

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

June 13, 2011

Date of Report (Date of earliest event reported)

The Hershey Company

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

1-183

(Commission File Number)

23-0691590

(IRS Employer Identification No.)

100 Crystal A Drive, Hershey, Pennsylvania 17033

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (717) 534-4200

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

Election of John P. Bilbrey as Director. On June 15, 2011, the Board of Directors of The Hershey Company (the “Company”) elected John P. Bilbrey a director. On May 17, 2011, Mr. Bilbrey was elected President and Chief Executive Officer of the Company pending further action of the Board of Directors. The Board of Directors has concluded its consideration of further action and Mr. Bilbrey continues to hold these offices. Mr. Bilbrey will not serve as a member of any Board committee.

As part of its action on June 15, the Board of Directors established Mr. Bilbrey’s compensation target under the Long Term Incentive Program of the Company’s Equity and Incentive Compensation Plan for 2012. The target, effective January 1, 2012, will be 325% of Mr. Bilbrey’s 2012 base salary. Long Term Incentive Program awards are generally granted equally in stock options and performance stock units. Information about the Company’s compensation programs and practices is set forth in the proxy statement for the Company’s 2011 annual meeting of stockholders, filed with the Securities and Exchange Commission on March 15, 2011.

Terms and Conditions Applicable to Stock Option and Restricted Stock Unit Awards. On June 13, 2011, the Compensation and Executive Organization Committee of the Board of Directors approved standard terms and conditions relating to awards of stock options and special awards of restricted stock units under the Company’s Equity and Incentive Compensation Plan (“Incentive Plan”). Copies of the documents, namely, Terms and Conditions of Nonqualified Stock Option Awards and Notice of Special Award of Restricted Stock Units, are filed as Exhibit 10.1 and Exhibit 10.2, respectively, to this Current Report on Form 8-K and incorporated by reference into this Item 5.02.

Item 9.01 Financial Statements and Exhibits

- (d) Exhibits
- 10.1 Terms and Conditions of Nonqualified Stock Option Awards
- 10.2 Notice of Special Award of Restricted Stock Units

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: June 16, 2011

THE HERSHEY COMPANY

By: /s/ Burton H. Snyder
Burton H. Snyder,
Senior Vice President
General Counsel and Secretary

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
10.1	Terms and Conditions of Nonqualified Stock Option Awards
10.2	Notice of Special Award of Restricted Stock Units

THE HERSHEY COMPANY

**TERMS AND CONDITIONS OF
NONQUALIFIED STOCK OPTION AWARDS
UNDER THE
EQUITY AND INCENTIVE COMPENSATION PLAN**

1. The Optionee, by accepting the option to purchase shares of the Company's Common Stock (the "Options") awarded to him/her on _____ (the "**Award Date**"), accepts and agrees to these terms and conditions and the terms and conditions of the Equity and Incentive Compensation Plan (the "**Plan**"), which Plan is incorporated herein by reference.

2. The Options shall not be exercisable until vested. The Options shall be exercisable during the period _____ through _____ (the "**Exercise Period**"), subject to the vesting schedule described in the next sentence and the provisions regarding termination set forth in paragraphs 3 and 5 below and in the Plan. Of the total Options awarded to the Optionee on the Award Date ("**Total Award**"), twenty-five percent (25%) of the Total Award will become vested on the first anniversary of the Award Date; an additional twenty-five percent (25%) of the Total Award will become vested on the second anniversary of the Award Date; an additional twenty-five percent (25%) of the Total Award will become vested on the third anniversary of the Award Date; and an additional and final twenty-five percent (25%) of the Total Award will become vested on the fourth anniversary of the Award Date. During the Exercise Period, vested Options may be exercised in whole or in part and on one or more than one occasion. The purchase price of any shares as to which the Options shall be exercised shall be paid in full at the time of such exercise.

3. In the event Optionee's employment with the Company is terminated for any reason other than the occurrence of an event described in paragraph 5 below, or a "Change in Control" as described in this paragraph 3, the Options shall terminate immediately upon termination of Optionee's employment and may not be exercised after such termination of employment unless: (i) Optionee is eligible to receive severance benefits pursuant to a Company-sponsored severance benefits plan or an employment or severance or similar agreement to which Optionee is a party upon termination of employment, in which case vesting, exercise, and payment of the Options will be in accordance with the terms of such Company-sponsored severance benefits plan or such agreement; or (ii) Optionee is an employee of the Company in a country other than the United States and has certain rights in the vesting, exercise and payment of Options upon termination of employment under the laws of the country in which Optionee is employed, in which case vesting, exercise and payment of the Options will be in accordance with the terms of a severance agreement entered into between the Company and Optionee that complies with the laws of the country in which Optionee is employed.

In the event of a Change in Control (as that term is defined in the Plan), to the extent the Options are assumed or replaced, or remain outstanding, such that the award as assumed, replaced or continued is a Replacement Award (as that term is defined in the Plan), the occurrence of the Change in Control shall not affect the vesting or exercisability of the Options which shall constitute a Replaced Award as defined in the Plan. However, if within two (2) years following the Change in Control, Optionee's employment is terminated by the Company for any reason other than for Cause (as that term is defined in the Plan), by the Optionee for Good Reason (as that term is defined in the Plan), or due to Optionee's death or total disability, the Replacement Award shall become fully vested and exercisable upon such termination.

Notwithstanding the foregoing, if the Committee (as that term is defined in paragraph 7 below) determines that the Options are not replaced in connection with a Change in Control with awards meeting the requirements for Replacement Awards, the Options shall become fully vested and exercisable upon the occurrence of the Change in Control, notwithstanding the vesting schedule set forth in paragraph 2 above.

4. If Optionee retires (as that term is defined in paragraph 5 below) after the Award Date and during the calendar year in which the Award Date occurs, the Total Award will be reduced on a pro-rata basis to reflect Optionee's period of employment during the calendar year in which the Award Date occurs (the "**Adjusted Award**"). The Adjusted Award shall equal the Total Award multiplied by a fraction, the numerator of which equals the number of calendar months during such year preceding the month during which Optionee's retirement date occurs and the denominator of which equals 12; provided, however, that any fractional share resulting from such calculation shall be eliminated by rounding the Adjusted Award down to the nearest whole number.

The foregoing provisions of this paragraph 4 notwithstanding, if a Change in Control occurs following the Award Date, and Optionee retires after the occurrence of the Change in Control but during the calendar year during which the Award Date occurs, the Total Award shall not be reduced as aforesaid.

5. In the event Optionee retires, or his or her employment terminates due to death or total disability, the Options shall become fully vested, subject to the provisions regarding possible adjustment of the Total Award to an Adjusted Award as provided in paragraph 4, and Optionee (or his/her estate in the case of death) shall have three (3) years from the earliest date of retirement, death or total disability to exercise his/her Options, provided such three (3) year period cannot extend beyond the last day of the Exercise Period set forth in Paragraph 2 above, the date the Options expire. For purposes of this award, Optionee shall be deemed to have retired if his or her employment terminates for any reason other than for "Cause" (as that term is defined in the Plan) on or after his or her 55th birthday.

6. The Options shall be exercisable through the broker on record selected by the Company to provide services for stock options, or by such other method as shall be established by the Company from time to time.

7. The Compensation and Executive Organization Committee of the Board of Directors (the "**Committee**"), or any successor committee performing similar functions, may from time to time impose certain limitations or restrictions on the exercise of the Options by employees who are subject to employee minimum stock ownership requirements established by the Committee. Such limitations, restrictions and minimum stock ownership requirements are subject to change at the discretion of the Committee.

8. Except to the extent that the Plan permits exercise in limited circumstances by persons other than the Optionee, the Options may not be assigned, transferred, pledged or hypothecated in any way whether by operation of law or otherwise, and shall not be subject to execution, attachment or similar process. Any attempted assignment, transfer, pledge, hypothecation or other disposition of the Options contrary to the provisions hereof or of the Plan, and the levy of any execution, attachment or similar process upon the Options, shall be null and void and without effect and shall cause the Options to terminate.

9. By accepting the Options awarded herewith, Optionee acknowledges and agrees that the Options are awarded under and governed by the terms and conditions set forth in this document and in the Plan, and the Executive Confidentiality and Restrictive Covenant Agreement (or similar or successor agreement), if any, applicable to Optionee. Any dispute or disagreement which shall arise under, as a result of, or in any way relate to the interpretation, construction or administration of the Plan or the Options awarded thereunder shall be determined in all cases and for all purposes by the Committee, or any successor committee, and any such determination shall be final, binding and conclusive for all purposes.

10. In selling the Company's Common Stock (the "**Shares**") upon Optionee's exercise of his/her Options, the Company is fulfilling in full its contractual obligation to Optionee by making such transfer, and the Company shall have no further obligations or duties with respect thereto and is discharged and released from the same. The Company makes no representations to Optionee regarding the market price of the Shares or the information which is available to Optionee regarding the Shares of the Company.

11. The Optionee may be restricted by the Company in its sole judgment from exercising any of the Options to the extent necessary to comply with insider trading or other provisions of federal or state securities laws.

12. The award of Options and all terms and conditions related thereto, including those of the Plan, shall be governed by the laws of the Commonwealth of Pennsylvania. The Plan shall control in the event there is a conflict between the Plan and these terms and conditions.

The Hershey Company
100 Crystal A Drive
Hershey, Pennsylvania 17033

Notice of Special Award of Restricted Stock Units

Name of Grantee
Address
City, State Zip Country

Plan:
ID:

EICP
PERNR

1. **EFFECTIVE DATE AND LEVEL OF AWARD.** Effective _____ (the “Grant Date”), grantee has been awarded Restricted Stock Units (“RSUs”) representing _____ shares of Common Stock of The Hershey Company (the “Company”). Each RSU represents the right to receive a share of the Company’s Common Stock, \$1.00 par value, at a future date and time, subject to the terms of this Notice of Special Award of Restricted Stock Units (the “Notice of Special Award”).

2. **DEFINITIONS.** Wherever used herein, the following terms shall have the meanings set forth below. Capitalized terms not otherwise defined in this Notice of Special Award shall have the same meanings as set forth in the Plan.

(A) “Deferred Compensation Plan” means The Hershey Company Deferred Compensation Plan and any successor or replacement plan thereof.

(B) “Dividend Equivalent Right” means a right that entitles the grantee to receive an amount equal to any cash dividends paid on a share of Common Stock, which dividends have a record date between the Grant Date and the date a Vested Unit is paid. Dividend Equivalent Rights will be paid in cash.

(C) “Plan” means The Hershey Company Equity and Incentive Compensation Plan, as in effect from time to time and any successor or replacement plan thereof.

3. **VESTING DATES.** The grantee shall vest in the number of RSUs corresponding with each date shown below (each a “Vesting Date”); provided that the grantee has remained in continuous employment with the Company or a Subsidiary from the Grant Date through such Vesting Date.

RSUs	Vesting Date
###	
###	
###	
###	

If prior to a Vesting Date, the grantee’s employment with the Company and its Subsidiaries terminates for any reason, then the unvested RSUs (and any related Dividend Equivalent Rights) subject to this Notice of Special Award shall terminate and be completely forfeited on the date of such termination of the grantee’s employment unless the grantee is entitled to any accelerated vesting of the unvested RSUs under the terms of the Plan or other Company-sponsored plan or agreement or as described in paragraph 8(D) below, in which case such accelerated vesting of the unvested RSUs will be in accordance with the terms of the

applicable plan, agreement or local law. Under the terms of the Plan, the grantee or the grantee's estate is entitled to accelerated vesting of the unvested RSUs upon the grantee's termination due to total disability or death. In the event of a Change in Control, accelerated vesting of the unvested RSUs, if any, shall be determined in accordance with paragraph 15 of the Plan. Notwithstanding anything in the Plan or this Notice of Special Award to the contrary, if the grantee is terminated for Cause from the Company and its Subsidiaries prior to payment pursuant to paragraph 4, all of the RSUs will immediately and automatically, without any action on the part of the grantee or the Company, be forfeited by the grantee.

4. PAYMENT OF AWARD. Unless deferred under the Deferred Compensation Plan, an RSU that has vested ("Vested Unit") shall be paid in the form of a share of Common Stock, unless prohibited by applicable local law, in which case the Vested Unit will be paid in the cash equivalent, as soon as practicable following each Vesting Date or, if earlier, any accelerated vesting event in accordance with the terms of the Plan or other Company-sponsored plan or agreement, but in no event later than March 15 following the calendar year in which such RSUs vest. In addition, the grantee shall be entitled to receive a lump sum cash payment equal to the Dividend Equivalent Rights with respect to any Vested Units at the same time as the payment for such underlying Vested Units.

5. RESTRICTIONS AND LIMITATIONS.

(A) To the extent that the grantee does not vest in any RSUs, all interest in such units, the related shares of Common Stock, and any Dividend Equivalent Rights shall be forfeited. The grantee shall have no right or interest in any RSU or related share of Common Stock that is forfeited.

(B) Upon each issuance or transfer of shares of Common Stock in accordance with this Notice of Special Award, a number of RSUs equal to the number of shares of Common Stock issued or transferred to the grantee shall be extinguished and such number of RSUs will not be considered to be held by the grantee for any purpose.

6. WITHHOLDING.

(A) The Company's obligation to deliver shares of Common Stock or cash to settle the Vested Units and Dividend Equivalent Rights shall be subject to the satisfaction of applicable tax withholding requirements. The grantee must pay to the Company any withholding tax due as a result of such payment.

(B) The Company shall have the right to reduce the number of shares of Common Stock issued to the grantee to satisfy the minimum applicable tax withholding requirements.

7. OTHER LAWS. The Company shall have the right to refuse to issue or transfer any shares under this Notice of Special Award if the Company acting in its absolute discretion determines that the issuance or transfer of such Common Stock might violate any applicable law or regulation.

8. MISCELLANEOUS.

(A) This Notice of Special Award shall be subject to all of the provisions, definitions, terms and conditions set forth in the Plan and any interpretations, rules and regulations promulgated by the Committee from time to time, all of which are incorporated by reference in this Notice of Special Award.

(B) If one or more of the provisions of this Notice of Special Award shall be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and the invalid, illegal or unenforceable provisions shall be deemed null and void; however, to the extent permissible by law, any provisions which could be deemed null and void shall first be construed, interpreted or revised retroactively to permit this Notice of Special Award to be construed so as to foster the intent of this award and the Plan.

(C) By accepting the RSUs awarded herewith, the grantee acknowledges and agrees that the RSUs are awarded under and governed by the terms and conditions set forth in this Notice of Special Award and in the Plan, and the Executive Confidentiality and Restrictive Covenant Agreement (or similar or successor agreement), if any, applicable to grantee, and that such terms and conditions shall supersede all prior discussions, negotiations, understandings, commitments and agreements with respect to such matters. Any dispute or disagreement which shall arise under, as a result of, or in any way relate to the interpretation, construction or administration of the Plan or the RSUs awarded thereunder shall be determined in all cases and for all purposes by the Committee, or any successor committee, and any such determination shall be final, binding and conclusive for all purposes.

(D) Notwithstanding anything herein to the contrary, in the event the grantee: (i) is an employee of the Company in a country other than the United States (a "Foreign National"), (ii) is not subject to the federal income tax laws of the United States ("U.S. Tax Law") for purposes of these RSUs, and (iii) has certain rights in the vesting and payment of the RSUs upon termination of employment under the laws of the country in which grantee is employed, the vesting and payment of any unvested RSUs (and any related Dividend Equivalent Rights) will be in accordance with the terms of a severance agreement entered into between the Company and grantee that complies with the laws of the country in which grantee is employed or in the absence of a severance agreement, as may be required by the laws of such country; provided, however, if any RSUs, granted to such Foreign National, are subject to U.S. Tax Law, the payment of such RSUs shall be governed by the terms of this Notice of Special Award.

9. CONTACT INFORMATION. Copies of the Plan and the Information Statement (Prospectus) for the Plan are available upon request from the myHR Support Center by calling 1-800-878-0440 or by email to myHR@hersheys.com.

