

Sara Lee Corporation

Corporate Governance Guidelines

DIRECTOR QUALIFICATIONS AND SELECTION

1. Board Membership Criteria

The Corporate Governance, Nominating and Policy Committee shall be responsible for evaluating potential candidates for nomination to the Board. The Board shall consider individuals who have distinguished records of leadership and success in their arena of activity and who will make substantial contributions to the Board. The Board's assessment of candidates shall include, but should not be limited to:

- (i) personal and professional ethics and integrity, including a candidate's reputation for integrity in the business community;
- (ii) diversity among the existing Board members, including racial and ethnic background and gender;
- (iii) specific business experience and competence, including an assessment of whether the candidate has experience in, and possesses an understanding of, business issues applicable to the success of a large publicly-traded company and whether the candidate has served in policy-making roles in business, government, education or other areas that are relevant to the Corporation's global activities;
- (iv) financial acumen, including whether the candidate, through education or experience, has an understanding of financial matters and the preparation and analysis of financial statements;
- (v) professional and personal accomplishments, including involvement in civic and charitable activities;
- (vi) educational background; and
- (vii) whether the candidate has expressed a willingness to devote sufficient time to carrying out his or her duties and responsibilities effectively and is committed to service on the Board.

2. Selection of New Director Candidates

The Corporate Governance, Nominating and Policy Committee shall be responsible for screening Director candidates. Upon the recommendation of the Corporate Governance, Nominating and Policy Committee, the full Board shall approve the nomination, or the election, of a new Director.

DIRECTOR RESPONSIBILITIES

The basic responsibility of a Sara Lee Director shall be to exercise his or her business judgment to act in a manner that he or she believes to be in the best interest of Sara Lee and its stockholders. In discharging his or her duty of care to Sara Lee, a Director shall be expected to perform certain regular tasks, including (along with other responsibilities set forth in these Guidelines) the following:

1. Decision-Making/Supervision

The Board, which is elected by the stockholders, shall have responsibility for directing, overseeing and monitoring the performance of management in conducting the day-to-day affairs of the Corporation, and shall have responsibility to exercise all powers specifically conferred upon the Board by the charter and Bylaws of the Corporation or by virtue of any applicable law or authority. The Board shall select the Chief Executive Officer of Sara Lee (the “CEO”), who in turn selects Sara Lee’s senior management team, subject to Board approval. The Board shall elect all officers of the Corporation. Together, the CEO and senior management shall be charged with the conduct of Sara Lee’s business. The Board acts as an advisor and counselor to the CEO and senior management and ultimately monitors their activities and their performance. The function of the Board in monitoring the performance of Sara Lee’s CEO and senior management team shall be fulfilled by the presence of outside Directors of stature who have a substantive knowledge of Sara Lee’s business.

2. Selection of Chairman and CEO

The Board shall be responsible for selecting the Chairman and Chief Executive Officer. It is Sara Lee’s policy that the positions of Chairman of the Board and CEO should be held by the same person, except in unusual circumstances. This combination has served the Corporation well over a great many years.

3. Review of Orientation Information

Each Director, upon election to the Board, will participate in Sara Lee’s orientation program for new Directors.

4. Meeting Attendance

Meetings of the Board shall be held a minimum of six times a year. Except in extenuating circumstances, each Director will be expected to attend all meetings of the Board and of committees to which he or she is appointed, and all annual meetings of stockholders. Directors should carefully review Board and committee meeting agendas and related materials in advance of meetings to enable them to participate in an informed manner.

5. Review of Financial and Other Information

Each Director will be sent certain financial and other information on a regular basis, including quarterly and annual reports, proxy statements and press releases. Each Director should review this information carefully, note any questions and ask them at the appropriate Board or committee meeting. A Director should not hesitate to ask questions,

to request additional information (including from management and from Sara Lee's auditors) and, in particular, to ask for the facts and any assumptions underlying conclusions and opinions presented to the Board.

6. Global Business Practices

The Board shall seek to foster a culture of honesty and accountability at Sara Lee and, to that end, each Director should become familiar with Sara Lee's Global Business Practices program. The Board should periodically evaluate the Global Business Practices program as well as employee compliance with such program. Each Director is expected to comply with Sara Lee's Global Business Standards in connection with his or her activities on behalf of Sara Lee.

7. Operating Plans

The Board will review and approve Sara Lee's annual operating plan and will review Sara Lee's performance relative to that plan on a regular basis. The Board will also review long-term strategic planning annually.

8. Objections to Proposed Actions

If a Director feels, after considering all of the pros and cons and asking questions, that a particular matter presented to the Board or a committee is not in the best interests of Sara Lee, he or she should speak and vote against the matter. In this regard, Maryland General Corporation Law provides that unless a Director who is present at a meeting announces a dissent at a meeting, and the dissent is entered in the minutes or filed by the Director within 24 hours after the meeting, he or she is presumed to have assented to the action. Accordingly, if a Director does not agree with an action proposed to the Board or a committee, it is important that he or she voice a dissent and see that it is recorded.

9. Continuing Education

A Director should keep informed not only about Sara Lee and its activities, but also about the industry conditions affecting consumer branded goods companies generally as well as the principal businesses in which Sara Lee is involved. Each Director is encouraged to participate in continuing education programs pertinent to service on the Board. To facilitate this participation, Sara Lee will endeavor to make the Directors aware of accredited director education programs and will pay the expenses of any Director attending an accredited director education program.

10. Director Ability to Retain Independent Advisors

The Board and any of its committees at any time may retain and terminate independent advisors, including lawyers, accountants and financial experts, in order to assist any such entity in carrying out its duties. Sara Lee shall pay the reasonable expenses of any such advisors.

11. Board Interaction with Institutional Investors, the Press, Customers, Etc.

Directors will not be expected or generally requested to speak for Sara Lee or otherwise communicate with the various constituencies of Sara Lee. Stockholders and other interested parties may communicate with the Board or any Board committees by

addressing written correspondence to the Board or applicable committee c/o Sara Lee Corporation, Attn: Corporate Secretary, 3500 Lacey Road, Downers Grove, Illinois 60515.

DIRECTOR ACCESS AND MEETING PROCEDURES

1. Attendance of Guests at Board Meetings

Corporate officers, consultants, outside counsel or representatives of Sara Lee's outside auditors who are to make presentations to the Board, or are to be available to respond to inquiries, may be invited to attend the segment of the Board meeting that relates to their participation, at the discretion of the Chairman of the Board. Staff officers and other members of management may be invited to attend all or extended portions of Board meetings, at the discretion of the Chairman of the Board.

2. Board Access to Senior Management

Directors shall have unfettered access to members of senior management. Directors may, at their discretion, discuss corporate issues or matters directly with members of senior management.

3. Selection of Agenda Items for Board Meetings

The Chairman of the Board and the Corporate Secretary shall develop the agenda for each Board meeting. Any Director may request that an item be included on the agenda. Prior to each Board meeting, Sara Lee's Chairman of the Board or the Corporate Secretary will discuss the specific agenda items for the meeting with the Presiding Director, who shall have authority to approve agenda items for the meeting.

4. Materials Distributed to the Board

The preliminary agenda for each Board meeting and supporting materials of matters to be acted upon by the Board will generally be sent to each Director sufficiently in advance of such meeting to allow the Directors to prepare for discussions of the items at the meeting. Sara Lee's Chairman of the Board and Presiding Director shall determine the nature and extent of information that shall be provided regularly to the Directors.

DIRECTOR COMPENSATION AND OWNERSHIP GUIDELINES

1. Board Compensation Review

The Corporate Governance, Nominating and Policy Committee will review compensation for Sara Lee Directors annually. Supporting materials comparing Sara Lee Director compensation with that of other corporations of comparable size and operating in similar industries will be reviewed and discussed. The Corporate Governance, Nominating and Policy Committee will recommend any changes in Director compensation to the full Board for its consideration and approval.

2. Stock Ownership

As part of a Director's total compensation and to more closely link compensation with corporate performance, the Board believes that a meaningful portion of a Director's compensation should be provided in the form of Sara Lee stock. The Corporate Governance, Nominating and Policy Committee shall adopt and periodically review a policy with respect to minimum share ownership requirements for Directors.

BOARD COMPOSITION AND PERFORMANCE

1. Size of the Board

The Corporate Governance, Nominating and Policy Committee shall periodically assess the appropriate size of the Board and make any recommendations for changing the number of Directors serving on the Board.

2. Board Independence

A substantial majority of the Board will be comprised of independent Directors.

3. Definition of What Constitutes Independent Directors

No Director will qualify as an independent Director of Sara Lee unless the Board has affirmatively determined that the Director meets the standards for being an independent director established from time to time by the New York Stock Exchange ("NYSE"), the U.S. Securities and Exchange Commission and any other applicable governmental and regulatory bodies. To be considered independent under the rules of the NYSE, the Board must affirmatively determine that a Director has no material relationship with Sara Lee (either directly or as a partner, shareholder or officer of an organization that has a relationship with Sara Lee). To assist it in determining each Director's independence in accordance with the NYSE's rules, the Board has established guidelines, which provide that a Sara Lee Director will be deemed independent unless:

- (i) within the preceding three years, the Sara Lee Director was an employee, or an immediate family member of the Director was an executive officer, of Sara Lee;
- (ii) within the preceding three years, the Sara Lee Director received during any twelve-month period more than \$100,000 in direct compensation from Sara Lee, or an immediate family member of the Director received during any twelve-month period more than \$100,000 in direct compensation for services as an executive officer of Sara Lee, excluding director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service);
- (iii) (A) the Sara Lee Director or an immediate family member of the Sara Lee Director is a current partner of a firm that is Sara Lee's internal or independent auditor; (B) the Sara Lee Director is a current employee of such a firm; (C) an immediate family member of the Sara Lee Director is a current employee of such a firm and participates in the firm's audit, assurance or tax compliance (but not tax

planning) practice; or (D) the Sara Lee Director or an immediate family member of the Sara Lee Director was, within the last three years (but is no longer), a partner or employee of such a firm and personally worked on Sara Lee's audit within that time;

- (iv) within the preceding three years, a Sara Lee executive officer served on the board of directors of a company that, at the same time, employed the Sara Lee Director, or an immediate family member of the Director, as an executive officer;
- (v) the Sara Lee Director is a current executive officer or employee, or an immediate family member of the Sara Lee Director is a current executive officer, of another company that made payments to or received payments from Sara Lee for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or two percent (2%) of such other company's consolidated gross revenues;
- (vi) the Sara Lee Director serves as an officer, director or trustee of a charitable organization, and discretionary charitable contributions by Sara Lee and the Sara Lee Foundation to such organization, in the aggregate in any one year, exceed the greater of \$1 million, or two percent (2%) of that organization's total annual charitable receipts (and "discretionary charitable contributions" shall include corporate cash contributions (including support for benefit events), grants from the Sara Lee Foundation, Matching Grants under the Sara Lee Foundation's Matching Grants Program, and product donations); or
- (vii) the Sara Lee Director is an executive officer of another company which is indebted to Sara Lee, or to which Sara Lee is indebted, and the total amount of either company's indebtedness to the other is more than two percent (2%) of the total consolidated assets of the company the Sara Lee Director serves as an executive officer.

For purposes of these guidelines, an "immediate family member" includes a person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares such person's home, and references to "Sara Lee" include all subsidiaries and divisions that are consolidated with Sara Lee Corporation.

The Board annually will review all commercial and charitable relationships between its Directors and Sara Lee to determine whether the Directors meet these categorical independence tests. If a Director has a relationship with Sara Lee that is not covered by these independence guidelines, those Sara Lee Directors who satisfy such guidelines will consider the relevant circumstances and make an affirmative determination regarding whether such relationship is material or immaterial, and whether the Director would therefore be considered independent under the NYSE's rules.

Sara Lee will disclose in its proxy statement (a) the basis for any Board determination that a relationship was immaterial despite the fact that it did not meet the categorical independence tests of immateriality set forth above, and (b) any charitable contributions made by Sara Lee or the Sara Lee Foundation to any charitable organization in which a Sara Lee Director serves as an executive officer if, within the preceding three years, contributions in any single fiscal year exceeded the greater of \$1 million, or two percent (2%) of such charitable organization's consolidated gross revenues.

4. Presiding Director

The Board, after considering the recommendation of the Corporate Governance, Nominating and Policy Committee, annually will select one independent Director who is serving as Chairperson of a standing committee of the Board, to serve as the Presiding Director. The Presiding Director will chair all meetings of the outside Directors in executive session, and also will have the following authority and responsibilities:

- preside at all meetings of the Board at which the Chairman is not present, including executive sessions of the outside Directors;
- advise management regarding the nature and extent of information that management regularly provides to the Directors;
- advise the Chairman of the Board and the Corporate Secretary regarding the agendas for Board meetings;
- approve meeting schedules to help ensure that sufficient time is allocated for discussion of agenda items; and
- call meetings of the outside Directors, with appropriate notice.

5. Assessing the Board's Performance

The Corporate Governance, Nominating and Policy Committee shall be responsible for managing an annual process for assessing the Board's and each Board committee's performance. Such assessments will be discussed with the full Board.

6. Executive Sessions of Outside Directors

The outside Directors of the Board will meet regularly in executive session, and at least four times each year, without management. The Presiding Director will chair all such meetings and shall have the authority to convene such meetings at any time with appropriate notice.

7. Retirement Age

No Director shall stand for re-election to the Board after he or she has reached the age of 72, with the following exception. The Corporate Governance, Nominating and Policy Committee shall have the authority to extend the retirement of an individual Director for a period of one year, with a maximum of three such extensions, if the Committee, in its discretion, believes such extension would best serve the interests of the Corporation.

8. Term Limits

There are no term limits on the tenure of outside Directors. An employee Director, upon termination of employment with Sara Lee, shall no longer serve as a Director, unless so requested by the Corporate Governance, Nominating and Policy Committee.

9. Directors Who Change Their Present Job Responsibilities

If an outside Director's principal position, status or employment should substantially change, the Director shall submit his or her resignation to the Presiding Director. The Corporate Governance, Nominating and Policy Committee shall decide whether to accept said resignation.

10. Directors Who Serve on Multiple Boards of Directors

It is Sara Lee's expectation that a Director shall serve on no more than five other public company boards of directors, not including the Sara Lee Board. Directors serving on more than five other public company boards at the time this guideline is adopted are expected to be in compliance with this expectation no later than the date of the August 2005 regular Board meeting.

LEADERSHIP DEVELOPMENT

1. Evaluation of the Chief Executive Officer

The outside Directors, in a session chaired by the Presiding Director, will undertake a formal evaluation of the CEO annually. The evaluation should be based on objective criteria including but not limited to the performance of Sara Lee's businesses and the accomplishment of long-term and strategic objectives. The Presiding Director shall be responsible for reviewing the evaluation with the CEO. The Compensation and Employee Benefits Committee shall be responsible for reviewing, approving and administering the compensation program for the CEO.

2. Succession Planning

On an annual basis, the Board shall plan for succession to the position of CEO as well as certain other senior management positions. To assist the Board, the CEO will annually provide the Board with an assessment of senior managers and of their potential to succeed him or her. The CEO will also provide the Board with an assessment of persons considered potential successors to certain senior managers.

3. Management Development

A comprehensive presentation on management development programs and the identification of high potential or experienced managerial candidates to succeed present senior officers shall be discussed annually by the Board. The CEO shall review senior management succession with the Board without the presence of the employee Directors, the Corporate Secretary and other corporate officers (with the exception of the Senior Vice President-Human Resources).

COMMITTEE MATTERS

1. **Number of Committees**

The standing committees of the Board shall be the Executive Committee (comprised of the Chairman of the Board and CEO, and the current committee chairs); the Finance Committee (comprised of both employee Directors and designated outside Directors); the Audit Committee (comprised of only independent outside Directors [and chaired by a Director who the Board determines has the requisite accounting or related financial management expertise to effectively carry out the responsibilities of such position]); the Compensation and Employee Benefits Committee (comprised of only independent outside Directors); and the Corporate Governance, Nominating and Policy Committee (comprised of only independent outside Directors).

2. **Assignment and Rotation of Committee Members**

The Corporate Governance, Nominating and Policy Committee, after consultation with the CEO, shall recommend committee assignments to the full Board for its approval. The Corporate Governance, Nominating and Policy Committee shall also be responsible for developing and overseeing policies with respect to committee terms and rotations. Committee members generally serve for terms of up to five years, subject to consideration of applicable committee needs and circumstances.

3. **Board and Committee Meetings**

The Corporate Secretary shall maintain a calendar for the dates of all Board and committee meetings.

4. **Committee Agendas**

The appropriate corporate officer responsible for the subject matters considered by the committee, in consultation with the committee chair, shall develop the agenda for each committee meeting. Any committee member may request that an item be included on the agenda.

5. **Committee Materials Distributed in Advance**

The preliminary agenda for each meeting and supporting materials of matters to be acted upon by the committee will generally be sent to each member sufficiently in advance of such meeting to allow the members to prepare for discussions of the items at the meeting.

6. **Duties of Committees**

Each committee shall have a committee charter spelling out the duties and responsibilities of the committee and its members.

STOCKHOLDER MATTERS

1. **Confidential Voting by Stockholders**

All proxies, ballots and votes tabulated at a meeting of stockholders shall be confidential, and the votes will not be revealed to any Sara Lee employee or anyone else, other than to

the non-employee tabulator of votes or an independent election inspector, except (1) as necessary to meet applicable legal requirements, or (2) in the event a proxy solicitation in opposition to the election of the Board is filed with the Securities and Exchange Commission.

2. Stockholder Rights Plan Policy

When Sara Lee's existing rights agreement expires on September 1, 2006, Sara Lee will not have a stockholder rights plan. The Board's policy is that it will obtain stockholder approval prior to the adoption of a stockholder rights plan; provided that the Board may act on its own to adopt a stockholder rights plan if, under the then current circumstances, in the business judgment of a majority of the independent members of the Board, adoption of a stockholder rights plan without prior stockholder approval is in the best interests of Sara Lee and its stockholders or is otherwise required by the Board's fiduciary duties. If a stockholder rights plan is adopted by the Board without stockholder approval, then the Board's policy is to submit the stockholder rights plan to stockholders for ratification within twelve months after the adoption of the stockholder rights plan. If stockholder approval is not obtained, the stockholder rights plan will terminate promptly after the vote has been certified by the inspector of elections.

EVALUATION AND IMPLEMENTATION OF CORPORATE GOVERNANCE GUIDELINES

The Corporate Governance, Nominating and Policy Committee will review these Guidelines from time to time as developments or circumstances make review of particular guidelines appropriate. The entire Corporate Governance Guidelines will be reviewed by the Corporate Governance, Nominating and Policy Committee not less frequently than every three years, and the Committee will report to the full Board for its consideration and adoption any recommendations for additions or amendments to these Guidelines, as well as the process and results of the full review of these Guidelines. These Guidelines are intended as a component of the flexible framework within which the Board, assisted by its Committees, directs the affairs of Sara Lee and may be modified from time to time consistent with the fiduciary duties of the Board. While these Guidelines should be interpreted in the context of applicable laws, regulations and listing requirements, as well as in the context of Sara Lee's Charter and Bylaws, they are not intended to establish by their own force any legally binding obligations.

Dated January 30, 2003; most recently amended April 27, 2006