive officers under our DCP.

| Name<br>(a)        | Executive<br>Contributions<br>in Last FY<br>(\$)(1)<br>(b) | Registrant<br>Contributions<br>in Last FY<br>(\$)<br>(c) | Aggregate<br>Earnings in<br>Last FY<br>(\$)(2)<br>(d) | Aggregate<br>Withdrawals/<br>Distributions<br>(\$)<br>(e) | Aggregate<br>Balance at<br>Last FYE<br>(\$)(3)<br>(f) |
|--------------------|--|--|---|---|---|
| David A. Ciesinski | \$49,074   | —  | \$5,319   | —   | \$132,415   |
| Thomas K. Pigott   | \$ —   | —  | \$ —  | —   | \$ —  |
| Kristin J. Bird    | \$ —   | —  | \$ —  | —   | \$ —  |
| Carl R. Stealey    | \$49,074   | —  | \$2,586   | —   | \$ 77,021   |
| David S. Nagle     | \$ —   | —  | \$ —  | —   | \$ —  |

(1) The amounts reported for our named executive officers in this column are fully reported as part of the salary for each named executive officer in column (c) of the “2020 Summary Compensation Table” above.

(2) None of the amounts reported for our named executive officers in this column are reported in the “2020 Summary Compensation Table” above.

(3) The following amounts reported for our named executive officers in this column have been previously reported as compensation in our “Summary Compensation Table” included in prior years’ proxy statements: Mr. Ciesinski, \$75,000; and Mr. Stealey, \$25,000.

For more information about our nonqualified deferred compensation plan, see “Compensation Discussion and Analysis” above.

### Potential Payments Upon Termination or Change in Control

Our named executive officers may terminate employment with the Corporation under a number of different scenarios, including retirement, voluntary termination for good reason, voluntary termination without good reason, involuntary termination without cause, involuntary termination for cause, and termination in connection with a change in control, death or disability. Except as discussed below, we generally limit the payments or other forms of compensation that we will provide our named executive officers when their employment with the Corporation is terminated to compensation elements that we provide all our employees upon termination, namely payment of any earned but unpaid salary and accrued but unpaid vacation benefits.

#### *Employment Agreements*

We have an employment agreement with Mr. Ciesinski that provides for him to receive certain cash payments and other benefits if his employment is terminated with the Corporation. The terms “cause,” “good reason” and “change in control” are defined under this agreement. Cause generally means the employee’s willful engagement in malfeasance or felonious conduct that in any material respect impairs the reputation, goodwill or business position of the Corporation or involves misappropriation of the Corporation’s funds or other assets. Good reason generally means termination triggered by certain reductions in compensation, duties and responsibility and authority or certain changes in place of employment. Change in control generally means an event reportable by the Corporation on Form 8-K as a change in control and certain significant changes in the ownership of the Corporation’s Common Stock or in the makeup of the Board.

In the event Mr. Ciesinski is terminated by the Corporation without cause, by the Corporation as a result of giving notice of non-extension of the employment agreement, or by Mr. Ciesinski for good reason, then, subject to Mr. Ciesinski signing and not revoking a release of claims against the Corporation, he will receive as severance pay the greater of:

- continued payment of his base salary for a period of twelve months, plus an amount equal to 80% of his salary in lieu of any annual incentive for the incomplete fiscal year; or
- the amount due to Mr. Ciesinski under his change in control agreement to the extent any such amount becomes due (see discussion below).

Additionally, in the event Mr. Ciesinski’s termination occurs after the completion of our fiscal year but before the payment of his annual incentive, Mr. Ciesinski will be entitled to payment of his earned but unpaid annual incentive for such completed fiscal year. See further discussion below under “Potential Payments Upon Termination or Change in Control” for more information.

### ***Key Employee Change in Control Agreements***

Messrs. Ciesinski, Nagle, Pigott and Stealey and Ms. Bird were party to Key Employee Change in Control Agreements with the Corporation in fiscal 2020. These agreements provide for certain cash payments and other benefits if employment is terminated with the Corporation after a change in control. The terms “cause,” “good reason” and “change in control” are defined under these agreements. Cause generally means the employee’s willful engagement in malfeasance or felonious conduct that in any material respect impairs the reputation, goodwill or business position of the Corporation or involves misappropriation of funds or other assets. Good reason generally means termination triggered by certain reductions in compensation, duties and responsibility and authority or certain changes in place of employment. Change in control generally means an event reportable by the Corporation on Form 8-K as a change in control and certain significant changes in the ownership of the Corporation’s Common Stock or in the makeup of the Board.

In the event employment is terminated on or within 12 months following a change in control, either by the Corporation without cause, or by the executive for good reason, the executive would be entitled to a lump sum severance payment equal to the sum of:

- accrued and unpaid salary, accrued and unpaid annual incentive from any prior completed fiscal year, and a pro-rated portion of annual incentive for the current fiscal year;
- three times the sum of base salary plus target level annual incentive for the current fiscal year for Mr. Ciesinski; or two times the sum of base salary plus target level annual incentive for the current fiscal year for Ms. Bird and Messrs. Pigott, Stealey and Nagle;
- the sum of any unvested 401(k) balance, plus two times the aggregate matching contributions payable by the Corporation into the executive’s 401(k) account for the last completed calendar year; and
- continued health, dental, long-term disability and life insurance coverage for two years following the executive’s date of termination.

### ***Equity Based Compensation Plans***

Unvested restricted stock granted under our 2015 Omnibus Incentive Plan will vest in full upon a change in control either if it is not assumed by the surviving company or if it is assumed and there is a subsequent qualified termination of employment within 24 months. Unvested stock appreciation rights granted under the 2015 Omnibus Incentive Plan will vest upon a change in control in a pro rata amount based upon the length of time within the vesting period that has lapsed prior to the change in control.

Upon the death or disability (as defined in our equity incentive plans) of a named executive officer, all unvested restricted stock granted to such named executive officer under our equity incentive plans will vest in full. Unvested stock-settled stock appreciation rights granted to our named executive officers under our equity incentive plans are only subject to accelerated vesting upon death for grants that were granted beginning in calendar 2018 and upon disability for grants that were granted beginning in calendar 2020. Unvested stock-settled stock appreciation rights granted prior to these dates are forfeited to the Corporation for no consideration upon the death or disability of a named executive officer unless the named executive officer is retirement-eligible.

***Tabular Disclosure.*** The tables below summarize the estimated amounts of payments or compensation our named executive officers may receive under particular termination scenarios. The amounts shown in this section assume the named executive officer is terminated as of June 30, 2020 and the price per share of our common shares equals \$154.99, which was the closing price of our common shares on June 30, 2020, as reported on the Nasdaq Global Select Market. Actual amounts we may pay to any named executive officer upon termination of employment, however, can only be determined at the time of such named executive officer’s actual termination.

David A. Ciesinski. The following table shows the potential payments upon termination under various circumstances for David A. Ciesinski, our President and Chief Executive Officer and President of our specialty foods subsidiary, T. Marzetti Company.

| Benefits and Payments Upon Termination  | Retirement<br>on<br>06/30/2020 | Termination<br>Without<br>Cause or for<br>Good<br>Reason on<br>06/30/2020 | Termination<br>for Cause or<br>Without<br>Good<br>Reason on<br>06/30/2020 | Termination<br>Subsequent<br>to<br>a Change in<br>Control on<br>06/30/2020 | Termination<br>by Death on<br>06/30/2020 | Termination by<br>Disability on<br>06/30/2020 |
|---|--------------------------------|---|---|--|--|---|
| <b>Compensation:</b>  |                                |   |   |  |  |   |
| Salary <sup>(1)</sup>   | \$ —                           | \$ —  | \$ —  | \$ —   | \$ —                                     | \$ —  |
| Annual cash incentive compensation  | \$ —                           | \$ —  | \$ —  | \$ —   | \$ —                                     | \$ —  |
| Base salary and average annual incentive compensation lump sum <sup>(2)</sup> | \$ —                           | \$1,440,000   | \$ —  | \$4,800,000  | \$ —                                     | \$ —  |
| Restricted stock <sup>(3)</sup>   | \$ —                           | \$1,224,266   | \$ —  | \$1,965,428  | \$1,965,428                              | \$1,965,428                                   |
| Stock appreciation rights <sup>(3)</sup>                                      | \$ —                           | \$ 590,357  | \$ —  | \$ 201,952   | \$ 662,737                               | \$ 72,380                                     |
| Employee stock ownership plan   | \$ —                           | \$ —  | \$ —  | \$ —   | \$ —                                     | \$ —  |
| Deferred compensation plan  | \$132,415                      | \$ 132,415  | \$132,415   | \$ 132,415   | \$ 132,415                               | \$ 132,415                                    |
| 401(k)  | \$ —                           | \$ —  | \$ —  | \$ 15,646  | \$ —                                     | \$ —  |
| <b>Benefits and Perquisites:</b>  |                                |   |   |  |  |   |
| Health, disability and life insurance <sup>(4)</sup>                          | \$ —                           | \$ —  | \$ —  | \$ 61,186  | \$ 150,000                               | \$ 150,000 <sup>(5)</sup>                     |
| <b>Total</b>  | <u>\$132,415</u>               | <u>\$3,387,038</u>  | <u>\$132,415</u>  | <u>\$7,176,627</u>   | <u>\$2,910,580</u>                       | <u>\$2,320,223</u>                            |

Thomas K. Pigott. The following table shows the potential payments upon termination under various circumstances for Thomas K. Pigott, our Chief Financial Officer, Vice President and Assistant Secretary.

| Benefits and Payments Upon Termination  | Retirement<br>on<br>06/30/2020 | Termination<br>Without<br>Cause or for<br>Good<br>Reason on<br>06/30/2020 | Termination<br>for Cause or<br>Without<br>Good<br>Reason on<br>06/30/2020 | Termination<br>Subsequent<br>to<br>a Change in<br>Control on<br>06/30/2020 | Termination<br>by Death on<br>06/30/2020 | Termination<br>by<br>Disability on<br>06/30/2020 |
|---|--------------------------------|---|---|--|--|--|
| <b>Compensation:</b>  |                                |   |   |  |  |  |
| Salary <sup>(1)</sup>   | \$ —                           | \$ —  | \$ —  | \$ —   | \$ —                                     | \$ —   |
| Annual cash incentive compensation  | \$ —                           | \$ —  | \$ —  | \$ —   | \$ —                                     | \$ —   |
| Base salary and average annual incentive compensation lump sum <sup>(6)</sup> | \$ —                           | \$ —  | \$ —  | \$1,646,168  | \$ —                                     | \$ —   |
| Restricted stock <sup>(3)</sup>   | \$ —                           | \$141,506   | \$ —  | \$ 300,371   | \$300,371                                | \$300,371  |
| Stock appreciation rights <sup>(3)</sup>                                      | \$ —                           | \$ 12,399   | \$ —  | \$ 3,255   | \$ 27,898                                | \$ 15,499  |
| Employee stock ownership plan   | \$ —                           | \$ —  | \$ —  | \$ —   | \$ —                                     | \$ —   |
| Deferred compensation plan  | \$ —                           | \$ —  | \$ —  | \$ —   | \$ —                                     | \$ —   |
| 401(k)  | \$ —                           | \$ —  | \$ —  | \$ 21,933  | \$ —                                     | \$ —   |
| <b>Benefits and Perquisites:</b>  |                                |   |   |  |  |  |
| Health, disability and life insurance <sup>(4)</sup>                          | \$ —                           | \$ —  | \$ —  | \$ 65,756  | \$150,000                                | \$150,000 <sup>(5)</sup>                         |
| <b>Total</b>  | <u>\$ —</u>                    | <u>\$153,905</u>  | <u>\$ —</u>   | <u>\$2,037,483</u>   | <u>\$478,269</u>                         | <u>\$465,870</u>                                 |

Kristin J. Bird. The following table shows the potential payments upon termination under various circumstances for Kristin J. Bird, President of the Foodservice Division of our specialty foods subsidiary, T. Marzetti Company.

| Benefits and Payments Upon Termination  | Retirement<br>on<br>06/30/2020 | Termination<br>Without<br>Cause or for<br>Good<br>Reason on<br>06/30/2020 | Termination<br>for Cause or<br>Without<br>Good<br>Reason on<br>06/30/2020 | Termination<br>Subsequent<br>to<br>a Change in<br>Control on<br>06/30/2020 | Termination<br>by Death on<br>06/30/2020 | Termination<br>by<br>Disability on<br>06/30/2020 |
|---|--------------------------------|---|---|--|--|--|
| <b>Compensation:</b>  |                                |   |   |  |  |  |
| Salary <sup>(1)</sup>   | \$ —                           | \$ —  | \$ —  | \$ —   | \$ —                                     | \$ —   |
| Annual cash incentive compensation  | \$ —                           | \$ —  | \$ —  | \$ —   | \$ —                                     | \$ —   |
| Base salary and average annual incentive compensation lump sum <sup>(7)</sup> | \$ —                           | \$ —  | \$ —  | \$ 1,320,000   | \$ —                                     | \$ —   |
| Restricted stock <sup>(3)</sup>   | \$ —                           | \$ 35,183   | \$ —  | \$ 141,041   | \$ 141,041                               | \$ 141,041                                       |
| Stock appreciation rights <sup>(3)</sup>                                      | \$ —                           | \$ 1,550  | \$ —  | \$ 1,550   | \$ 11,779                                | \$ 10,229  |
| Employee stock ownership plan   | \$ —                           | \$ —  | \$ —  | \$ —   | \$ —                                     | \$ —   |
| Deferred compensation plan  | \$ —                           | \$ —  | \$ —  | \$ —   | \$ —                                     | \$ —   |
| 401(k)  | \$ —                           | \$ —  | \$ —  | \$ 9,846   | \$ —                                     | \$ —   |
| <b>Benefits and Perquisites:</b>  |                                |   |   |  |  |  |
| Health, disability and life insurance <sup>(4)</sup>                          | \$ —                           | \$ —  | \$ —  | \$ 43,158  | \$ 150,000                               | \$ 150,000 <sup>(5)</sup>                        |
| <b>Total</b>  | <u>\$ —</u>                    | <u>\$ 36,733</u>  | <u>\$ —</u>   | <u>\$ 1,515,595</u>  | <u>\$ 302,820</u>                        | <u>\$ 301,270</u>                                |

Carl R. Stealey. The following table shows the potential payments upon termination under various circumstances for Carl R. Stealey, President of the Retail Division of our specialty foods subsidiary, T. Marzetti Company.

| Benefits and Payments Upon Termination  | Retirement<br>on<br>06/30/2020 | Termination<br>Without<br>Cause or for<br>Good<br>Reason on<br>06/30/2020 | Termination<br>for Cause or<br>Without<br>Good<br>Reason on<br>06/30/2020 | Termination<br>Subsequent<br>to a Change<br>in<br>Control on<br>06/30/2020 | Termination<br>by Death on<br>06/30/2020 | Termination<br>by<br>Disability on<br>06/30/2020 |
|---|--------------------------------|---|---|--|--|--|
| <b>Compensation:</b>  |                                |   |   |  |  |  |
| Salary <sup>(1)</sup>   | \$ —                           | \$ —  | \$ —  | \$ —   | \$ —                                     | \$ —   |
| Annual cash incentive compensation  | \$ —                           | \$ —  | \$ —  | \$ —   | \$ —                                     | \$ —   |
| Base salary and average annual incentive compensation lump sum <sup>(8)</sup> | \$ —                           | \$ —  | \$ —  | \$ 1,381,970   | \$ —                                     | \$ —   |
| Restricted stock <sup>(3)</sup>   | \$ —                           | \$ 135,461  | \$ —  | \$ 241,319   | \$ 241,319                               | \$ 241,319                                       |
| Stock appreciation rights <sup>(3)</sup>                                      | \$ —                           | \$ 2,790  | \$ —  | \$ 1,550   | \$ 13,019                                | \$ 10,229  |
| Employee stock ownership plan   | \$ —                           | \$ —  | \$ —  | \$ —   | \$ —                                     | \$ —   |
| Deferred compensation plan  | \$ 77,021                      | \$ 77,021   | \$ 77,021   | \$ 77,021  | \$ 77,021                                | \$ 77,021  |
| 401(k)  | \$ —                           | \$ —  | \$ —  | \$ 9,815   | \$ —                                     | \$ —   |
| <b>Benefits and Perquisites:</b>  |                                |   |   |  |  |  |
| Health, disability and life insurance <sup>(4)</sup>                          | \$ —                           | \$ —  | \$ —  | \$ 53,418  | \$ 150,000                               | \$ 150,000 <sup>(5)</sup>                        |
| <b>Total</b>  | <u>\$ 77,021</u>               | <u>\$ 215,272</u>   | <u>\$ 77,021</u>  | <u>\$ 1,765,093</u>  | <u>\$ 481,359</u>                        | <u>\$ 478,569</u>                                |

David S. Nagle. The following table shows the potential payments upon termination under various circumstances for David S. Nagle, Chief Supply Chain Officer for our specialty foods subsidiary, T. Marzetti Company.

| Benefits and Payments Upon Termination  | Retirement<br>on<br>06/30/2020 | Termination<br>Without<br>Cause or for<br>Good<br>Reason on<br>06/30/2020 | Termination<br>for Cause or<br>Without<br>Good<br>Reason on<br>06/30/2020 | Termination<br>Subsequent<br>to<br>a Change in<br>Control on<br>06/30/2020 | Termination<br>by Death on<br>06/30/2020 | Termination<br>by<br>Disability on<br>06/30/2020 |
|---|--------------------------------|---|---|--|--|--|
| <b>Compensation:</b>  |                                |   |   |  |  |  |
| Salary <sup>(1)</sup>   | \$ —                           | \$ —  | \$ —  | \$ —   | \$ —                                     | \$ —   |
| Annual cash incentive compensation  | \$ —                           | \$ —  | \$ —  | \$ —   | \$ —                                     | \$ —   |
| Base salary and average annual incentive compensation lump sum <sup>(9)</sup> | \$ —                           | \$ —  | \$ —  | \$1,241,764  | \$ —                                     | \$ —   |
| Restricted stock <sup>(3)</sup>   | \$ —                           | \$194,977   | \$ —  | \$ 300,835   | \$300,835                                | \$300,835  |
| Stock appreciation rights <sup>(3)</sup>                                      | \$ —                           | \$ 84,780   | \$ —  | \$ 28,828  | \$ 95,009                                | \$ 10,229  |
| Employee stock ownership plan   | \$ —                           | \$ —  | \$ —  | \$ —   | \$ —                                     | \$ —   |
| Deferred compensation plan  | \$ —                           | \$ —  | \$ —  | \$ —   | \$ —                                     | \$ —   |
| 401(k)  | \$ —                           | \$ —  | \$ —  | \$ 22,192  | \$ —                                     | \$ —   |
| <b>Benefits and Perquisites:</b>  |                                |   |   |  |  |  |
| Health, disability and life insurance <sup>(4)</sup>                          | \$ —                           | \$ —  | \$ —  | \$ 65,350  | \$150,000                                | \$150,000 <sup>(5)</sup>                         |
| <b>Total</b>  | <u>\$ —</u>                    | <u>\$279,757</u>  | <u>\$ —</u>   | <u>\$1,658,969</u>   | <u>\$545,844</u>                         | <u>\$461,064</u>                                 |

(1) Assumes, as of June 30, 2020, the amount of base salary payable to the named executive officers for services rendered during fiscal 2020 has been paid.

(2) For a termination without cause or for good reason, this amount is equal to the sum of Mr. Ciesinski's base salary (\$800,000) plus 80% of his base salary for the current fiscal year (\$640,000) in lieu of any other unpaid bonus at the time of termination, for a total of \$1,440,000, pursuant to his Employment Agreement discussed above. For a termination subsequent to a change in control, this amount is equal to three times the sum of (a) Mr. Ciesinski's base salary (\$800,000) plus (b) his target level annual incentive for the current fiscal year (\$800,000), for a total of \$4,800,000, pursuant to his Change in Control Agreement discussed above.

(3) Upon a termination by the Corporation without cause or by the grantee for good reason, unvested restricted stock awards and stock appreciation rights granted prior to 2020 vest in full.

(4) For a termination subsequent to a change in control, this amount is equal to the estimated cost of continued health, dental, long-term disability and life insurance coverage for two years following the date of termination.

(5) These amounts reflect an assumption that the officer will receive the maximum available disability payment.

(6) For a termination subsequent to a change in control, this amount is equal to two times the sum of Mr. Pigott's base salary (\$457,269) plus his target level annual incentive for the current fiscal year (\$365,815), for a total of \$1,646,168, pursuant to his Change in Control Agreement discussed above.

(7) For a termination subsequent to a change in control, this amount is equal to two times the sum of Ms. Bird's base salary (\$400,000) plus her target level annual incentive for the current fiscal year (\$260,000), for a total of \$1,320,000, pursuant to her Change in Control Agreement discussed above.

(8) For a termination subsequent to a change in control, this amount is equal to two times the sum of Mr. Stealey's base salary (\$406,462) plus his target level annual incentive for the current fiscal year (\$284,523), for a total of \$1,381,970, pursuant to his Change in Control Agreement discussed above.

(9) For a termination subsequent to a change in control, this amount is equal to two times the sum of Mr. Nagle's base salary (\$376,292) plus his target level annual incentive for the current fiscal year (\$244,590), for a total of \$1,241,764, pursuant to his Change in Control Agreement discussed above.

## CEO Pay Ratio Disclosure

We identified our median employee from our entire employee population (excluding the CEO) to provide a ratio comparison of the total compensation of Mr. Ciesinski, our CEO, with the total compensation of the median employee. In doing so, we annualized the compensation of all full-time and part-time employees. The compensation of our median employee was determined as of April 30, 2020 in accordance with the methodology and components used in the Summary Compensation Table for the Corporation's named executive officers. Because we had an even number of employees on our determination date, we selected two employees as the median and used the average of their total compensation. The 2020 total compensation was \$43,968 for our median employee and \$3,942,509 for Mr. Ciesinski. Based on this determination, the ratio of annual total compensation for Mr. Ciesinski to that of the median employee is estimated to be 90 to 1. The applicable SEC rules for identifying the median employee and calculating the pay ratio allow companies to use different methodologies and assumptions and, as a result, our estimated pay ratio may not be comparable to the pay ratios disclosed by other companies.

## COMPENSATION OF DIRECTORS

### 2020 Director Compensation Table

The following table summarizes compensation earned during fiscal 2020 by our directors (other than Mr. Ciesinski):

| Name<br>(a)             | Fees Earned<br>or<br>Paid in Cash<br>(\$)(1)<br>(b) | Stock<br>Awards<br>(\$)(2)<br>(c) | All Other<br>Compensation<br>(\$)(3)<br>(g) | Total<br>(\$)<br>(h) |
|-------------------------|---|-----------------------------------|---|----------------------|
| Neeli Bendapudi         | \$ 97,500   | \$94,977                          | \$ 1,370                                    | \$193,847            |
| Barbara L. Brasier      | \$ 56,250   | \$94,977                          | \$ —  | \$151,227            |
| William H. Carter       | \$108,750   | \$94,977                          | \$ 1,370                                    | \$205,097            |
| Kenneth L. Cooke        | \$112,500   | \$94,977                          | \$ 1,370                                    | \$208,847            |
| Robert L. Fox           | \$ 98,125   | \$94,977                          | \$ 1,370                                    | \$194,472            |
| John B. Gerlach, Jr.(4) | \$ —  | \$ —                              | \$716,953                                   | \$716,953            |
| Alan F. Harris          | \$110,000   | \$94,977                          | \$ 1,370                                    | \$206,347            |
| Michael H. Keown        | \$ 86,250   | \$94,977                          | \$ 1,370                                    | \$182,597            |
| Robert P. Ostryniec     | \$ 97,500   | \$94,977                          | \$ 1,370                                    | \$193,847            |
| Zuheir Sofia            | \$ 51,250   | \$ —                              | \$ 1,370                                    | \$ 52,620            |

(1) The amounts shown in column (b) represent compensation amounts discussed in the narrative below.

(2) The amounts reported in column (c) reflect the aggregate grant date fair value of restricted stock received by each of our directors, which was computed in accordance with FASB ASC Topic 718. The assumptions used in determining these valuations are the same as those used in our financial statements. For fiscal 2020, those assumptions can be found in footnote 11 to the financial statements included in our Annual Report on Form 10-K for the fiscal year ended June 30, 2020. The nonemployee directors had restricted stock awards outstanding as of June 30, 2020 for the following number of shares: Dr. Bendapudi, 610; Ms. Brasier, 610; Mr. Carter, 610; Mr. Cooke, 610; Mr. Fox, 610; Mr. Harris, 610; Mr. Keown, 610, and Mr. Ostryniec, 610. Except for Mr. Sofia, each nonemployee director received a grant of restricted stock for fiscal 2020 as follows: 610 shares on November 13, 2019 under our 2015 Omnibus Incentive Plan. This grant of restricted stock will vest on November 13, 2020 for all directors except Mr. Cooke, whose restricted stock vested upon his death on September 28, 2020.

(3) Except as set forth in footnote 4 below, the amounts shown in column (g) for nonemployee directors represent dividends paid on restricted stock awards that vested during fiscal 2020.

(4) This amount consists of (A) \$700,000 in salary for Mr. Gerlach's service as our Executive Chairman; (B) \$1,200 in life insurance premium payments; and (C) \$15,753 of perquisites and other personal benefits in the aggregate consisting of (i) matching contributions to our 401(k) Plan, (ii) payment of travel insurance premiums, (iii) dividends on unvested restricted stock, and (iv) payment of business-related professional and filing fees.

Our Compensation Committee reviews the level of compensation of our nonemployee directors on an annual basis. We have historically obtained data from a number of different sources to determine the appropriateness of the current level of compensation for our nonemployee directors, including:

- publicly available data describing director compensation at companies in our peer group;
- data collected by our corporate administration; and
- information obtained directly from other companies.

We compensate our nonemployee directors through a mix of cash and equity-based compensation. Except as noted in the footnotes above, our nonemployee directors received quarterly cash retainers at the following annual rates for fiscal 2020:

- a retainer of \$75,000;
- \$15,000 for the Chairperson of the Audit Committee;
- \$12,500 for the Chairperson of the Compensation Committee;
- \$10,000 for the Chairperson of the Nominating and Governance Committee;
- \$7,500 for service on a committee, including any ad-hoc committee;
- \$20,000 for the Lead Independent Director; and
- a grant of 610 shares of restricted stock to each nonemployee director, with a market value of approximately \$95,000 at the time of the grant.

We also reimburse expenses incurred by our nonemployee directors to attend Board and committee meetings. Directors who are also our employees do not receive cash or equity compensation for services on our Board in addition to compensation payable for their services as employees.

The grant of restricted stock for fiscal 2020 was made on November 13, 2019 pursuant to the terms of our 2015 Omnibus Incentive Plan. The restricted stock vests one year from the grant date, or earlier upon a change in control of the Corporation, or the death or disability of the recipient. Dividends on the shares of restricted stock are held in escrow until the shares vest. The value of the grant was determined based on the recommendation of the Compensation Committee of an annual grant of restricted stock with a market value of approximately \$95,000.

In 2012, the Board adopted and implemented share ownership guidelines to further align the interests of the Corporation's independent directors and the Corporation's shareholders. These were updated in 2016 to require each independent director to own common shares of the Corporation with a value equal to at least four times the annual cash retainer for independent directors. These new requirements were effective beginning in fiscal 2017. Each director to whom this policy applies shall have until the later of five years from the date of adoption of this policy or five years from the date such director became subject to this policy to achieve the applicable guideline level of ownership. As of June 30, 2020, all of the Corporation's independent directors already met these guidelines or were on track to comply with these guidelines within the specified period of time.

For fiscal 2021, Mr. Gerlach's salary as Executive Chairman was reduced from \$700,000 to \$300,000 at his request and with concurrence from the Compensation Committee.

### Equity Compensation Plan Information Table

The following table contains information as of June 30, 2020 regarding the Corporation's 2015 Omnibus Incentive Plan:

#### Equity Compensation Plan Information

| Plan category  | Number of securities to be issued upon exercise of outstanding options, warrants and rights (a) | Weighted-average exercise price of outstanding options, warrants and rights (b) | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c) |
|--|---|---|---|
| Equity compensation plans approved by security holders     | 45,004 <sup>(1)</sup>   | \$142.16  | 1,158,748   |
| Equity compensation plans not approved by security holders | —   | —   | —   |
| <b>Total</b>   | <b>45,004</b>   | <b>\$142.16</b>   | <b>1,158,748</b>  |

(1) This amount assumes outstanding stock-settled stock appreciation rights conversion at the June 30, 2020 closing price of \$154.99 for the determination of the number of shares to be issued upon exercise of the rights.

### COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

Dr. Bendapudi and Messrs. Carter, Cooke, Fox and Sofia served on the Compensation Committee during fiscal 2020. None of the members of the Compensation Committee during fiscal 2020 had at any time been an officer or employee of the Corporation or of any of its subsidiaries. None of the members of the Compensation Committee during fiscal 2020 had any related person transaction with the Corporation required to be disclosed under Item 404 of Regulation S-K. No executive officer of the Corporation served as a member of the compensation committee or board of directors of any other entity that had an executive officer serving as a member of the Board or Compensation Committee during fiscal 2020 such that the service would constitute an interlock under Item 407(e)(4) of Regulation S-K.

## COMPENSATION COMMITTEE REPORT

The following report has been submitted by the Compensation Committee:

The Compensation Committee has reviewed and discussed the Corporation's Compensation Discussion and Analysis with management. Based on this review and discussion, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in the Corporation's definitive Proxy Statement on Schedule 14A for the Annual Meeting, which is incorporated by reference in the Corporation's Annual Report on Form 10-K for the fiscal year ended June 30, 2020, each as filed with the SEC.

The foregoing report was submitted by the Compensation Committee and shall not be deemed to be "soliciting material" or to be "filed" with the SEC or subject to Regulation 14A promulgated by the SEC or Section 18 of the Securities Exchange Act of 1934, as amended.

Respectfully submitted,

William H. Carter, Chairperson

Neeli Bendapudi

Robert L. Fox



**PROPOSAL TWO**  
**NON-BINDING VOTE ON THE COMPENSATION OF THE CORPORATION'S NAMED EXECUTIVE OFFICERS**

As required under Section 14A of the Securities Exchange Act of 1934, we are asking you to cast an advisory (non-binding) vote on the following resolution at the 2020 Annual Meeting:

RESOLVED, that, on an advisory basis, the compensation of our named executive officers, as disclosed in the Compensation Discussion and Analysis, compensation tables and related narratives and descriptions of our Proxy Statement for the 2020 Annual Meeting, is hereby APPROVED.

**The Board of Directors recommends a vote “FOR” this proposal by executing and returning the enclosed proxy card.**

This advisory vote, commonly known as a “Say-on-Pay” vote, gives you the opportunity to express your views about the compensation we pay to our named executive officers, as described in this Proxy Statement. The Board has determined that this advisory vote of our shareholders should occur annually. The Board believes that our executive compensation program is designed appropriately and working effectively to ensure that we compensate our named executive officers for the achievement of annual and long-term performance goals enhancing shareholder value. Before you vote, please review the “Executive Summary” section, as well as the rest of our Compensation Discussion and Analysis above and the tabular and narrative disclosure that follows the Compensation Discussion and Analysis. These sections describe our named executive officer pay programs and the rationale behind the decisions made by our Compensation Committee. The next shareholder advisory vote with respect to the compensation of our executive officers is expected to occur at our 2021 Annual Meeting.

You may vote “FOR” or “AGAINST” the resolution or abstain from voting on the resolution. The result of the Say-on-Pay vote will not be binding on the Corporation or our Board. However, the Board values the views of the Corporation’s shareholders. The Board and Compensation Committee will review the results of the vote and take them into consideration in addressing future compensation policies and decisions.

## AUDIT COMMITTEE REPORT

The Audit Committee is comprised solely of nonemployee directors, each of whom has been determined by the Board to be independent under the requirements of Nasdaq and SEC rules. In addition, the Board has determined that Ms. Brasier and Messrs. Carter, Cooke and Harris qualified as “financial experts” under SEC rules. The Audit Committee held four meetings during fiscal 2020. The Audit Committee operates under a written charter, which is available on the corporate governance page of the Corporation’s web site at <http://www.lancastercolony.com/investors/corporate-governance/governance-documents/default.aspx>. Under the charter, the Audit Committee’s responsibilities include:

- appointment and oversight of the independent auditor;
- approval of the fees and other compensation to be paid to the Corporation’s independent auditor;
- pre-approval of all auditing services and permitted non-audit services by the Corporation’s independent auditor;
- review of the Corporation’s annual financial statements to be included in the Corporation’s Annual Report on Form 10-K;
- oversight of the review and response to complaints made to the Corporation regarding accounting, internal controls and auditing matters;
- oversight of the internal audit function; and
- review and approval of related party transactions.

Management is responsible for the Corporation’s internal controls and preparing the Corporation’s consolidated financial statements and a report on management’s assessment of the effectiveness of internal control over financial reporting. The Corporation’s independent registered public accounting firm, Deloitte & Touche LLP, is responsible for performing an independent audit of the consolidated financial statements and issuing a report thereon and also auditing the effectiveness of internal control over financial reporting and issuing a report thereon. Their audits are performed in accordance with the standards of the Public Company Accounting Oversight Board. The Audit Committee is responsible for overseeing the conduct of these activities and appointing the Corporation’s independent registered public accounting firm. In performing its oversight function, the Audit Committee relies, without independent verification, on the information provided to it and on representations made by management and the independent registered public accounting firm.

In conducting its oversight function, the Audit Committee discusses with the Corporation’s internal auditors and the Corporation’s independent registered public accounting firm, with and without management present, the overall scope and plans for their respective audits. The Audit Committee also reviews the Corporation’s programs and key initiatives to design, implement and maintain effective internal controls over financial reporting and disclosure controls. The Audit Committee has sole discretion, in its areas of responsibility and at the Corporation’s expense, to engage independent advisors as it deems appropriate and to approve the fees and retention terms of such advisors.

The Audit Committee meets with the internal auditors and independent registered public accounting firm, with and without management present, to discuss the results of their examinations, the evaluations of the Corporation’s internal controls and the overall quality of the Corporation’s financial reporting. The Audit Committee has reviewed and discussed with management and Deloitte & Touche LLP the audited financial statements for the fiscal year ended June 30, 2020. The Audit Committee has also reviewed and discussed management’s assessment of internal control over financial reporting with management and Deloitte & Touche LLP. The Audit Committee also reviewed and discussed with Deloitte & Touche LLP its reports on the Corporation’s annual financial statements, and that the Corporation maintained, in all material respects, effective internal control over financial reporting as of June 30, 2020.

The Audit Committee reviewed with Deloitte & Touche LLP the matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board and the SEC. In addition, the Audit Committee discussed with Deloitte & Touche LLP their independence from management, and the Audit Committee has received from Deloitte & Touche LLP the written disclosures and the letter required by applicable requirements of the Public Company Accounting Oversight Board regarding Deloitte & Touche LLP’s communications with the Audit Committee concerning independence.

Based on its review of the audited consolidated financial statements and discussions with management and Deloitte & Touche LLP, referred to above, the Audit Committee recommended to the Board the inclusion of the audited financial statements for the fiscal year ended June 30, 2020 in the Corporation's Annual Report on Form 10-K for filing with the SEC.

Respectfully submitted,

Barbara L. Brasier

William H. Carter

Alan F. Harris

Robert P. Ostryniec

**PROPOSAL THREE**  
**RATIFICATION OF THE SELECTION OF THE CORPORATION'S**  
**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Deloitte & Touche LLP, an independent registered public accounting firm, has served as the Corporation's independent auditors since 1961 and audited the consolidated financial statements for the year ended June 30, 2020. The Audit Committee is directly responsible for the appointment of the Corporation's independent registered public accounting firm and has appointed Deloitte & Touche LLP to audit the Corporation's financial statements for the year ending June 30, 2021. Although it is not required to do so, the Audit Committee has determined to submit its selection of the independent registered public accounting firm to the Corporation's shareholders for ratification of its action as a matter of good corporate governance. In the event that Deloitte & Touche LLP is not ratified by the holders of a majority of the shares cast at the Annual Meeting, the Audit Committee will evaluate such shareholder vote when considering the selection of an independent registered public accounting firm to serve as the Corporation's auditors for the 2022 fiscal year.

Representatives of Deloitte & Touche LLP are expected to be present at the Annual Meeting, will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

**The Board of Directors recommends a vote "FOR" the ratification of Deloitte & Touche LLP as the Corporation's independent registered public accounting firm for the year ending June 30, 2021 by executing and returning the enclosed proxy card.**

**AUDIT AND RELATED FEES**

The following table recaps Deloitte & Touche LLP fees pertaining to the fiscal years ended June 30, 2020 and 2019:

|                       | 2020                      | 2019                      |
|-----------------------|---------------------------|---------------------------|
| Audit Fees            | \$1,437,400               | \$1,362,150               |
| Audit-Related Fees(1) | \$ —                      | \$ 200,000                |
| Tax Fees(2)           | \$ —                      | \$ 80,000                 |
| All Other Fees        | \$ —                      | \$ —                      |
| <b>Total Fees</b>     | <b><u>\$1,437,400</u></b> | <b><u>\$1,642,150</u></b> |

(1) The 2019 Audit-Related Fees relate to audit-related work primarily associated with the acquisitions of substantially all of the assets of Bantam Bagels, LLC in October 2018 and Omni Baking Company LLC in November 2018.

(2) The 2019 Tax Fees relate to tax analysis and tax method change services.

**Audit Committee Pre-Approval Policies and Procedures**

The Audit Committee has established a policy regarding review and pre-approval of all audit and non-audit services expected to be performed by the Corporation's independent registered public accounting firm. When considering requests for non-audit services, the Audit Committee evaluates whether the proposed engagement risks compromise the accounting firm's independence by specifically considering the volume of the proposed non-audit services and whether those non-audit services are likely to cause the accounting firm to function in a management role, to be put in the position of auditing its own work, or to serve in an advocacy role for the Corporation. Absent strong countervailing considerations, the Audit Committee will generally not approve non-audit services if the aggregate fees for non-audit services for the year will exceed the aggregate fees for audit services, audit-related services and tax compliance services for the year. The policy also prohibits the Corporation's accounting firm from providing certain services described in the policy as prohibited services.

Generally, requests for non-audit services are submitted in writing to the Audit Committee by the Corporation's officer or employee requesting such services, along with specific supporting information described in the policy. Typically, the Audit Committee will approve non-audit services provided by the accounting firm that are closely related to the audit services, audit-related services and tax compliance services already being provided by the accounting firm, including due diligence services, subject to the fee policy described above. Between Audit Committee meetings, any two Audit Committee members may review and approve requests for non-audit services in accordance with the policy that are budgeted for \$50,000 or less, provided that the pre-approval is reported not later than the next meeting of the Audit Committee.

The Audit Committee's pre-approval policies and procedures for non-audit services are described in the "Statement of Policy of the Audit Committee of Lancaster Colony Corporation Pre-Approval of Engagements With the Independent Registered Public Accounting Firm for Non-Audit Services," which is attached to the Corporation's Audit Committee charter as Appendix A. For the fiscal year ended June 30, 2020 all of the services described above were pre-approved by the Audit Committee.

### **CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

Mr. John B. Gerlach, Jr. serves as a Director of the Corporation and is the Executive Chairman of the Board. He is the son of Mrs. Dareth A. Gerlach, a beneficial owner of more than five percent of the Corporation's common stock.

The Corporation's Audit Committee reviews and approves or ratifies any transaction between the Corporation and a "related person" (as that term is defined under Item 404 of Regulation S-K) that is required to be disclosed under the SEC's related person transaction rules. In general, the Audit Committee charter provides that, when reviewing related person transactions, the Audit Committee will consider the following:

- the nature of the related person's interest in the transaction;
- the material terms of the transaction;
- the significance of the transaction to the related person;
- the significance of the transaction to the Corporation;
- whether the transaction would impair the judgment of a director or executive officer to act in the best interest of the Corporation; and
- any other matters the Audit Committee deems appropriate.

In the event of any conflict between this related-persons transaction policy and any similar policies contained in the Corporation's Code of Business Ethics, Standards of Conduct or other corporate governance documents, the terms of the related persons transaction policy will control. This related-persons transaction policy is contained in the Audit Committee charter, a current copy of which is posted on the corporate governance page of the Corporation's web site at <http://www.lancastercolony.com/investors/corporate-governance/governance-documents/default.aspx>.

### **SHAREHOLDER PROPOSALS**

Shareholder proposals intended to be included in the Proxy Statement for the 2021 Annual Meeting of Shareholders must be received by the Secretary of the Corporation at its principal executive offices no later than June 14, 2021. In addition, under the advance notice provision of the Corporation's Amended and Restated Code of Regulations, shareholder proposals will be considered untimely if received by the Secretary of the Corporation less than 60 days or more than 90 days before the 2021 Annual Meeting (or, if less than 75 days' notice or prior public disclosure of the date of the 2021 Annual Meeting is given or made, not later than the close of business on the 15th day following the day on which such notice or disclosure of the date of the 2021 Annual Meeting is first given or made). The advance notice provisions of our Regulations do not change the deadline noted above for inclusion of shareholder proposals in the Corporation's Proxy Statement.

### **OTHER MATTERS**

As of the date of this Proxy Statement, the Board knows of no other business that will come before the Annual Meeting. Should any other matter requiring the vote of the shareholders arise, the enclosed proxy confers upon the proxy holders discretionary authority to vote the same in respect to the resolution of such other matters as they, in their best judgment, believe to be in the interest of the Corporation. For information on how to attend and vote at the Annual Meeting, please review the information below or contact the Corporation's Secretary at 380 Polaris Parkway, Suite 400, Westerville, Ohio 43082 or (614) 224-7141 or [ir@lancastercolony.com](mailto:ir@lancastercolony.com).

If you share an address with another of our shareholders and wish to have your future proxy statements and annual reports househanded, please contact our Corporate Secretary at the above address or telephone number.

**Information about the 2020 Virtual Annual Meeting and Voting Electronically**

Shareholders of record may vote all shares registered in their name during the Annual Meeting webcast by visiting [www.virtualshareholdermeeting.com/LANC2020](http://www.virtualshareholdermeeting.com/LANC2020) and entering the 16-digit control number included on the proxy card.

Following the formal business portion of the meeting, the Corporation plans to conduct a question-and-answer session during which shareholders of record may submit questions. Shareholders who are logged into the webcast can submit a question beginning 15 minutes prior to the start of the Annual Meeting and until the time that the question-and-answer session is concluded, by simply typing it into the “ask a question” box and clicking “submit”. All submitted questions should follow the Rules of Conduct posted at [www.virtualshareholdermeeting.com/LANC2020](http://www.virtualshareholdermeeting.com/LANC2020). The Rules of Conduct will also be available one week in advance of the Annual Meeting at [www.lancastercolony.com](http://www.lancastercolony.com).

Any shareholder who is having challenges logging into or participating in the Annual Meeting can access toll-free technical support by calling the telephone number that will be posted on the Virtual Annual Meeting login page.

A replay of the Annual Meeting, including the questions answered during the meeting, will be available on our website at [www.lancastercolony.com](http://www.lancastercolony.com) for 30 days after the Annual Meeting.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS  
FOR THE SHAREHOLDER MEETING TO BE HELD ON NOVEMBER 11, 2020**

**This Proxy Statement, the Proxy Card and the Corporation's 2020 Annual Report to Shareholders, which includes the Corporation's Annual Report on Form 10-K, are available free of charge at <https://materials.proxyvote.com/513847>.**

By Order of the Board of Directors,

John B. Gerlach, Jr.  
*Executive Chairman of the Board*

October 13, 2020

LANCASTER COLONY CORPORATION  
C/O BROADBRIDGE CORPORATE ISSUER SOLUTIONS, INC.  
P.O. BOX 1342  
EDGEMOOD, NY 11717

**VOTE BY INTERNET**

Before The Meeting - Go to [www.proxyvote.com](http://www.proxyvote.com)

Use the Internet to transmit your voting instructions and for electronic delivery of information. Vote by 11:59 p.m. Eastern Time on November 10, 2020 for shares held directly and by 11:59 p.m. Eastern Time on November 8, 2020 for shares held in an ESOP Plan. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

During The Meeting - Go to [www.virtualshareholdermeeting.com/LANC2020](http://www.virtualshareholdermeeting.com/LANC2020)

You may attend the meeting via the Internet and vote during the meeting. Have the information that is printed in the box marked by the arrow available and follow the instructions.

**VOTE BY PHONE - 1-800-690-6903**

Use any touch-tone telephone to transmit your voting instructions. Vote by 11:59 p.m. Eastern Time on November 10, 2020 for shares held directly and by 11:59 p.m. Eastern Time on November 8, 2020 for shares held in an ESOP Plan. Have your proxy card in hand when you call and then follow the instructions.

**VOTE BY MAIL**

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadbridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

D24512-P44262

KEEP THIS PORTION FOR YOUR RECORDS  
DETACH AND RETURN THIS PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

**LANCASTER COLONY CORPORATION**

The Board of Directors recommends you vote FOR the following:

1. To elect three directors, each for a term that expires in 2023.

**Nominees:**

- 01) Robert L. Fox  
02) John B. Gerlach, Jr.  
03) Robert P. Ostryniec

For All Withhold All For All Except

☐ ☐ ☐

To withhold authority to vote for any individual nominee(s), mark "For All Except" and write the number(s) of the nominee(s) on the line below.

The Board of Directors recommends you vote FOR proposals 2 and 3.

2. To approve, by non-binding vote, the compensation of the Corporation's named executive officers.  
3. To ratify the selection of Deloitte & Touche, LLP as the Corporation's independent registered public accounting firm for the year ending June 30, 2021.

For Against Abstain

☐ ☐ ☐  
☐ ☐ ☐

**NOTE:** To transact such other business as may properly come before the Annual Meeting or any adjournments or postponements of the Annual Meeting.

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

Signature [PLEASE SIGN WITHIN BOX] Date

Signature (Joint Owners) Date



**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:**  
The Notice and Proxy Statement and Annual Report are available at [www.proxyvote.com](http://www.proxyvote.com).

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**LANCASTER COLONY CORPORATION**  
**Annual Meeting of Shareholders**  
**November 11, 2020 1:00 PM**  
**This proxy is solicited on behalf of the Board of Directors**

The shareholder hereby appoints Dale N. Ganobsik, Thomas K. Pigott and Matthew R. Shurte, or any of them, as proxies, each with the power to appoint his substitute, and hereby authorizes them to represent and to vote, as designated on the reverse side of this ballot, all of the shares of Common Stock of LANCASTER COLONY CORPORATION that the shareholder is entitled to vote at the Annual Meeting of Shareholders to be held exclusively online at [www.virtualshareholdermeeting.com/LANC2020](http://www.virtualshareholdermeeting.com/LANC2020) at 1:00 PM, EST on November 11, 2020, and any adjournment or postponement thereof.

**This proxy, when properly executed, will be voted in the manner directed herein. If no such direction is made, this proxy will be voted in accordance with the Board of Directors' recommendations. In respect of any other business that may properly come before the Annual Meeting, the proxy holders appointed herein shall have discretionary authority to vote as they, in their best judgement, believe to be in the interest of the Corporation.**

**ESOP Plan Participants:** This card also constitutes voting instructions for participants in the Lancaster Colony Corporation Employee Stock Ownership Plan and Trust Agreement (the "ESOP"). Your signature on the reverse side of this card will direct the trustee of the ESOP to vote all the shares of Common Stock of Lancaster Colony Corporation allocated to your ESOP account in accordance with your instructions on this card. If no instructions have been received from an ESOP participant, the trustee will vote the shares allocated to that participant's ESOP account in the same proportion as it votes the shares of ESOP participants who have instructed the trustee on how to vote. You cannot vote your ESOP shares at the meeting. Your voting instructions must be received by 11:59 p.m., Eastern Time, on November 8, 2020. The trustee of the ESOP will hold your voting instructions in complete confidence except as may be necessary to meet legal requirements.

**Continued and to be signed on reverse side**