

Notice to Employees of ConAgra Foods, Inc.:

Application for Department of Labor Authorization - Prohibited Transaction Exemption 96-62 (as Amended)

You are hereby notified that ConAgra Foods, Inc. (“ConAgra Foods”) and Risk Resources, Ltd. (“Risk Resources”), a captive insurance company wholly owned by ConAgra Foods, have applied to the U.S. Department of Labor (“DOL”) for authorization that the prohibited transaction provisions of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) do not apply to the reinsurance transaction described below. The transaction involves the reinsurance of risks and the receipt of premiums by Risk Resources from an insurance contract currently funding group term life and accidental death and dismemberment (“AD&D”) insurance benefits offered under the ConAgra Foods, Inc. Welfare Benefit Wrap Plan (the “Plan”). The authorization is necessary because Risk Resources is an affiliate of ConAgra Foods, and, as a consequence of this relationship between Risk Resources and ConAgra Foods, such reinsurance would otherwise constitute a prohibited transaction under ERISA. This notice (1) informs you of the application to the DOL, (2) summarizes certain improvements to the benefits offered under the Plan, and (3) describes your right to comment to the DOL about the proposed transaction.

Overview

The Plan’s current group term life and AD&D benefits will continue to be insured with the Prudential Insurance Company of America (“Prudential”). Prudential will reinsure the risks with Risk Resources. The Plan Administrator of the Plan has determined that the transaction is in the best interest of the participants and beneficiaries of the Plan because of benefit improvements that will be provided to them upon authorization by the DOL. The DOL authorization will be subject to the conditions described below and set forth in more detail in Exhibit A.

We would like to emphasize that Prudential will continue to insure the current group term life and AD&D benefits provided to you under the Plan; this fact will not be affected by the reinsurance transaction. The reinsurance arrangement is simply an internal arrangement between Risk Resources and Prudential.

Parties to the Proposed Reinsurance Transaction

ConAgra Foods

ConAgra Foods is headquartered at One ConAgra Drive, Omaha, Nebraska 68102. ConAgra Foods is a leading branded foods company and is the trusted name behind several leading brands, including: Healthy Choice, Chef Boyardee, Egg Beaters, Hebrew National, Hunt's, Orville Redenbacher's, PAM, and Banquet, among others. ConAgra Foods consumer brands are found in 96% of U.S. households and 26 are ranked first or second in their category. ConAgra Foods also has a very significant presence in commercial food products and ingredients and is one of the nation's leading specialty

potato providers to restaurants and other foodservice establishments. Currently, the company has approximately 22,800 benefit-eligible employees in the U.S.

Risk Resources

ConAgra Foods has a wholly-owned captive insurance subsidiary, Risk Resources. Since December 14, 2007, Risk Resources has been domiciled in Arizona. Prior to its domestication in Arizona, the Captive had been domiciled in Bermuda, having been incorporated in Bermuda on September 28, 1981 and licensed as a Bermuda insurer on October 2, 1981.

Pursuant to the Articles of Domestication and Arizona's captive insurance statutes, the Captive is empowered to, *inter alia*, reinsure ConAgra Foods' employee benefit programs. Other risks that have been insured by the Captive include workers' compensation and employers' liability.

The Plan

The transactions will involve the reinsurance of a group term life policy of the ConAgra Foods, Inc. Welfare Benefit Wrap Plan (the "Plan"), which is an employee welfare benefit plan under Section 3(1) of ERISA. ConAgra Foods sponsors the Plan, which covers all full-time employees of ConAgra Foods and its subsidiaries. The Life and Accidental Death and Dismemberment ("AD&D") benefits provided by the Plan are fully insured by Prudential. All of these benefits are treated as a single integrated Plan for insurance and reporting/disclosure purposes, and the Plan's identifying number for DOL reporting purposes is number 512. The employer identification number of ConAgra Foods is 47-0248710.

Changes to the Plan

ConAgra Foods desires to utilize Risk Resources for the reinsurance of employee benefits and will make improvements, described below, to the Plan if the DOL authorization is granted. Prudential will continue to insure the Plan's current benefits, as well as a number of the benefit improvements described below. However, Prudential will reinsure the Plan risks with Risk Resources. The following improvements are intended to become effective as soon as practicable following the transaction's approval by the DOL:

COMPANY-PROVIDED BENEFIT ENHANCEMENTS

Life insurance program company-provided enhancements will be as follows:

Will Preparation Service

Participants will have the ability to create online, at no cost, a will. To this end, participants will be provided with a computer password granting access to a website that will prompt participants with specific relevant queries that can be answered interactively. Additional services can be purchased at discount, including: Credit Shelter Trust, Paralegal Review, Five-Year Vault Storage, Printing/Mailing, and Living Wills/Power of Attorney.

Accelerated Death Benefit Enhancement

Increase the life expectancy duration requirement under the Accelerated Death Benefit to 24 months (from 12 months).

AD&D insurance program company-provided enhancements will be as follows:

Monthly Rehabilitation Expense Benefit

If, within 365 days of an Accidental Bodily Injury, a Doctor determines that rehabilitation is Medically Necessary to aid an Insured in returning to the normal activities of a person of the same age and gender, a Monthly Rehabilitation Expense benefit will be payable. The amount of the Monthly Rehabilitation Expense benefit will be equal to the lesser of: (1) 10% of the Principal Amount (i.e., the face amount of coverage); or (2) \$500. The benefit will be paid monthly until: 1) a Doctor determines that the person no longer needs rehabilitation; 2) the person fails to furnish any required proof of the person's continuing need for rehabilitation; 3) the person fails to submit to a medical exam by Doctors named by Prudential, at its expense, when and as often as it requires; or 4) the benefit has been paid for 12 months.

Bereavement and Trauma Counseling Benefit

If an Insured requires Bereavement and Trauma Counseling because the employee, or his/her Dependent Spouse or his/her Dependent Child, suffers a Covered Loss (i.e., the death of a covered family member), an additional benefit will be payable for Bereavement And Trauma Counseling Sessions. These sessions must be held within one year after the date of the accident causing the Covered Loss. The Bereavement and Trauma Counseling Benefit will be equal to the lesser of 1) the actual charge for counseling sessions; and 2) \$150 per session for up to 50 sessions per Covered Person.

As stated above, Prudential will continue to insure the current benefits provided under the Plan. Prudential will also insure the improved benefits.

Independent Fiduciary

In connection with the application to the DOL, ConAgra Foods has retained, at its expense, Milliman, Inc. ("Milliman"), which is an international firm of consultants and actuaries with expertise in all facets of employee benefits, including insurance, to serve as an Independent Fiduciary for this transaction. Milliman has analyzed the transaction and rendered an opinion indicating compliance with requirements "a" through "g" set forth in the requested authorization at Exhibit A. In addition, Milliman will represent the interests of the Plan as Independent Fiduciary at all times with respect to the transaction. Milliman will monitor compliance by the parties with the term and conditions of the transaction, and will take whatever action is necessary and appropriate to safeguard the interests of the Plan and its participants and beneficiaries with respect thereto, and to insure that the proposed transaction

remains in the interest of the Plan and its participants and beneficiaries.

Overview of Exemption Conditions

The following is a summary of the principal conditions that would be imposed pursuant to the DOL authorization (a full version of which is attached as Exhibit A):

- The Plan will pay no more than adequate consideration for the insurance contracts.
- No commissions will be paid by the Plan with respect to the direct sale of such contracts or the reinsurance thereof;
- In the initial year of any such contract involving Risk Resources, there will be an immediate and objectively determined benefit to the participants and beneficiaries of the Plan in the form of increased benefits.
- ConAgra Foods has retained an independent fiduciary, at its sole expense, to analyze the transaction and render an opinion that the requirements of subsections (a) through (g) of Exhibit A have been satisfied.

Tentative Authorization of Proposed Transaction

Authorization of the DOL was requested under a procedure, Prohibited Transaction Exemption (“PTE”) 96-62, which permits a party to base its submission on substantially similar transactions described in either: (1) two individual Prohibited Transaction Exemptions granted within the past 60 months, or (2) one individual Prohibited Transaction Exemption granted within the past 120 months and one transaction which received final authorization under PTE 96-62 (an “Authorized Transaction”) within the past 60 months. The Proposed Transactions are substantially similar to the transactions indicated as follows, and relief is requested from the same restrictions: Prohibited Transaction Exemption 2004-12, 69 Fed. Reg. 40978 (July 7, 2004), granted to Svenska Cellulosa Aktiebolaget (“SCA”); and Authorized Transaction 2006-11E (May 1, 2006), granted to AGL Resources Inc. (“AGL”). In those cases, each respective employer proposed using its captive insurance company to reinsure employee benefits, and agreed to provide improved benefits, retain an independent fiduciary, contract only with insurers with an A rating or better from A.M. Best Company or a similar rating agency, and arrange the transaction with the captive as indemnity insurance only. Moreover, in each of those cases, the captive was domiciled in a jurisdiction outside the U.S., and established a U.S. branch to effectuate the reinsurance transaction. Based on these representations, the Department granted SCA and AGL exemptions from the prohibited transaction restrictions under Sections 406(a) and (b) of ERISA.

The proposed transaction described in this notice has met the requirements for tentative authorization from the DOL under PTE 96-62. Unless the DOL otherwise notifies

ConAgra Foods, a final authorization would be effective October 3, 2008.

Your Right to Comment on Tentative Authorization

As an interested party, you have the right to submit comments to the DOL on the tentative authorization. If you decide to do so, you should submit your comments to the following address:

Employee Benefits Security Administration
Office of Exemption Determinations, Division of Individual
Exemptions
U.S. Department of Labor
200 Constitution Avenue, N.W.
Room N-5700
Washington, D.C. 20210
Attn: Gary Lefkowitz
Re: ConAgra Foods, Inc. (Submission Number E-00593)

Be sure to refer to the submission number, which is E-00593. Comments must be received by the DOL no later than September 28th, 2008.

Comments may be faxed or e-mailed to the DOL. The fax number is (202) 219-0204, and the e-mail address is lefkowitz.gary@dol.gov. If you have questions regarding your right to comment on this tentative authorization, you may call Gary Lefkowitz at (202) 693-8546.

We expect to implement the benefit improvements and the reinsurance program before the end of 2008.

If you have any questions about any information in this notice, including the terms of your benefits under the plans maintained by ConAgra Foods, please contact:

Julie R. Schuppan (Human Resources)
Phone: 402 595 5870
Email: Julie.Schuppan@conagrafoods.com

Exhibit A

Pending Authorization
ConAgra Foods, Inc.

The restrictions of sections 406(a) and (b) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) shall not apply to the reinsurance of risks and the receipt of premiums therefrom by Risk Resources Insurance Ltd. (“Captive”) in connection with an insurance contract sold by Prudential Insurance Company of America (“Prudential”), or any successor insurance company to Prudential which is unrelated to ConAgra Foods, Inc. (“ConAgra Foods”) to provide Life and Accidental Death and Dismemberment (“AD&D”) insurance benefits under the ConAgra Foods, Inc. Welfare Benefit Wrap Plan (the “Plan”), provided the following conditions are met:

- a. Captive
 1. Is a party in interest with respect to the Plans by reason of a stock or partnership affiliation with ConAgra Foods that is described in section 3(14)(E) or (G) of ERISA;
 2. Is licensed to sell insurance or conduct reinsurance operations in at least one State as defined in section 3(10) of ERISA;
 3. Has obtained a Certificate of Authority from the Insurance Commissioner of its domiciliary state, which has neither been revoked nor suspended;
 4. Has undergone an examination by an independent certified public accountant for its last completed taxable year immediately prior to the taxable year of the reinsurance transaction. In addition, the independent certified public accountant will examine Captive’s reserves on an annual basis in connection with the employee benefit business to be reinsured by Captive to ensure that appropriate reserve levels are maintained. Further, such accountant must prepare and furnish its report to the independent plan fiduciary within 6 months after the end of each taxable year.
 5. Is licensed to conduct reinsurance transactions by a State whose law requires that an actuarial review of reserves be conducted annually by an independent firm of actuaries, and reported to the appropriate regulatory authority.
- b. The Plan pays no more than adequate consideration for the insurance contracts;
- c. No commissions are paid to any parties in interest with respect to the direct sale of the insurance contracts that are to be reinsured to the Captive, or the reinsurance thereof;
- d. In the initial year of any contract involving Captive, there will be an immediate and objectively determined benefit to the participants and beneficiaries affected

by that contract in the form of increased benefits that are described in the attached Notice;

- e. In subsequent years, the formula used to calculate premiums by Prudential or any successor insurer will be similar to the formulae used by other insurers providing comparable coverage under similar programs. Furthermore, the premium charge calculated in accordance with the formula will be reasonable and will be comparable to the premium charged by the insurer and its competitors with the same or a better rating providing the same coverage under comparable programs;
- f. The Plan only contracts with insurers with a rating of A or better from A.M. Best Company. The reinsurance arrangements between Prudential and Captive will be indemnity reinsurance only, i.e., the insurer will not be relieved of liability to the Plans should Captive be unable or unwilling to cover any liability arising from the reinsurance arrangement;
- g. The Plan retains an independent fiduciary (the “Independent Fiduciary”), at ConAgra Foods’ sole expense, to analyze the transaction and render an opinion that the requirements of sections (a) through (f) have been met. For purposes of this exemption, the Independent Fiduciary is a person who:
 - 1. Is not directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with ConAgra Foods, Captive or Prudential (this relationship hereinafter referred to as an “Affiliate”);
 - 2. Is not an officer, director, employee of, or partner in, ConAgra Foods, Captive, or Prudential (or any Affiliate thereof);
 - 3. Is not a corporation or partnership in which ConAgra Foods, Captive, or Prudential has an ownership interest or is a partner;
 - 4. Does not have an ownership interest in ConAgra Foods, Captive, Prudential, or any Affiliate thereof;
 - 5. Is not a fiduciary with respect to the Plan prior to the appointment; and
 - 6. Has acknowledged in writing acceptance of fiduciary responsibility and has agreed not to participate in any decision with respect to any transaction in which the Independent Fiduciary has an interest that might affect its best judgments as a fiduciary.

For purposes of this definition of an “Independent Fiduciary”, no organization or individual may serve as an Independent Fiduciary for any fiscal year if the gross income received by such organization or individual (or partnership or corporation of which such individual is an officer, director, or 10 percent or more partner or shareholder) from ConAgra Foods, Captive, Prudential, or their Affiliates (including amounts received for service as Independent Fiduciary under any prohibited transaction exemption granted by the Department) for that fiscal year exceeds 5 percent of that organization or individual’s annual gross income

from all sources for such fiscal year.

In addition, no organization or individual who is an Independent Fiduciary, and no partnership or corporation of which such organization or individual is an officer, director, or 10 percent or more partner or shareholder, may acquire any property from, sell any property to, or borrow funds from ConAgra Foods, Captive, Prudential, or their Affiliates during the period that such organization or individual serves as Independent Fiduciary, or negotiates any such transaction during the period that such organization or individual serves as an Independent Fiduciary, and continuing for a period of six months after such organization or individual ceases to be an Independent Fiduciary.

The benefit enhancements are not required as part of a legal proceeding, court order, or judgment under state or federal law, or mandatory benefit to be provided under state law.