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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended August 29, 2021
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to
Commission File Number: 1-37830

LAMB WESTON HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Delaware	**61-1797411**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
599 S. Rivershore Lane Eagle, Idaho	**83616**
(Address of principal executive offices)	(Zip Code)

(208) 938-1047
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $1.00 par value	LW	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.:

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of September 30, 2021, the Registrant had 146,068,401 shares of common stock, par value $1.00 per share, outstanding.

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PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS (Unaudited)

Lamb Weston Holdings, Inc.
Consolidated Statements of Earnings
(unaudited, in millions, except per share amounts)

	Thirteen Weeks Ended	
	August 29, 2021	August 30, 2020
Net sales	$ 984.2	$ 871.5
Cost of sales	832.9	657.7
Gross profit	151.3	213.8
Selling, general and administrative expenses	91.1	78.1
Income from operations	60.2	135.7
Interest expense, net	27.9	30.3
Income before income taxes and equity method earnings	32.3	105.4
Income tax expense	8.7	28.0
Equity method investment earnings	6.2	11.9
Net income	$ 29.8	$ 89.3
Earnings per share:		
Basic	$ 0.20	$ 0.61
Diluted	$ 0.20	$ 0.61
Weighted average common shares outstanding:		
Basic	146.3	146.3
Diluted	146.9	147.1

See Condensed Notes to Consolidated Financial Statements.

Lamb Weston Holdings, Inc.
Consolidated Statements of Comprehensive Income
(unaudited, dollars in millions)

	Thirteen Weeks Ended August 29, 2021			Thirteen Weeks Ended August 30, 2020		
	Pre-Tax Amount	Tax (Expense) Benefit	After-Tax Amount	Pre-Tax Amount	Tax (Expense) Benefit	After-Tax Amount
Net income	$ 38.5	$ (8.7)	$ 29.8	$ 117.3	$ (28.0)	$ 89.3
Other comprehensive income (loss):						
Reclassification of post-retirement benefits out of accumulated other comprehensive income	0.1	—	0.1	0.1	—	0.1
Unrealized currency translation gains (losses)	(23.8)	1.5	(22.3)	41.9	(2.5)	39.4
Comprehensive income	$ 14.8	$ (7.2)	$ 7.6	$ 159.3	$ (30.5)	$ 128.8

See Condensed Notes to Consolidated Financial Statements.

Lamb Weston Holdings, Inc.
Consolidated Balance Sheets
(unaudited, dollars in millions, except share data)

	August 29, 2021	May 30, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	$ 789.7	$ 783.5
Receivables, less allowance for doubtful accounts of $1.1 and $0.9	401.3	366.9
Inventories	469.2	513.5
Prepaid expenses and other current assets	74.8	117.8
Total current assets	1,735.0	1,781.7
Property, plant and equipment, net	1,565.7	1,524.0
Operating lease assets	135.1	141.7
Equity method investments	298.8	310.2
Goodwill	323.5	334.5
Intangible assets, net	35.8	36.9
Other assets	82.4	80.4
Total assets	$ 4,176.3	$ 4,209.4
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt and financing obligations	$ 32.0	$ 32.0
Accounts payable	380.4	359.3
Accrued liabilities	237.6	226.9
Total current liabilities	650.0	618.2
Long-term liabilities:		
Long-term debt and financing obligations, excluding current portion	2,698.6	2,705.4
Deferred income taxes	159.7	159.7
Other noncurrent liabilities	240.6	245.5
Total long-term liabilities	3,098.9	3,110.6
Commitments and contingencies		
Stockholders' equity:		
Common stock of $1.00 par value, 600,000,000 shares authorized; 148,016,633 and 147,640,632 shares issued	148.0	147.6
Additional distributed capital	(830.2)	(836.8)
Retained earnings	1,240.0	1,244.6
Accumulated other comprehensive income	7.3	29.5
Treasury stock, at cost, 1,955,617 and 1,448,768 common shares	(137.7)	(104.3)
Total stockholders' equity	427.4	480.6
Total liabilities and stockholders’ equity	$ 4,176.3	$ 4,209.4

See Condensed Notes to Consolidated Financial Statements.

Lamb Weston Holdings, Inc.
Consolidated Statements of Stockholders' Equity
(unaudited, dollars in millions, except share data)

	Thirteen Weeks Ended August 29, 2021 and August 30, 2020						
	Common Stock, net of Treasury Shares	Common Stock Amount	Treasury Stock Amount	Additional Paid-in (Distributed) Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Equity
Balance at May 30, 2021	146,191,864	$ 147.6	$ (104.3)	$ (836.8)	$ 1,244.6	$ 29.5	$ 480.6
Dividends declared, $0.235 per share	—	—	—	—	(34.4)	—	(34.4)
Common stock issued	376,001	0.4	—	1.5	—	—	1.9
Stock-settled, stock-based compensation expense	—	—	—	5.2	—	—	5.2
Repurchase of common stock and common stock withheld to cover taxes	(506,849)	—	(33.4)	—	—	—	(33.4)
Other	—	—	—	(0.1)	—	—	(0.1)
Comprehensive income	—	—	—	—	29.8	(22.2)	7.6
Balance at August 29, 2021	146,061,016	$ 148.0	$ (137.7)	$ (830.2)	$ 1,240.0	$ 7.3	$ 427.4
Balance at May 31, 2020	146,038,893	$ 147.0	$ (68.2)	$ (862.9)	$ 1,064.6	$ (40.5)	$ 240.0
Dividends declared, $0.230 per share	—	—	—	—	(33.7)	—	(33.7)
Common stock issued	437,201	0.4	—	0.2	—	—	0.6
Stock-settled, stock-based compensation expense	—	—	—	6.0	—	—	6.0
Common stock withheld to cover taxes	(151,151)	—	(9.6)	—	—	—	(9.6)
Other	—	—	—	0.2	(0.3)	—	(0.1)
Comprehensive income	—	—	—	—	89.3	39.5	128.8
Balance at August 30, 2020	146,324,943	$ 147.4	$ (77.8)	$ (856.5)	$ 1,119.9	$ (1.0)	$ 332.0

See Condensed Notes to Consolidated Financial Statements.

Lamb Weston Holdings, Inc.
Consolidated Statements of Cash Flows
(unaudited, dollars in millions)

	Thirteen Weeks Ended	
	August 29, 2021	August 30, 2020
Cash flows from operating activities		
Net income	$ 29.8	$ 89.3
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of intangibles and debt issuance costs	47.3	46.9
Stock-settled, stock-based compensation expense	5.2	6.0
Distributions (earnings) of joint ventures, net	3.5	(9.2)
Deferred income taxes	1.7	1.9
Other	1.5	10.8
Changes in operating assets and liabilities:		
Receivables	(35.1)	9.1
Inventories	43.4	18.0
Income taxes payable/receivable, net	9.7	29.0
Prepaid expenses and other current assets	33.0	38.0
Accounts payable	10.0	18.7
Accrued liabilities	11.8	(7.9)
Net cash provided by operating activities	$ 161.8	$ 250.6
Cash flows from investing activities		
Additions to property, plant and equipment	(78.9)	(20.6)
Additions to other long-term assets	—	(12.6)
Other	0.1	0.1
Net cash used for investing activities	$ (78.8)	$ (33.1)
Cash flows from financing activities		
Dividends paid	(34.4)	(33.6)
Repurchase of common stock and common stock withheld to cover taxes	(33.4)	(9.6)
Repayments of debt and financing obligations	(7.9)	(9.2)
Repayments of short-term borrowings, net	—	(498.1)
Other	(0.1)	0.3
Net cash used for financing activities	$ (75.8)	$ (550.2)
Effect of exchange rate changes on cash and cash equivalents	(1.0)	1.2
Net increase (decrease) in cash and cash equivalents	6.2	(331.5)
Cash and cash equivalents, beginning of period	783.5	1,364.0
Cash and cash equivalents, end of period	$ 789.7	$ 1,032.5

See Condensed Notes to Consolidated Financial Statements.

Lamb Weston Holdings, Inc.
Condensed Notes to Consolidated Financial Statements
(Unaudited)

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Lamb Weston Holdings, Inc. ("we," "us," "our," the "Company," or "Lamb Weston"), along with our joint venture partners, is a leading global producer, distributor, and marketer of value-added frozen potato products and is headquartered in Eagle, Idaho. We have four reportable segments: Global, Foodservice, Retail, and Other. See Note 13, Segments, for additional information on our reportable segments.

Basis of Presentation

The accompanying unaudited Consolidated Financial Statements present the financial results of Lamb Weston for the thirteen weeks ended August 29, 2021 and August 30, 2020, and have been prepared in accordance with generally accepted accounting principles ("GAAP") in the United States of America.

These financial statements include all adjustments that we consider necessary for a fair presentation of such financial statements and consist only of normal recurring adjustments. The preparation of financial statements involves the use of estimates and accruals. The inputs into our judgments and estimates consider the economic implications of the effects of the COVID-19 pandemic on our critical accounting estimates and significant accounting policies. The actual results that we experience may differ materially from those estimates. Results for interim periods should not be considered indicative of results for our full fiscal year, which ends the last Sunday in May.

These financial statements and condensed notes should be read together with the consolidated financial statements and notes in our Annual Report on Form 10-K for the fiscal year ended May 30, 2021 (the "Form 10-K"), which we filed with the Securities and Exchange Commission on July 27, 2021.

New and Recently Issued Accounting Pronouncements

Accounting Pronouncements Not Yet Adopted

Reference Rate Reform

In March 2020, the Financial Accounting Standards Board issued Accounting Standards Update 2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting. This update provides optional guidance for a limited period of time to ease potential accounting impacts associated with transitioning away from reference rates that are expected to be discontinued, such as interbank offered rates and the London Interbank Offered Rate ("LIBOR"). This guidance includes practical expedients and exceptions to the current guidance on contract modifications and hedge accounting. Generally, contract modifications related to reference rate reform may be considered an event that does not require remeasurement or reassessment of a previous accounting determination at the modification date. This guidance was effective immediately and generally can be applied through December 31, 2022. We are currently evaluating the potential impact of the transition from LIBOR to alternative reference rates, but do not expect a significant impact on our financial statements related to this transition.

There were no other accounting pronouncements recently issued that had or are expected to have a material impact on our financial statements.

2. EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per common share for the periods presented (dollars and shares in millions, except per share amounts):

	Thirteen Weeks Ended	
	August 29, 2021	August 30, 2020
Numerator:		
Net income	$ 29.8	$ 89.3
Denominator:		
Basic weighted average common shares outstanding	146.3	146.3
Add: Dilutive effect of employee incentive plans (a)	0.6	0.8
Diluted weighted average common shares outstanding	146.9	147.1
Earnings per share:		
Basic	$ 0.20	$ 0.61
Diluted	$ 0.20	$ 0.61

(a) Potentially dilutive shares of common stock from employee incentive plans are determined by applying the treasury stock method to the assumed exercise of outstanding stock options and the assumed vesting of outstanding restricted stock units and performance awards. As of August 29, 2021 and August 30, 2020, an insignificant number of stock-based awards were excluded from the computation of diluted earnings per share because they would be antidilutive.

3. INCOME TAXES

Income tax expense was $8.7 million and $28.0 million for the thirteen weeks ended August 29, 2021 and August 30, 2020, respectively. The effective income tax rate (calculated as the ratio of income tax expense to pre-tax income, inclusive of equity method investment earnings) was 22.6% and 23.9% for the thirteen weeks ended August 29, 2021 and August 30, 2020, respectively, in our Consolidated Statements of Earnings. The effective tax rate varies from the U.S. statutory tax rate of 21% principally due to the impact of U.S. state taxes, foreign taxes, permanent differences, and discrete items.

Income Taxes Paid

Income tax refunds, net of taxes paid were $2.9 million and $2.8 million during the thirteen weeks ended August 29, 2021 and August 30, 2020, respectively.

Unrecognized Tax Benefits

There have been no material changes to the unrecognized tax benefits disclosed in Note 3, Income Taxes, of the Notes to Consolidated Financial Statements in "Part II, Item 8. Financial Statements and Supplementary Data" of the Form 10-K. The expiration of statute of limitations could reduce the uncertain tax positions by approximately $7 million during the next 12 months.

4. INVENTORIES

Inventories are valued at the lower of cost (determined using the first-in, first-out method) or net realizable value and include all costs directly associated with manufacturing products: materials, labor, and manufacturing overhead. The components of inventories were as follows (dollars in millions):

	August 29, 2021	May 30, 2021
Raw materials and packaging	$ 71.6	$ 89.8
Finished goods	352.9	377.8
Supplies and other	44.7	45.9
Inventories	$ 469.2	$ 513.5

5. PROPERTY, PLANT AND EQUIPMENT

The components of property, plant and equipment were as follows (dollars in millions):

	August 29, 2021	May 30, 2021
Land and land improvements	$ 110.9	$ 108.2
Buildings, machinery, and equipment	2,766.8	2,763.3
Furniture, fixtures, office equipment, and other	97.5	97.1
Construction in progress	192.4	122.5
Property, plant and equipment, at cost	3,167.6	3,091.1
Less accumulated depreciation	(1,601.9)	(1,567.1)
Property, plant and equipment, net	$ 1,565.7	$ 1,524.0

Depreciation expense was $44.5 million and $44.9 million for the thirteen weeks ended August 29, 2021 and August 30, 2020, respectively. At August 29, 2021 and May 30, 2021, purchases of property, plant and equipment included in accounts payable were $34.4 million and $23.1 million, respectively.

Interest capitalized within construction in progress for the thirteen weeks ended August 29, 2021 and August 30, 2020, was $1.2 million and $0.5 million, respectively.

6. EQUITY METHOD INVESTMENTS

We hold a 50% ownership interest in Lamb-Weston/Meijer v.o.f. (“Lamb-Weston/Meijer”), a joint venture with Meijer Frozen Foods B.V., that is headquartered in the Netherlands and manufactures and sells frozen potato products principally in Europe, Russia, and the Middle East. We hold a 50% interest in Lamb-Weston/RDO Frozen (“Lamb Weston RDO”), a potato processing joint venture based in the United States. We also hold a 50% interest in Lamb Weston Alimentos Modernos S.A. (“LWAMSA”), a joint venture with Sociedad Comercial del Plata S.A., that is headquartered in Argentina. LWAMSA manufactures and sells frozen potato products, principally in South America. These investments are accounted for using equity method accounting. The carrying value of these equity method investments at August 29, 2021 and May 30, 2021, was $298.8 million and $310.2 million, respectively, and are included in “Equity method investments” on our Consolidated Balance Sheets.

For the thirteen weeks ended August 29, 2021 and August 30, 2020, we had sales to our equity method investments of $4.9 million and $3.0 million, respectively, and payments to our equity method investments of $1.4 million and $1.1 million, respectively. Total dividends received from our equity method investments were $9.7 million and $2.7 million for the thirteen weeks ended August 29, 2021 and August 30, 2020, respectively.

We have an agreement to share the costs of our global enterprise resource planning ("ERP") system and related software and services with Lamb-Weston/Meijer. Under the terms of the agreement, Lamb-Weston/Meijer will pay us for the majority of its portion of the ERP costs in five equal annual payments, plus interest, beginning in the period the system is deployed at Lamb-Weston/Meijer. As of August 29, 2021 and May 30, 2021, Lamb-Weston/Meijer's portion of the ERP costs totaled $17.0 million and $16.8 million, respectively. Related to this project, we had $13.6 million and $13.2 million of receivables recorded in "Other assets" on our Consolidated Balance Sheets as of August 29, 2021 and May 30, 2021, respectively. We expect the total receivable from Lamb-Weston/Meijer to increase as development and implementation of the ERP system progresses.

7. GOODWILL AND OTHER IDENTIFIABLE INTANGIBLE ASSETS

The following table presents changes in goodwill balances, by segment, during the thirteen weeks ended August 29, 2021 (dollars in millions):

	Global	Foodservice	Retail	Other	Total
Balance at May 30, 2021	$ 276.3	$ 42.8	$ 10.9	$ 4.5	$ 334.5
Foreign currency translation adjustment	(11.0)	—	—	—	(11.0)
Balance at August 29, 2021	$ 265.3	$ 42.8	$ 10.9	$ 4.5	$ 323.5

Other identifiable intangible assets were as follows (dollars in millions):

	August 29, 2021				May 30, 2021			
	Weighted Average Useful Life (in years)	Gross Carrying Amount	Accumulated Amortization	Intangible Assets, Net	Weighted Average Useful Life (in years)	Gross Carrying Amount	Accumulated Amortization	Intangible Assets, Net
Non-amortizing intangible assets (a)	n/a	$ 18.0	$ —	$ 18.0	n/a	$ 18.0	$ —	$ 18.0
Amortizing intangible assets (b)	11	41.7	(23.9)	17.8	11	42.2	(23.3)	18.9
		$ 59.7	$ (23.9)	$ 35.8		$ 60.2	$ (23.3)	$ 36.9

(a) Non-amortizing intangible assets represent brands and trademarks.

(b) Amortizing intangible assets are principally composed of licensing agreements, brands, and customer relationships. Developed technology, which is excluded from this balance, is recorded as "Other assets" on our Consolidated Balance Sheet. Amortization expense, including developed technology amortization expense, was $1.5 million and $0.7 million for the thirteen weeks ended August 29, 2021 and August 30, 2020, respectively. Foreign intangible assets are affected by foreign currency translation.

8. ACCRUED LIABILITIES

The components of accrued liabilities were as follows (dollars in millions):

	August 29, 2021	May 30, 2021
Compensation and benefits	$ 60.4	$ 83.2
Accrued trade promotions	47.5	39.9
Dividends payable to shareholders	34.4	34.4
Accrued interest	34.4	7.9
Current portion of operating lease obligations	28.1	29.1
Franchise, property, and sales and use taxes	13.5	11.3
Other	19.3	21.1
Accrued liabilities	$ 237.6	$ 226.9

9. DEBT AND FINANCING OBLIGATIONS

At August 29, 2021 and May 30, 2021, our debt, including financing obligations, was as follows (dollars in millions):

	August 29, 2021	May 30, 2021
Long-term debt:		
Term A-1 loan facility, due June 2024	$ 270.0	$ 273.8
Term A-2 loan facility, due April 2025	308.8	312.8
4.625% senior notes, due November 2024	833.0	833.0
4.875% senior notes, due November 2026	833.0	833.0
4.875% senior notes, due May 2028	500.0	500.0
	2,744.8	2,752.6
Financing obligations:		
Lease financing obligations due on various dates through 2040 (a)	7.2	7.3
	7.2	7.3
Total debt and financing obligations	2,752.0	2,759.9
Debt issuance costs (b)	(21.4)	(22.5)
Current portion of long-term debt and financing obligations	(32.0)	(32.0)
Long-term debt and financing obligations, excluding current portion	$ 2,698.6	$ 2,705.4

(a) The interest rates on our lease financing obligations ranged from 2.49% to 4.10% as of August 29, 2021 and May 30, 2021.

(b) Excludes debt issuance costs of $3.9 million and $2.1 million as of August 29, 2021 and May 30, 2021, respectively, related to our Amended Revolving Credit Facility, which are presented in “Other assets” on the Consolidated Balance Sheets.

Amended Revolving Credit Facility

On August 11, 2021, we amended our credit agreement, dated as of November 9, 2016 (“Amended Revolving Credit Facility”). The Amended Revolving Credit Facility, among other things, increased the aggregate principal amount of available revolving credit facility borrowings to $1.0 billion and extended the maturity date to August 11, 2026. In addition, we may add incremental term loan facilities, increase commitments and/or add new revolving commitments in an aggregate principal amount of $650.0 million or greater based on conditions described in the agreement. Borrowings under the Amended Revolving Credit Facility bear interest at LIBOR, the Base Rate, the Alternative Currency Daily Rate, or the Alternative Currency Term Rate (each as defined in the Amended Revolving Credit Facility) plus an applicable rate ranging from 1.125% to 1.75% for LIBOR-based loans, Alternative Currency Daily Rate-based loans, and Alternative Currency Term Rate-based loans and from 0.125% to 0.75% for Base Rate-based loans, depending upon our consolidated net leverage ratio. In addition to paying interest, we will pay an annual commitment fee for undrawn amounts at a rate of 0.15% to 0.25%, depending on our consolidated net leverage ratio. The Amended Revolving Credit Facility requires us to maintain a consolidated net leverage ratio no greater than 5.00 to 1.00, decreasing to 4.75 to 1.00 on February 23, 2025 through maturity; and an interest coverage ratio no less than 2.75 to 1.00.

In connection with the Amended Revolving Credit Facility, we capitalized $2.0 million of debt issuance costs as “Other assets” on our Consolidated Balance Sheet.

At August 29, 2021, we had no borrowings outstanding under the Amended Revolving Credit Facility and $994.6 million of availability under the facility, which is net of outstanding letters of credit of $5.4 million. For the thirteen weeks ended August 29, 2021, we had no borrowings under the facility.

Term A-1 and A-2 Loan Facilities

On August 11, 2021, in connection with the Amended Revolving Credit Facility, we amended the credit agreement, dated as of June 28, 2019, relating to our Term A-1 and A-2 Loan Facilities ("Term Loan Facilities"), to, among other things, modify the Term Loan Facilities to make conforming changes to the covenants under the agreement. Under the amended Term Loan Facilities, we are required to maintain a consolidated net leverage ratio no greater than 5.00 to 1.00, decreasing to 4.75 to 1.00 on February 23, 2025 through maturity; and an interest coverage ratio no less than 2.75 to 1.00.

Other

For the thirteen weeks ended August 29, 2021 and August 30, 2020, we paid $2.7 million and $5.7 million of interest on debt, respectively.

For more information on our debt and financing obligations, interest rates, and debt covenants, see Note 8, Debt and Financing Obligations, of the Notes to Consolidated Financial Statements in "Part II, Item 8. Financial Statements and Supplementary Data" of the Form 10-K.

10. STOCK-BASED COMPENSATION

The Compensation and Human Capital Committee ("the Committee") of our Board of Directors administers our stock compensation plan. The Committee, in its discretion, authorizes grants of restricted stock units ("RSUs"), performance awards payable upon the attainment of specified performance goals ("Performance Shares"), dividend equivalents, and other stock-based awards. During the thirteen weeks ended August 29, 2021, we granted 0.3 million and 0.1 million RSUs and Performance Shares, respectively, at an average grant date fair value of $67.41. As of August 29, 2021, 7.1 million shares were available for future grant under the plan.

Our stock-based compensation expense is recorded in "Selling, general and administrative expenses." Compensation expense for stock-based awards recognized in the Consolidated Statements of Earnings, net of forfeitures, was as follows (dollars in millions):

	Thirteen Weeks Ended	
	August 29, 2021	August 30, 2020
Total compensation expense	$ 5.2	$ 6.0
Income tax benefit (a)	(0.9)	(1.1)
Total compensation expense, net of tax benefit	$ 4.3	$ 4.9

(a) Income tax benefit represents the marginal tax rate, excluding non-deductible compensation.

Based on estimates at August 29, 2021, total unrecognized compensation expense related to stock-based awards was as follows (dollars in millions):

	Unrecognized Compensation Expense	Remaining Weighted Average Recognition Period (in years)
Stock-settled RSUs	$ 31.0	2.4
Performance Shares	13.2	2.4
Total unrecognized stock-based expense	$ 44.2	2.4

11. FAIR VALUE MEASUREMENTS

For information about our fair value policies, methods and assumptions used in estimating the fair value of our financial assets and liabilities, see Note 1, Nature of Operations and Summary of Significant Accounting Policies and Note 12, Fair Value Measurements, of the Notes to Consolidated Financial Statements in "Part II, Item 8. Financial Statements and Supplementary Data" of the Form 10-K.

The fair values of cash equivalents, receivables, accounts payable, and short-term debt approximate their carrying amounts due to their short duration.

The following table presents our financial assets and liabilities measured at fair value on a recurring basis based upon the level within the fair value hierarchy in which the fair value measurements fall (dollars in millions):

	As of August 29, 2021			
	Level 1	Level 2	Level 3	Fair Value of Assets (Liabilities)
Derivative assets (a)	$ —	$ 8.5	$ —	$ 8.5
Deferred compensation liabilities (b)	—	(25.1)	—	(25.1)
Fair value, net	$ —	$ (16.6)	$ —	$ (16.6)

	As of May 30, 2021			
	Level 1	Level 2	Level 3	Fair Value of Assets (Liabilities)
Derivative assets (a)	$ —	$ 15.3	$ —	$ 15.3
Deferred compensation liabilities (b)	—	(23.5)	—	(23.5)
Fair value, net	$ —	$ (8.2)	$ —	$ (8.2)

(a) Derivative assets included in Level 2 primarily represent commodity swap and option contracts. The fair values of our Level 2 derivative assets and liabilities were determined using valuation models that use market observable inputs including both forward and spot prices for commodities. Derivative assets are presented within “Prepaid expenses and other current assets” on our Consolidated Balance Sheets.

(b) The fair values of our Level 2 deferred compensation liabilities were valued using third-party valuations, which are based on the net asset values of mutual funds in our retirement plans. While the underlying assets are actively traded on an exchange, the funds are not.

At August 29, 2021, we had $2,166.0 million of fixed-rate and $578.8 million of variable-rate debt outstanding. Based on current market rates, the fair value of our fixed-rate debt at August 29, 2021, was estimated to be $2,273.6 million. Any differences between the book value and fair value are due to the difference between the period-end market interest rate and the stated rate of our fixed-rate debt. The fair value of our variable-rate term debt approximates the carrying amount as our cost of borrowing is variable and approximates current market prices.

12. STOCKHOLDERS' EQUITY

Share Repurchase Program

In December 2018, our Board of Directors authorized a program, with no expiration date, to repurchase shares of our common stock in an amount not to exceed $250.0 million in the aggregate. During the thirteen weeks ended August 29, 2021, we repurchased 395,361 shares for $26.0 million, or a weighted-average price of $65.86 per share. As of August 29, 2021, $143.6 million remained authorized for repurchase under the program.

Dividends

We paid $34.4 million of dividends on both September 3, 2021 and June 4, 2021 to stockholders of record as of the close of business on August 6, 2021 and May 7, 2021, respectively. On September 23, 2021, our Board of Directors declared a dividend of $0.235 per share of common stock. The dividend will be paid on December 3, 2021, to stockholders of record as of the close of business on November 5, 2021.

Accumulated Other Comprehensive Income ("AOCI")

Changes in AOCI, net of taxes, as of August 29, 2021 were as follows (dollars in millions):

	Foreign Currency Translation Gains (Losses)	Pension and Post-Retirement Benefits	Accumulated Other Comprehensive Income (Loss)
Balance as of May 30, 2021	$ 36.0	$ (6.5)	$ 29.5
Other comprehensive income before reclassifications, net of tax	(22.3)	—	(22.3)
Amounts reclassified out of AOCI, net of tax	—	0.1	0.1
Net current-period other comprehensive income (loss)	(22.3)	0.1	(22.2)
Balance as of August 29, 2021	$ 13.7	$ (6.4)	$ 7.3

13. SEGMENTS

We have four operating segments, each of which is a reportable segment: Global, Foodservice, Retail, and Other. Our chief operating decision maker receives periodic management reports under this structure that generally focus on the nature and scope of our customers' businesses, which enables operating decisions, performance assessment, and resource allocation decisions at the segment level. The reportable segments are each managed by a general manager and supported by a cross functional team assigned to support the segment (dollars in millions).

	Thirteen Weeks Ended	
	August 29, 2021	August 30, 2020
Net sales		
Global	$ 501.2	$ 447.5
Foodservice	321.4	236.7
Retail	132.5	153.9
Other	29.1	33.4
Total net sales	984.2	871.5
Product contribution margin (a)		
Global	42.6	77.8
Foodservice	96.4	85.8
Retail	14.8	35.8
Other (b)	(6.6)	13.2
	147.2	212.6
Add: Advertising and promotion expenses (a)	4.1	1.2
Gross profit	151.3	213.8
Selling, general and administrative expenses	91.1	78.1
Income from operations	60.2	135.7
Interest expense, net	27.9	30.3
Income tax expense	8.7	28.0
Equity method investment earnings	6.2	11.9
Net income	$ 29.8	$ 89.3

(a) Product contribution margin represents net sales less cost of sales and advertising and promotion expenses. Product contribution margin includes advertising and promotion expenses because those expenses are directly associated with segment performance.

(b) The Other segment primarily includes our vegetable and dairy businesses and unrealized mark-to-market adjustments associated with commodity hedging contracts.

Lamb Weston's largest customer, McDonald's Corporation, accounted for approximately 10% of consolidated "Net sales" for the thirteen weeks ended August 29, 2021; and 11% for the thirteen weeks ended August 30, 2020.

14. COMMITMENTS, CONTINGENCIES, GUARANTEES AND LEGAL PROCEEDINGS

We have financial commitments and obligations that arise in the ordinary course of our business. These include long-term debt, lease obligations, purchase commitments for goods and services, and legal proceedings. There have been no material changes to the guarantees and indemnifications disclosed in Note 15, Commitments, Contingencies, Guarantees, and Legal Proceedings, of the Notes to Consolidated Financial Statements in “Part II, Item 8. Financial Statements and Supplementary Data” of the Form 10-K.

We are a party to legal actions arising in the ordinary course of our business. These claims, legal proceedings and litigation principally arise from alleged casualty, product liability, employment, and other disputes. In determining loss contingencies, we consider the likelihood of loss as well as the ability to reasonably estimate the amount of such loss or liability. An estimated loss is recognized when it is considered probable that a liability has been incurred and when the amount of loss can be reasonably estimated. While any claim, proceeding or litigation has an element of uncertainty, we believe the outcome of any of these that are pending or threatened will not have a material adverse effect on our financial condition, results of operations, or cash flows.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations, which we refer to as "MD&A," should be read in conjunction with our condensed consolidated financial statements and related notes included in "Financial Information" of this Quarterly Report on Form 10-Q (this "Form 10-Q") and in "Financial Statements and Supplementary Data" of the Company's Annual Report on Form 10-K for the fiscal year ended May 30, 2021 (the "Form 10-K"), which we filed with the United States ("U.S.") Securities and Exchange Commission ("SEC") on July 27, 2021.

Forward-Looking Statements

This report, including the MD&A, contains forward-looking statements within the meaning of the federal securities laws. Words such as "will," "continue," "may," "expect," "believe," "estimate," "grow," "drive," "support," "remain," "increase," "maintain," "manage," "improve," "outlook," and variations of such words and similar expressions are intended to identify forward-looking statements. Examples of forward-looking statements include, but are not limited to, statements regarding our plans, execution, capital investments, operational costs, cash flows, liquidity, dividends, share repurchases, enterprise resource planning ("ERP") system implementation and business outlook and prospects, as well as the impact of the COVID-19 pandemic on our industry and the global economy. These forward-looking statements are based on management's current expectations and are subject to uncertainties and changes in circumstances. Readers of this report should understand that these statements are not guarantees of performance or results. Many factors could affect our actual financial results and cause them to vary materially from the expectations contained in the forward-looking statements, including those set forth in this report. These risks and uncertainties include, among other things: impacts on our business due to health pandemics or other contagious outbreaks, such as the COVID-19 pandemic, including impacts on demand for our products, increased costs, disruption of supply or other constraints in the availability of key commodities and other necessary services; the availability and prices of raw materials; levels of pension, labor and people-related expenses; our ability to successfully execute our long-term value creation strategies; our ability to execute on large capital projects, including construction of new production lines or facilities; the competitive environment and related conditions in the markets in which we and our joint ventures operate; political and economic conditions of the countries in which we and our joint ventures conduct business and other factors related to our international operations; disruption of our access to export mechanisms; risks associated with possible acquisitions, including our ability to complete acquisitions or integrate acquired businesses; our debt levels; changes in our relationships with our growers or significant customers; the success of our joint ventures; actions of governments and regulatory factors affecting our businesses or joint ventures; the ultimate outcome of litigation or any product recalls; our ability to pay regular quarterly cash dividends and the amounts and timing of any future dividends; and other risks described in our reports filed from time to time with the U.S. Securities and Exchange Commission ("SEC"). We caution readers not to place undue reliance on any forward-looking statements included in this report, which speak only as of the date of this report. We undertake no responsibility for updating these statements, except as required by law.

Overview

Lamb Weston Holdings, Inc. ("we," "us," "our," "the Company," or "Lamb Weston"), along with our joint ventures, is a leading global producer, distributor, and marketer of value-added frozen potato products. We, along with our joint ventures, are the number one supplier of value-added frozen potato products in North America and a leading supplier of value-added frozen potato products internationally, with a strong and growing presence in high-growth emerging markets. We, along with our joint ventures, offer a broad product portfolio to a diverse channel and customer base in over 100 countries. French fries represent the majority of our value-added frozen potato product portfolio.

This MD&A is provided as a supplement to the consolidated financial statements and related condensed notes included elsewhere herein to help provide an understanding of our financial condition, changes in financial condition and results of our operations. Our MD&A is based on financial data derived from the financial statements prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and certain other financial data (including Adjusted EBITDA and Adjusted EBITDA including unconsolidated joint ventures) that is prepared using non-GAAP financial measures. Refer to "Non-GAAP Financial Measures" below for the definitions of Adjusted EBITDA and

Adjusted EBITDA including unconsolidated joint ventures, and a reconciliation of these non-GAAP financial measures to net income.

Executive Summary

Our strong sales growth in the first quarter of fiscal 2022 reflects the ongoing broad recovery of the frozen potato category following the pandemic's negative impact on demand in our food-away-from-home channels. However, our earnings in the quarter declined versus the prior year, reflecting the effect of significant inflation and other industrywide challenges on our manufacturing and supply chain operations, as well as higher selling, general and administrative ("SG&A") expenses. Specifically, in the quarter:

- Net sales increased 13% to $984.2 million
- Income from operations declined 56% to $60.2 million
- Net income declined 67% to $29.8 million
- Diluted earnings per share declined 67% to $0.20
- Adjusted EBITDA including unconsolidated joint ventures declined 39% to $123.4 million

Compared with the first quarter of fiscal 2021, the increase in net sales was primarily driven by higher sales volumes in North America as demand in our restaurant and foodservice channels continued to improve as the economy further reopened and as consumer traffic recovered. The increase in sales was most pronounced in our Foodservice segment, which has a higher proportion of its sales to on-premise dining establishments, including independent restaurants and non-commercial operations, such as lodging and hospitality, healthcare, schools and universities, sports and entertainment, and workplace environments. Sales volumes also continued to increase at the large chain restaurant customers served by our Global segment, but to a lesser extent as sales volumes in this channel had largely recovered to pre-pandemic levels in the prior year quarter. In contrast, sales volumes in our Retail segment declined largely due to lower shipments of private label products resulting from incremental losses of certain low-margin business, and as food-at-home purchases began to normalize to pre-pandemic levels. Our net sales increase was also aided by higher price/mix in each of our core business segments, reflecting pricing actions, including the benefit of higher prices charged to customers for product delivery, as well as favorable mix.

Overall international sales volumes, which are included in our Global segment, varied by market, but improved versus the prior year period as restaurant traffic continued to gradually recover. However, our exports were hindered by pandemic-related congestion at U.S. West Coast ports as well as the availability of shipping containers.

In Europe, which is served by our Lamb-Weston/Meijer joint venture, sales volumes also increased as restaurant traffic continued to improve, although earnings were also negatively affected by inflation, production, and transportation challenges affecting its supply chain.

Despite an increase in sales, income from operations declined largely due to higher manufacturing and distribution costs on a per pound basis. The increase in costs predominantly reflected double-digit cost inflation from key inputs and transportation. We also incurred higher costs and inefficiencies related to labor availability across our manufacturing network. In addition, the decline in earnings was also driven by higher SG&A expenses, largely due to investments to improve our operations over the long term, higher compensation and benefit expenses, and higher advertising and promotional ("A&P") expenses.

Outlook

We remain committed to prioritizing the health and well-being of our employees and contractors, to supporting our customers, and to maintaining our financial strength as the pandemic continues to impact our business and the global economy.

We expect our net sales in fiscal 2022 to increase versus the prior year as global demand for frozen potato products continues to recover. In the U.S., during the first quarter of fiscal 2022, we saw shipments to large chain restaurants as well as in our Foodservice segment, in aggregate, approach pre-pandemic levels, although the rate of recovery in our Foodservice segment slowed during the final month of the quarter due to a resurgence of COVID-19 infections. However, we expect the recovery in restaurant traffic will gradually resume as vaccination rates improve and the rate of COVID-19 infections eases. We continue to expect that overall frozen potato demand may approach pre-pandemic levels, on a run-rate basis, by the end of the calendar year.

We expect our earnings in fiscal 2022 to be pressured largely as a result of inflation and industrywide operational challenges. We anticipate that the rate of inflation for many of our manufacturing, commodity, and transportation costs, including, but not limited to edible oils, rail, trucking, ocean freight, and packaging, will increase compared to what we experienced in fiscal 2021. We also expect our potato costs on a per pound basis will likely rise as the year progresses due to the extreme summer heat that negatively affected the quality of potato crops in the Pacific Northwest. We anticipate the ongoing effects of the pandemic and the rapid resurgence of the broader economy will continue to pressure and disrupt our global supply chain operations, including the availability of manufacturing labor, through the remainder of fiscal 2022, which is expected to lead to volatile operating conditions and incremental manufacturing and distribution costs. Our experienced team is taking specific actions to mitigate these challenges, most notably executing pricing actions intended to offset commodity inflation, restructuring freight policies, modifying production and crewing schedules to reduce labor volatility, adopting new policies and practices to attract and retain manufacturing employees, and rationalizing our product portfolio.

In addition, we expect overall SG&A in fiscal 2022 will be higher than the prior year largely due to increased compensation and benefit expenses, as well as continued investments to improve our information technology, commercial and supply chain operations over the long term. This includes resuming our efforts to implement the next phase of a new ERP system, which we deferred due to the disruptive impact of the pandemic on our operations, as well as the significant number of employees working remotely.

While the near-term impact of the pandemic on sales volumes and costs is volatile, we believe we have sufficient liquidity to manage through the uncertainty.

We remain focused on our strategic objectives, and believe that our investments in productivity, technology, and capacity to support customer growth will create value for our stakeholders over the long term.

Results of Operations

We have four reportable segments: Global, Foodservice, Retail, and Other. We report net sales and product contribution margin by segment and on a consolidated basis. Product contribution margin, when presented on a consolidated basis, is a non-GAAP financial measure. Net sales and product contribution margin are the primary measures reported to our chief operating decision maker for purposes of allocating resources to our segments and assessing their performance. Product contribution margin represents net sales less cost of sales and A&P expenses. Product contribution margin includes A&P expenses because those expenses are directly associated with the performance of the Company's segments. For additional information on our reportable segments and product contribution margin, see "Non-GAAP Financial Measures" below and Note 13, Segments, of the Condensed Notes to Consolidated Financial Statements in "Part I, Item 1. Financial Statements" of this report.

Thirteen Weeks Ended August 29, 2021 compared to Thirteen Weeks Ended August 30, 2020 (dollars in millions)

Net Sales and Product Contribution Margin

	Thirteen Weeks Ended		
	August 29, 2021	August 30, 2020	% Inc/(Dec)
Segment sales			
Global	$ 501.2	$ 447.5	12%
Foodservice	321.4	236.7	36%
Retail	132.5	153.9	(14%)
Other	29.1	33.4	(13%)
	$ 984.2	$ 871.5	13%
Segment product contribution margin			
Global	$ 42.6	$ 77.8	(45%)
Foodservice	96.4	85.8	12%
Retail	14.8	35.8	(59%)
Other	(6.6)	13.2	(150%)
	147.2	212.6	(31%)
Add: Advertising and promotion expenses	4.1	1.2	242%
Gross profit	$ 151.3	$ 213.8	(29%)

Net Sales

Compared to the prior-year quarter, Lamb Weston's net sales for the first quarter of fiscal 2022 increased $112.7 million, or 13%, to $984.2 million. Volume increased 11% and price/mix increased 2%. The increase in sales volumes predominantly reflected the recovery in demand for frozen potato products outside the home, which more than offset the decline in retail volume. Pricing actions, including the benefit of higher prices charged to customers for product delivery, as well as favorable mix drove the increase in price/mix in each of our core business segments.

Global segment net sales increased $53.7 million, or 12%, to $501.2 million. Volume increased 10% while price/mix increased 2%. The sales volume increase reflects the recovery in demand in the U.S. and in most of our key international markets, as well as the benefit of limited time product offerings. The increase in price/mix largely reflected favorable price, including higher prices charged for freight.

Foodservice segment net sales increased $84.7 million, or 36%, to $321.4 million. Volume increased 35% while price/mix increased 1%. The continued recovery in demand at small and regional chain restaurants, as well as independently-owned restaurants, especially at full-service establishments, drove the increase in sales volumes. Shipments to non-commercial customers, such as lodging and hospitality, healthcare, schools and universities, sports and entertainment, and workplace environments, also increased versus the prior year quarter, but remained below pre-pandemic levels. Volume growth was tempered by the inability to service full customer demand due to lower production run-rates and throughput. The increase in price/mix largely reflected favorable price, including higher prices charged for freight.

Retail segment net sales declined $21.4 million, or 14%, to $132.5 million. Volume declined 15% while price/mix increased 1%. The sales volume decline largely reflects lower shipments of private label products resulting from incremental losses of certain low-margin business, and to a lesser extent, a slight decline in branded product sales volumes as food-at-home purchases began to normalize to pre-pandemic levels. However, total shipments of branded products in the current quarter were well above pre-pandemic levels. The increase in price/mix was largely driven by favorable price, including higher prices charged for freight.

Net sales in our Other segment declined $4.3 million, or 13%, to $29.1 million. The decline primarily reflects lower volume in our vegetable business, partially offset by favorable price/mix.

Gross Profit and Product Contribution Margin

Gross profit declined $62.5 million, as the benefit of increased sales volumes was more than offset by higher manufacturing and distribution costs on a per pound basis. The higher costs per pound predominantly reflected double-digit cost inflation from key inputs, especially edible oils, and transportation, especially trucking and ocean freight. In addition, we incurred higher manufacturing costs per pound due to volatile labor availability, which was in part a result of COVID-related absenteeism, that affected production run-rates and throughput. The decline in gross profit also included a $5.6 million decrease in unrealized mark-to-market adjustments associated with commodity hedging contracts, which includes a $1.2 million gain in the current quarter, compared with a $6.8 million gain related to these items in the prior year quarter.

Lamb Weston's overall product contribution margin, defined as gross profit less A&P expenses, declined $65.4 million, or 31%, to $147.2 million. The decline was largely due to lower gross profit (as described above) and a $2.9 million increase in A&P expenses to support new product launches in our Retail segment.

Global segment product contribution margin declined $35.2 million to $42.6 million, down 45% versus the prior year quarter. Input and transportation cost inflation, as well as higher manufacturing costs per pound, more than offset the benefit of higher sales volumes and favorable price/mix. Global segment cost of sales was $457.7 million, up 24% compared to the first quarter of fiscal 2021, primarily due to higher sales volumes and higher manufacturing and distribution costs.

Foodservice segment product contribution margin increased $10.6 million to $96.4 million, up 12% compared to the prior year quarter. Higher sales volume and favorable price/mix drove the increase, and was partially offset by input and transportation cost inflation, as well as higher manufacturing costs per pound. Foodservice segment cost of sales was $224.0 million, up 49% compared to the first quarter of fiscal 2021, primarily due to higher sales volumes and higher manufacturing and distribution costs.

Retail segment product contribution margin declined $21.0 million to $14.8 million, down 59% versus the prior year quarter. Input and transportation cost inflation, higher manufacturing costs per pound, lower sales volumes and a $2.1 million increase in A&P expenses to support new product launches, drove the decline. Retail segment cost of sales was $115.6 million, down 2% compared to the first quarter of fiscal 2021, primarily due to lower sales volumes and higher manufacturing and distribution costs.

Other product contribution margin declined $19.8 million to a loss of $6.6 million in the first quarter fiscal 2022, as compared to $13.2 million of income in fiscal 2021. These amounts include an $8.2 million loss related to unrealized mark-to-market adjustments and realized settlements associated with commodity hedging contracts, and a $7.7 million gain related to the contracts in fiscal 2021. Excluding these mark-to-market adjustments, Other segment product contribution margin declined $3.9 million, largely due to higher manufacturing costs and lower sales volumes in our vegetable business.

Selling, General and Administrative Expenses

SG&A increased $13.0 million compared to the prior year quarter, primarily due to investments to improve our information technology, commercial and supply chain operations over the long term, as well as increased compensation and benefit expenses. These investments included more than $4 million of non-recurring expenses (primarily consulting expenses) associated with a new ERP system, compared to approximately $1 million in the prior year quarter. In addition, A&P expenses increased $2.9 million, largely in support of the launch of new products in the Retail segment.

Interest Expense, Net

Compared with the prior-year quarter, interest expense, net declined $2.4 million to $27.9 million. The decrease reflected lower average total debt versus the prior year. For more information see "Liquidity and Capital Resources" in this MD&A.

Income Tax Expense

Income tax expense for the first quarter of fiscal 2022 and 2021 was $8.7 million and $28.0 million, respectively. The effective income tax rate (calculated as the ratio of income tax expense to pre-tax income, inclusive of equity method investment earnings) was 22.6% and 23.9% for the first quarter of fiscal 2022 and 2021, respectively. The effective tax rate varies from the U.S. statutory tax rate of 21%, principally due to the impact of U.S. state taxes, foreign taxes, permanent differences, and discrete items.

Equity Method Investment Earnings

We conduct business through unconsolidated joint ventures in Europe, the U.S., and South America and include our share of the earnings based on our economic ownership interest in them. Our share of earnings from our equity method investments was $6.2 million and $11.9 million for the first quarter of fiscal 2022 and 2021, respectively. Equity method investment earnings included a $4.3 million unrealized gain related to mark-to-market adjustments associated with currency and commodity hedging contracts in the current quarter, compared to a $4.7 million unrealized gain related to these items in the prior year quarter. Excluding the mark-to-market adjustments, earnings from equity method investments declined $5.3 million compared to the prior year period. The earnings decline largely reflects input cost inflation and higher manufacturing costs in Europe and the U.S.

Liquidity and Capital Resources

Sources and Uses of Cash

We ended the first quarter of fiscal 2022 in a strong financial position with resources available for reinvesting in our business, including our strategic growth initiatives, pursuing acquisition opportunities that we may identify, and managing our capital structure on a short- and long-term basis. During the first quarter of fiscal 2022, we amended our revolving credit facility to increase its capacity to $1.0 billion and to extend the maturity date to August 11, 2026. At the end of the fiscal first quarter, no borrowings were outstanding under the amended revolving credit facility. At August 29, 2021, we had $789.7 million of cash and cash equivalents and $994.6 million of availability under our revolving credit facility.

While we expect the near-term impact of the pandemic on sales volumes and costs to remain volatile, we believe we have sufficient liquidity to meet projected capital expenditures, service existing debt and meet working capital requirements for the next 12 months with current cash balances and cash from operations, supplemented as necessary by available borrowings under our existing revolving credit facility.

Cash Flows

Below is a summary table of our cash flows, followed by a discussion of the sources and uses of cash through operating, investing, and financing activities (dollars in millions):

	Thirteen Weeks Ended		
	August 29, 2021	August 30, 2020	Provided by (Used for)
Net cash flows provided by (used for):			
Operating activities	$ 161.8	$ 250.6	$ (88.8)
Investing activities	(78.8)	(33.1)	(45.7)
Financing activities	(75.8)	(550.2)	474.4
	7.2	(332.7)	339.9
Effect of exchange rate changes on cash and cash equivalents	(1.0)	1.2	(2.2)
Net increase (decrease) in cash and cash equivalents	$ 6.2	$ (331.5)	$ 337.7

Operating Activities

In the first quarter of fiscal 2022, cash provided by operating activities decreased $88.8 million to $161.8 million, compared with $250.6 million in the same period a year ago. The decrease related to a $56.7 million decrease in income from operations, adjusted for non-cash income and expenses, and $32.1 million of cash used by unfavorable changes in working capital. Lower income from operations was driven by higher manufacturing and transportation costs on a per pound basis, reflecting cost inflation for key inputs and transportation. See “Results of Operations” in this MD&A for more information. Unfavorable changes in working capital primarily related to an increase in receivables attributable to higher sales at the end of first quarter fiscal 2022, compared with the end of first quarter of fiscal 2021, a decrease in income taxes payable due to lower taxable income in first quarter of fiscal 2022, compared with the prior year quarter, and a decrease in accounts payable and grower payments, due to timing. The unfavorability was partially offset by lower finished goods inventories compared with the prior year quarter, and an increase in trade promotion accruals due to higher sales, and an increase in accrued interest due to the timing of interest payments.

Investing Activities

Investing activities used $78.8 million of cash in the first quarter of fiscal 2022, compared with $33.1 million in the same period in the prior year. The increase primarily relates to our investment in our chopped and formed capacity expansion in American Falls, Idaho and our greenfield french fry processing facility in Ulanqab, Inner Mongolia, China. We reduced our estimate of cash used for capital expenditures, excluding acquisitions, for fiscal 2022 to approximately $450 million from our previous estimate of $650 million to $700 million, due to the projected timing of expenditures related to some of our capacity expansion projects.

Financing Activities

We took actions to further strengthen our liquidity by amending our revolving credit facility on August 11, 2021, to increase its capacity to $1.0 billion, extend the maturity date to August 11, 2026, and lower pricing with more favorable terms and conditions. At the end of the fiscal first quarter, no borrowings were outstanding under the amended revolving credit facility.

During the first quarter of fiscal 2022, cash used for financing activities decreased $474.4 million to $75.8 million, compared with $550.2 million during the same period a year ago. During the first quarter of fiscal 2022, financing activities primarily related to the payment of $34.4 million of cash dividends to common stockholders, and $7.9 million of debt and financing obligations repayments. We also repurchased 395,361 shares of our common stock at an average price of $65.86 and withheld 111,488 shares from employees to cover income and payroll taxes on equity awards that vested during the period.

During the first quarter of fiscal 2021, financing activities primarily related to the repayment of $498.1 million of short-term borrowings, the payment of $33.6 million of cash dividends to common stockholders, and $9.2 million of debt and financing obligations repayments. We also withheld 151,151 shares from employees to cover income and payroll taxes on equity awards that vested during the period.

We assess our financing alternatives periodically and expect to access credit or debt capital markets opportunistically, within targeted levels, as part of our plans to fund our capital programs, including capital expenditures and cash returns to stockholders through dividends and share repurchases. These transactions may include refinancing of existing debt or the incurrence of new debt, subject to financing options that may be available to us from time to time, as well as conditions in the credit and debt capital markets generally. In particular, one of our subsidiaries is pursuing a new credit facility of up to $180 million related to funding our previously announced capital expansion project in China. Borrowings under this facility would be guaranteed by Lamb Weston. The facility is subject to conditions in the global credit markets generally, as well as finalization of definitive documentation. If we do not complete this contemplated financing, we will pursue alternative options for funding the project.

For more information about our debt, interest rates, maturity dates, and covenants, see Note 9, Debt and Financing Obligations, of the Condensed Notes to Consolidated Financial Statements in “Part I, Item 1. Financial Statements” of this report and Note 8, Debt and Financing Obligations of the Notes to Consolidated Financial Statements in “Part II, Item 8. Financial Statements and Supplementary Data” of the Form 10-K. At August 29, 2021, we were in compliance with the financial covenant ratios and other covenants contained in our credit agreements.

Obligations and Commitments

There have been no material changes to the contractual obligations disclosed in “Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Form 10-K.

Non-GAAP Financial Measures

To supplement the financial information included in this report, we have presented product contribution margin on a consolidated basis, Adjusted EBITDA and Adjusted EBITDA including unconsolidated joint ventures, each of which is considered a non-GAAP financial measure.

Product contribution margin is one of the primary measures reported to our chief operating decision maker for purposes of allocating resources to our segments and assessing their performance. Product contribution margin represents net sales less cost of sales and A&P expenses. Product contribution margin includes A&P expenses because those expenses are directly associated with the performance of our segments. Our management also uses Adjusted EBITDA and Adjusted EBITDA including unconsolidated joint ventures to evaluate our performance excluding the impact of certain non-cash charges and other special items in order to have comparable financial results to analyze changes in our underlying business between reporting periods. We include these non-GAAP financial measures because management believes they provide useful information to investors in that they provide for greater transparency with respect to supplemental information used by management in its financial and operational decision making. We believe that the presentation of these non-GAAP financial measures, when used in conjunction with GAAP financial measures, is a useful financial analysis tool that can assist investors in assessing our operating performance and underlying prospects. These non-GAAP financial measures should be viewed in addition to, and not as alternatives for, financial measures prepared in accordance with GAAP. These measures are not a substitute for their comparable GAAP financial measures, such as gross profit or net income (loss), and there are limitations to using non-GAAP financial measures. These non-GAAP financial measures may differ from similarly titled non-GAAP financial measures presented by other companies, and other companies may not define these non-GAAP financial measures the same way.

See “Results of Operations – Thirteen Weeks Ended August 29, 2021 compared to Thirteen Weeks Ended August 30, 2020 (dollars in millions) – Net Sales and Product Contribution Margin” above for a reconciliation of product contribution margin on a consolidated basis to gross profit.

The following table reconciles net income to Adjusted EBITDA and Adjusted EBITDA including unconsolidated joint ventures (dollars in millions):

	Thirteen Weeks Ended	
	August 29, 2021	August 30, 2020
Net income	$ 29.8	$ 89.3
Equity method investment earnings	(6.2)	(11.9)
Interest expense, net	27.9	30.3
Income tax expense	8.7	28.0
Income from operations	60.2	135.7
Depreciation and amortization	46.0	45.6
Adjusted EBITDA	106.2	181.3
Unconsolidated Joint Ventures		
Equity method investment earnings	6.2	11.9
Interest expense, income tax expense, and depreciation and amortization included in equity method investment earnings	11.0	8.6
Add: Adjusted EBITDA from unconsolidated joint ventures	17.2	20.5
Adjusted EBITDA including unconsolidated joint ventures	$ 123.4	$ 201.8

Off-Balance Sheet Arrangements

There have been no material changes to the off-balance sheet arrangements disclosed in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in the Form 10-K.

Critical Accounting Policies and Estimates

A discussion of our critical accounting policies and estimates can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in the Form 10-K. There were no material changes to these critical accounting estimates during the first quarter of fiscal 2022.

New and Recently Adopted Accounting Pronouncements

For a list of our new and recently adopted accounting pronouncements, see Note 1, Nature of Operations and Summary of Significant Accounting Policies, of the Condensed Notes to Consolidated Financial Statements in “Part I, Item 1. Financial Statements” of this report.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our operations are exposed to market risks from adverse changes in commodity prices affecting the cost of raw materials and energy, foreign currency exchange rates, and interest rates. In the normal course of business, we may periodically enter into derivatives to minimize these risks, but not for trading purposes. The effects of the COVID-19 pandemic have resulted in volatility and uncertainty in the markets in which we operate. At the time of this filing, we are unable to predict or determine the impacts that the COVID-19 pandemic may continue to have on our exposure to market risk from commodity prices, foreign currency exchange rates, and interest rates, among other factors.

Based on our open commodity contract hedge positions as of August 29, 2021, a hypothetical 10 percent decline in market prices applied to the fair value of the instruments would result in a charge to “Cost of sales” of approximately $5.7 million ($4.4 million net of income tax benefits). It should be noted that any change in the fair value of the contracts, real or hypothetical, would be substantially offset by an inverse change in the value of the underlying hedged item.

We transact business in multiple currencies and are subject to currency exchange rate risk through investments and businesses owned and operated in foreign countries. At August 29, 2021, we had no financial instruments to hedge foreign currency risk.

At August 29, 2021, we had $2,166.0 million of fixed-rate and $578.8 million of variable-rate debt outstanding. We have interest rate risk associated with our variable-rate debt. A one percent increase in interest rates related to variable-rate debt would have resulted in an increase in interest expense and a corresponding decrease in income before taxes of approximately $5.9 million annually ($4.5 million net of income tax benefits).

For more information about our market risks, see Note 9, Debt and Financing Obligations, of the Condensed Notes to Consolidated Financial Statements in “Part I, Item 1. Financial Statements” of this report.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), as of August 29, 2021. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer, concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in reports we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

Changes in Internal Control over Financial Reporting

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated any change in our internal control over financial reporting that occurred during the quarter covered by this report and determined that there was no change in our internal control over financial reporting during the quarter covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Part II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

See Note 14, Commitments, Contingencies, Guarantees and Legal Proceedings, of the Condensed Notes to Consolidated Financial Statements in “Part I, Item 1. Financial Statements” of this report for information regarding our legal proceedings.

ITEM 1A. RISK FACTORS

We are subject to various risks and uncertainties in the course of our business. The discussion of these risks and uncertainties may be found under “Part I, Item 1A. Risk Factors” in the Form 10-K. There have been no material changes to the risk factors.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Total shares purchased during the thirteen weeks ended August 29, 2021 were as follows:

Period	Total Number of Shares (or Units) Purchased (a)	Average Price Paid Per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs (b)	Approximate Dollar Value of Maximum Number of Shares that May Yet be Purchased Under Plans or Programs (in millions) (b)
May 31, 2021 through June 27, 2021	—	$ —	—	$ 169.6
June 28, 2021 through July 25, 2021	59,095	$ 67.69	59,095	$ 165.6
July 26, 2021 through August 29, 2021	447,754	$ 65.60	336,266	$ 143.6
Total	506,849			

(a) Represents repurchased shares of our common stock under our publicly announced share repurchase program, which were repurchased at a weighted average price of $65.86, and shares withheld from employees to cover income and payroll taxes on equity awards that vested during the period.

(b) In December 2018, our Board of Directors authorized a $250.0 million share repurchase program with no expiration date. Repurchases may be made at our discretion from time to time on the open market, subject to applicable laws, or through privately negotiated transactions.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit Number	Exhibit Description
10.1	Amendment No. 6, dated as of August 11, 2021, to Credit Agreement, dated as of November 9, 2016, among Lamb Weston Holdings, Inc., the guarantors party thereto, the lenders named therein, and Bank of America, N.A., as administrative agent (incorporated herein by reference to Exhibit 10.1 of Lamb Weston Holdings, Inc.'s Current Report on Form 8-K filed on August 13, 2021 (File No. 001-37830))
10.2	Third Amendment to Credit Agreement, dated as of August 11, 2021, by and among Lamb Weston Holdings, Inc., the guarantors party thereto, the lenders and voting participants party thereto, and Northwest Farm Credit Services, PCA, as administrative agent (incorporated herein by reference to Exhibit 10.2 of Lamb Weston Holdings, Inc.'s Current Report on Form 8-K filed on August 13, 2021 (File No. 001-37830))
10.3	Form of Lamb Weston Holdings Inc. Restricted Stock Unit Agreement (Stock-Settled) (July 29, 2021 awards)
10.4	Form of Lamb Weston Holdings Inc. Performance Share Agreement (July 29, 2021 awards)
31.1	Section 302 Certificate of Chief Executive Officer
31.2	Section 302 Certificate of Chief Financial Officer
32.1	Section 906 Certificate of Chief Executive Officer
32.2	Section 906 Certificate of Chief Financial Officer
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101.*)

SIGNATURES

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

LAMB WESTON HOLDINGS, INC.

By: /s/ BERNADETTE M. MADARIETA
BERNADETTE M. MADARIETA
Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

Dated this 7th day of October, 2021.

FORM OF RESTRICTED STOCK UNIT AGREEMENT (STOCK-SETTLED)

NOTICE OF GRANT
RESTRICTED STOCK UNITS (STOCK-SETTLED)
LAMB WESTON HOLDINGS, INC. 2016 STOCK PLAN
(AS AMENDED AND RESTATED AS OF JULY 20, 2017)

Lamb Weston Holdings, Inc., a Delaware corporation (the "***Company***"), has awarded to the Participant, as identified below, the number of Restricted Stock Units (the "***RSUs***", and each such unit, an "***RSU***") set forth below. The RSUs are subject to all of the terms and conditions as set forth in this Notice of Grant (the "***Notice***") as well as in the Company's 2016 Stock Plan (as amended and restated as of July 20, 2017) (the "***Plan***") and the Restricted Stock Unit Agreement (Stock-Settled) (the "***Agreement***"), both of which are attached hereto and incorporated in their entirety. Capitalized terms not explicitly defined in this Notice but defined in the Plan or the Agreement will have the same definitions as in the Plan or the Agreement. In the event of any conflict between the terms of the Award and the Plan, the terms of the Plan will control.

Participant:	
Employee ID:	
Number of RSUs:	
Date of Grant:	_____ (the "Date of Grant")
Vesting Date:	_____ (the "Vesting Date")
Dividend Equivalents:	Dividend equivalents with respect to the RSUs will be accumulated for the benefit of the Participant if and when regular cash dividends are declared and paid on the Stock in accordance with **Section 7** of the Agreement, and will be paid in shares of Stock to the Participant upon any settlement of the RSUs.

By the Company's signature below and by the Participant's clicking the "Accept" button online, the Company and the Participant agree that the RSUs are governed by this Notice and by the provisions of the Plan and the Agreement, both of which are attached to and made a part of this document. The Participant acknowledges receipt of copies of the Plan and the Agreement, represents that the Participant has read and is familiar with their provisions, and hereby accepts the RSUs subject to all of their terms and conditions.

The Company has caused this Notice and the Agreement to be effective as of the Date of Grant.

LAMB WESTON HOLDINGS, INC.

By: _____

Date: _____

RESTRICTED STOCK UNIT AGREEMENT (STOCK-SETTLED)
LAMB WESTON HOLDINGS, INC. 2016 STOCK PLAN
(AS AMENDED AND RESTATED AS OF JULY 20, 2017)

Lamb Weston Holdings, Inc., a Delaware corporation (the "Company"), has awarded the Participant, as named in the Notice of Grant (the "Notice"), to which this Restricted Stock Unit Agreement (Stock-Settled) (this "Agreement") is attached, a Restricted Stock Unit Award (the "RSUs") that is subject to the Company's 2016 Stock Plan (as amended and restated as of July 20, 2017) (the "Plan"), the Notice, and this Agreement, for the number of RSUs indicated in the Notice. In the event of any conflict between the terms in this Agreement and the Plan, the terms of the Plan will control.

1. **Definitions.** Capitalized terms used herein without definition have the meanings set forth in the Plan. The following terms shall have the respective meanings set forth below:

(a) *"Change of Control"* shall mean the occurrence of any of the following events:

(i) Individuals who, as of the effective date of the Plan, constitute the Board (the "*Incumbent Board*") cease for any reason to constitute at least a majority of the Board; provided, however, that any person becoming a member of the Board subsequent to the effective date of the Plan whose election, or nomination for the election by the Company's stockholders, was approved by a vote of at least a majority of the Board members then comprising the Incumbent Board shall be, for purposes of this clause (i), considered as though such person were a member of the Incumbent Board as of the effective date of the Plan;

(ii) Consummation of a reorganization, merger or consolidation, in each case, with respect to which persons who were the stockholders of the Company immediately prior to such reorganization, merger or consolidation do not, immediately thereafter, own more than 50% of the Voting Power of the reorganized, merged or consolidated entity;

(iii) Any person becomes the beneficial owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such person, any securities acquired directly from the Company or its affiliates) representing 30% or more of the Voting Power of the Company's then outstanding securities;

(iv) A liquidation or dissolution of the Company; or

(v) The sale of all or substantially all of the assets of the Company.

(b) *"Continuous Employment*" shall mean the absence of any interruption or termination of employment with the Company and its Subsidiaries and the performance of substantial services. Continuous Employment shall not be considered interrupted or terminated in the case of sick leave, short-term disability (as defined in the Company's sole discretion), military leave or any other leave of absence approved by the Company unless and until there is a Separation from Service (as defined in **Section 1(f)** below).

(c) "*Divestiture*" shall mean a permanent disposition to a person other than the Company of a plant or other facility or property at which the Participant performs a majority of the Participant's services, whether such disposition is effected by means of a sale of assets, a sale of Subsidiary stock or otherwise.

(d) "*Early Retirement*" shall mean a Separation from Service with the Company and its Subsidiaries when the Participant (i) is at least age 55, and (ii) has at least ten years of credited service with the Company and its Subsidiaries.

(e) "*Normal Retirement*" shall mean a Separation from Service with the Company and its Subsidiaries on or after attaining age 65.

(f) "*Separation from Service,*" *"termination of employment" and similar terms* shall mean the date that the Participant incurs a "separation from service" within the meaning of Section 409A of the Code. As used in connection with the definition of "Separation from Service," the term "Company" includes Lamb Weston Holdings, Inc. and any other entity that with Lamb Weston Holdings, Inc. constitutes a controlled group of corporations (as defined in Section 414(b) of the Code), or a group of trades or businesses (whether or not incorporated) under common control (as defined in Section 414(c) of the Code), substituting 25% for the 80% ownership level for purposes of both Sections 414(b) and Section 414(c) of the Code.

(g) "*Specified Employee*" is as defined under Section 409A of the Code and Treasury Regulation Section 1.409A-1(i).

(h) "*Successors*" shall mean the beneficiaries, executors, administrators, heirs, successors and assigns of a person.

2. **Vesting of RSUs.**

(a) **Normal Vesting**. Subject to the Plan and this Agreement, if the Participant has been in Continuous Employment through the Vesting Date as set forth in the Notice, then the RSUs subject to such Vesting Date will become nonforfeitable ("Vest" or similar terms).

(b) **Termination of Employment**. If, prior to the Vesting Date set forth in the Notice, the Participant's employment with the Company and its Subsidiaries shall terminate:

(i) by reason of death, then all unvested RSUs evidenced by this Agreement shall, to the extent such RSUs have not previously been forfeited, become 100% Vested;

(ii) by reason of Normal Retirement occurring on or after the date that is 12 months after the Date of Grant, then all unvested RSUs evidenced by this Agreement shall, to the extent such RSUs have not previously been forfeited, become 100% Vested;

(iii) by reason of Early Retirement or involuntary termination due to disability, position elimination, reduction in force (each as defined in the Company's sole discretion), or Divestiture, in each case, on or after the date that is 12 months after the Date of Grant, the Participant will Vest in a pro rata portion of the RSUs determined by multiplying the number of RSUs evidenced by this Agreement, to the extent not previously Vested or forfeited, by a fraction, the numerator of which is the total number of calendar days during which the Participant was employed by the Company or a Subsidiary during the period beginning on the Date of Grant and ending on the Separation from Service and the denominator of which is the total number of calendar days beginning on the Date of Grant and ending on the Vesting Date, rounded to the nearest whole number of RSUs; and

(iv) for Cause prior to the Vesting Date, then all RSUs, whether Vested or unvested prior to the Vesting Date, shall be immediately forfeited without further consideration to the Participant.

(c) **Accelerated Vesting in Connection with a Change of Control**.

(i) If a Change of Control occurs prior to the Vesting Date, and the Participant has been in Continuous Employment between the Date of Grant and the date of such Change of Control, then all unvested RSUs evidenced by this Agreement shall become 100% Vested, except (A) to the extent such RSUs have previously been forfeited, or (B) to the extent that a Replacement Award is provided to the Participant to replace, continue or adjust the outstanding RSUs (the "Replaced Award"). If the Participant's employment with the Company or a Subsidiary (or any of its or their successors after the Change of Control) (as applicable, the "Successor Company") is terminated by the Participant for Good Reason or by the Successor Company other than for Cause, in each case within a period of two years after the Change of Control but prior to the Vesting Date, to the extent that the Replacement Award has not previously been Vested or forfeited, the Replacement Award will become 100% Vested (and become entitled to settlement as specified in **Section 3(b)(ii)**).

(ii) For purposes of this Agreement, a "Replacement Award" means an award (A) of the same type (*i.e.*, time-based restricted stock units) as the Replaced Award, (B) that has a value at least equal to the value of the Replaced Award, (C) that relates to publicly traded equity securities of the Successor Company in the Change of Control (or another entity that is affiliated with the Successor Company following the Change of Control), (D) the tax consequences of which for such Participant under the Code, if the Participant is subject to U.S. federal income tax under the Code, are not less favorable to the Participant than the tax consequences of the Replaced Award, and (E) the other terms and conditions of which are not less favorable to the Participant than the terms and conditions of the Replaced Award (including the provisions that would apply in the event of a subsequent change of control). A Replacement Award may be granted only to the extent it does not result in the Replaced Award or Replacement Award failing to comply with or ceasing to be exempt from Section 409A of the Code. Without limiting the generality of the foregoing, the Replacement Award may take the form of a continuation of the Replaced Award if the requirements of the preceding two sentences are satisfied. The determination of whether the conditions of this **Section 2(c)(ii)** are satisfied will be made in good faith by the Committee, as constituted immediately before the Change of

Control, in its sole discretion.

(iii) For purposes of this Agreement, "Cause" means: (A) the willful and continued failure by the Participant to substantially perform the Participant's duties with the Successor Company (other than any such failure resulting from termination by the Participant for Good Reason) after a demand for substantial performance is delivered to the Participant that specifically identifies the manner in which the Successor Company believes that the Participant has not substantially performed the Participant's duties, and the Participant has failed to resume substantial performance of the Participant's duties on a continuous basis within five days of receiving such demand; (B) the willful engaging by the Participant in conduct which is demonstrably and materially injurious to the Successor Company, monetarily or otherwise; or (C) the Participant's conviction of, or plea of nolo contendere to, (I) a felony or (II) a misdemeanor which impairs the Participant's ability substantially to perform the Participant's duties with the Successor Company. For the purposes of this definition, no act, or failure to act, on the Participant's part shall be deemed "willful" unless done, or omitted to be done, by the Participant not in good faith and without reasonable belief that the Participant's action or omission was in the best interest of the Successor Company.

(iv) For purposes of this Agreement, "Good Reason" means: (A) any material failure of the Successor Company to comply with and satisfy any of the terms of any employment or change in control (or similar) agreement between the Successor Company and the Participant pursuant to which the Participant provides services to the Successor Company; (B) any significant involuntary reduction of the authority, duties or responsibilities held by the Participant immediately prior to the Change of Control (and, for the avoidance of doubt, involuntary removal of the Participant from an officer position that the Participant holds immediately prior to the Change of Control will not, by itself, constitute a significant involuntary reduction of the authority, duties or responsibilities held by the Participant immediately prior to the Change of Control); (C) any material involuntary reduction in the aggregate target cash remuneration opportunity of the Participant as in effect immediately prior to the Change of Control; or (D) requiring the Participant to become based at any office or location more than 50 miles from the office or location at which the Participant was based immediately prior to such Change of Control, except for travel reasonably required in the performance of the Participant's responsibilities; provided, however, that no termination shall be deemed to be for Good Reason unless (x) the Participant provides the Successor Company with written notice setting forth the specific facts or circumstances constituting Good Reason within ninety days after the initial existence of the occurrence of such facts or circumstances, (y) the Successor Company fails to cure such facts or circumstances within thirty days of its receipt of such written notice, and (z) the Participant actually terminates employment within thirty (30) days following the end of the Successor Company's thirty-day cure period, if such event or circumstance has not been cured.

(v) If a Replacement Award is provided, notwithstanding anything in this Agreement to the contrary, any outstanding RSUs which at the time of the Change of Control are not subject to a "substantial risk of forfeiture" (within the meaning of Section 409A of the Code) will be deemed to be Vested at the time of such Change of Control (and such Vested RSUs shall be settled in accordance with **Section 3(b)(iii)** below).

(d) **Forfeiture of RSUs**. Subject to **Section 2(b)(iv)**, any RSUs that have not Vested pursuant to **Section 2(a)**, **Section 2(b)**, or **Section 2(c)** as of the Vesting Date will be forfeited automatically and without further notice on such date (or earlier if, and on such date that, the Participant ceases to be in Continuous Employment prior to the Vesting Date for any reason other than as described in **Section 2(b)** or **Section 2(c)**).

3. **Settlement of RSUs.**

(a) **Normal**. Subject to **Section 3(b)**, the Company will issue to the Participant one share of Stock on the Vesting Date for each RSU that is a Vested RSU on such Vesting Date to the extent the RSU has not previously been Vested, forfeited or settled.

(b) **Other Settlement Events**. Notwithstanding **Section 3(a)**, to the extent the RSUs are Vested RSUs on the dates set forth below and to the extent the Vested RSUs have not previously been Vested, forfeited or settled, the Company will settle such Vested RSUs as follows:

(i) **Death**. If there are such Vested RSUs on the Participant's death, within thirty days of the Participant's death, one share of Stock will be issued for each such Vested RSU.

(ii) **Separation from Service**. If there are such Vested RSUs upon the Participant's Separation from Service by reason of involuntary termination due to disability, position elimination, reduction in force or Divestiture pursuant to **Section 2(b)(iii)** hereof, within thirty days of the Participant's Separation from Service, one share of Stock will be issued for each such Vested RSU. If there are such Vested RSUs upon the Participant's Separation from Service by reason of the Participant's Retirement or Early Retirement, the settlement of such Vested RSUs will not be accelerated and one share of Stock will be issued for each such Vested RSU on the Vesting Date, and with respect to Early Retirement, the amount settled on the Vesting Date shall be a pro-rated amount of the originally scheduled installment using the pro-ration factor determined under **Section 2(b)(iii)** hereof. Notwithstanding anything in this Agreement to the contrary, if any Vested RSUs under the immediately preceding sentence are outstanding as of a Change of Control, then such Vested RSUs shall be settled in accordance with **Section 3(b)(iii)** below.

(iii) **Change of Control**. If there are such Vested RSUs upon a Change of Control, one share of Stock will be issued for each such Vested RSU as of the date of the Change of Control; provided, however, that if such Change of Control would not qualify as a permissible date of distribution under Section 409A(a)(2)(A) of the Code, and the regulations thereunder, and where Section 409A of the Code applies to such distribution, the Participant is entitled to receive the corresponding payment on the date that would have otherwise applied pursuant to **Section 3** as though such Change of Control had not occurred.

(c) **Payment of Taxes Upon Settlement.** As a condition of the issuance of shares of Stock upon settlement of RSUs hereunder, the Participant agrees to remit to the Company at the time of settlement any taxes or other amounts required to be withheld by the Company under Federal, State or local law as a result of the settlement of the RSUs. As a condition of the issuance of shares of Stock upon settlement of RSUs hereunder, the Participant agrees that the Company will deduct from the total shares to be issued as a result of the Vesting of the RSUs a sufficient number of shares to satisfy the required statutory withholding amount, which may exceed the minimum statutory tax withholding amount permissible only if it would not cause adverse accounting or tax consequences for the Company or a Subsidiary.

(d) **Specified Employee**. Notwithstanding anything (including any provision of the Agreement or the Plan) to the contrary, if a Participant is a Specified Employee and if the RSUs are subject to Section 409A of the Code, payment to the Participant on account of a Separation from Service shall, to the extent required to comply with Treasury Regulation Section 1.409A-3(i)(2), be made to the Participant on the earlier of (i) the Participant's death or (ii) the first business day (or within 30 days after such first business day) that is more than six months after the date of Separation from Service. Notwithstanding anything contained herein to the contrary, the Participant shall not be considered to have terminated employment with the Company or any Subsidiary for purposes of any payments under this Agreement which are subject to Section 409A of the Code until the Participant has incurred a Separation from Service. In the Company's sole and absolute discretion, interest may be paid due to such delay. Further, any interest will be calculated in the manner determined by the Company in its sole and absolute discretion in a manner that qualifies any interest as reasonable earnings under Section 409A of the Code. Dividend equivalents will not be paid with respect to any dividends that would have been paid during the delay if the Stock had been issued. To the extent required for purposes of Section 409A of the Code, each installment that vests under this Agreement shall be construed as a separate identified payment for purposes of Section 409A of the Code.

4. **Non-Transferability of RSUs.** The RSUs may not be assigned, transferred, pledged or hypothecated in any manner (otherwise than by will or the laws of descent or distribution) nor may the Participant enter into any transaction for the purpose of, or which has the effect of, reducing the market risk of holding the RSUs by using puts, calls or similar financial techniques. The RSUs subject to this Agreement may be settled during the lifetime of the Participant only with the Participant or the Participant's guardian or legal representative. Upon any attempt to transfer, assign, pledge, hypothecate, or otherwise dispose of the RSUs or any related rights to the RSUs that is contrary to the provisions of this Agreement or the Plan, or upon the levy of any attachment or similar process upon the RSUs or such rights, the RSUs and such rights shall immediately become null and void. The terms of this Agreement, shall be binding upon the Successors of the Participant.

5. **Stock Subject to the RSUs; Compliance with Law.** The Company will not be required to issue or deliver any shares of Stock or any certificate or certificates for shares of Stock with respect to the Participant's RSUs until such shares have been listed (or authorized for listing upon official notice of issuance) upon each stock exchange on which outstanding shares of the same class are then listed and until the Company has taken such steps as may, in the opinion of counsel for the Company, be required by law and applicable regulations, including the rules and regulations of the Securities and Exchange Commission, and state securities laws and regulations, in connection with the issuance of such shares, and the listing of such shares on each such exchange.

6. **Rights as Stockholder.** The Participant or his/her Successors shall have no rights as stockholder with respect to any RSUs or underlying shares of Stock covered by this Agreement until the Participant or his/her Successors shall have become the beneficial owner of such shares, and, except as provided in **Section 7** and **Section 8** of this Agreement, no adjustment shall be made for dividends or distributions or other rights in respect of such shares for which the record date is prior to the date on which the Participant or his/her Successors shall have become the beneficial owner thereof.

7. **Dividend Equivalents.** From and after the Date of Grant and until the earlier of (a) the time when the RSUs become Vested and are settled in accordance with **Section 2** and **Section 3** of this Agreement or (b) the time when the Participant's right to receive shares of Stock in settlement of the RSUs is forfeited in accordance with **Section 2** of this Agreement, on the date that the Company pays a cash dividend (if any) to holders of Stock generally, the Participant shall be entitled to a number of additional RSUs determined by dividing (i) the product of (x) the dollar amount of the cash dividend paid per share of Stock on such date and (y) the total number of RSUs (including dividend equivalents paid thereon) previously credited to the Participant as of such date, by (ii) the Fair Market Value of the Stock on such date. Such dividend equivalents (if any) shall be subject to the same terms and conditions and shall be paid, in the aggregate rounded down to the nearest whole number, or forfeited in the same manner and at the same time as the RSUs to which the dividend equivalents were credited.

8. **Adjustments Upon Changes in Capitalization; Change of Control.** In the event of any change in corporate capitalization, corporate transaction, sale or other disposition of assets or similar corporate transaction or event involving the Company as described in Section 5.5 of the Plan, the Committee shall make equitable adjustment as it determines necessary and appropriate in the number and type of shares subject to this Agreement; provided, however, that no fractional share shall be issued upon subsequent settlement of the RSUs. No adjustment shall be made if such adjustment is prohibited by Section 5.5 of the Plan (relating to Section 409A of the Code).

9. **Notices.** Each notice relating to this Agreement shall be deemed to have been given on the date it is received. Each notice to the Company shall be addressed to its principal Office in Eagle, Idaho, Attention: Compensation. Each notice to the Participant or any other person or persons entitled to shares issuable upon settlement of the RSUs shall be addressed to the Participant's address and may be in written or electronic form. Anyone to whom a notice may be given under this Agreement may designate a new address by giving notice to the effect.

10. **Benefits of Agreement.** This Agreement shall inure to the benefit of and be binding upon each successor of the Company. All obligations imposed upon the Participant and all rights granted to the Company under this Agreement shall be binding upon the Participant's Successors. This Agreement shall be the sole and exclusive source of any and all rights which the Participant or his/her Successors may have in respect to the Plan or this Agreement.

11. **No Right to Continued Employment**. Nothing in this Agreement shall interfere with or affect the rights of the Company or the Participant under any employment agreement or confer upon the Participant any right to continued employment with the Company or a Subsidiary.

12. **Resolution of Disputes.** Any dispute or disagreement which should arise under or as a result of or in any way related to the interpretation, construction or application of this Agreement will be determined by the Committee. Any determination made hereunder shall be final, binding and conclusive for all purposes. This Agreement and the legal relations between the parties hereto shall be governed by and construed in accordance with the laws of the state of Delaware.

13. **Section 409A of the Code.** To the extent applicable, this Agreement is intended to comply with Section 409A of the Code and any regulations or notices provided thereunder. This Agreement and the Plan shall be interpreted in a manner consistent with this intent. The Company reserves the unilateral right to amend this Agreement on written notice to the Participant in order to comply with Section 409A of the Code. The Company makes no representation that any or all of the payments described in this Agreement will be exempt from or comply with Section 409A of the Code and makes no undertaking to preclude Section

409A of the Code from applying to any such payment. None of the Company or any Subsidiary, or any of its or their contractors, agents and employees, nor the Board or any member of the Board, shall be liable for any consequences of any failure to follow the requirements of Section 409A of the Code or any guidance or regulations thereunder.

14. **Clawback Policy and Stock Ownership Guidelines.** Shares of Stock issued upon settlement of the RSUs shall be subject to any stock ownership guidelines of the Company applicable to the Participant. In addition to the clawback described in **Section 18(b)** of this Agreement, this Agreement and the RSUs are subject to the Company's clawback policy applicable to the Participant as may be in effect from time to time, including, as applicable, being subject to recoupment or clawback by the Company on the terms and conditions as provided for under Section 10D of the Act and any applicable rules or regulations promulgated by the Securities and Exchange Commission or any national securities exchange or national securities association on which the Stock may be traded.

15. **Amendment.** Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto.

16. **Severability**. If any provision of this Agreement or the application of any provision hereof to any person or circumstances is held invalid, unenforceable or otherwise illegal, the remainder of this Agreement and the application of such provision to any other person or circumstances shall not be affected, and the provisions so held to be invalid, unenforceable or otherwise illegal shall be reformed to the extent (and only to the extent) necessary to make it enforceable, valid and legal.

17. **Electronic Delivery**. The Company may, in its sole discretion, deliver any documents related to the RSUs and the Participant's participation in the Plan, or future awards that may be granted under the Plan, by electronic means or request the Participant's consent to participate in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and, if requested, agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

18. **Restrictive Covenants**.

(a) **Confidentiality**. It is a condition to the Participant's receipt of the RSUs that the Participant execute and agree to the terms of the Company or a Subsidiary's current and applicable Confidentiality Agreement (the "Confidentiality Agreement"). By electronically accepting this Agreement, the Participant acknowledges that the Participant has either already entered into such Confidentiality Agreement with the Company or a Subsidiary as of the date of acceptance or will enter into such agreement within 30 days of the Participant's receipt of this grant of RSUs. If such execution is required and the Participant does not sign and return the Confidentiality Agreement as prompted by the Workday HR system within 30 days of the Participant's receipt of this grant of RSUs, this grant of RSUs and any rights to the RSUs will terminate and become null and void. The Participant further acknowledges that as consideration for the Participant's agreement to the terms of the Confidentiality Agreement, the Company is providing the Participant with the opportunity to participate in this grant of RSUs under the Plan and receive the RSUs evidenced by this Agreement. The Participant understands that this acknowledgment shall be deemed a part of the Confidentiality Agreement and is to be interpreted in a manner consistent with its terms.

(b) **Non-Competition and Non-Solicitation**. By electronically accepting this Agreement, the Participant acknowledges that the Participant has received or will receive specialized training, trade secrets and confidential information from the Company and, in consideration thereof, agrees to the non-competition and non-solicitation provisions set forth in Exhibit A to this Agreement (the "Non-Competition and Non-Solicitation Obligations"). The Participant further acknowledges that as consideration for the Participant's agreement to the terms of the Non-Competition and Non-Solicitation Obligations, the Company is providing the Participant with the opportunity to participate in this grant of RSUs under the Plan and receive the RSUs evidenced by this Agreement. Notwithstanding the foregoing, if the Participant is a resident of the state of California, the Participant will not be bound by the Non-Competition and Non-Solicitation Obligations.

(c) **Violation of Restrictive Covenants**. Notwithstanding anything herein to the contrary, if the Participant breaches the Confidentiality Agreement or, if applicable, any of the Non-Competition and Non-Solicitation Obligations, (i) the Participant shall forfeit all RSUs and related dividend equivalents evidenced by this Agreement, effective on the date on which the Participant first breached such agreement or obligation(s) and (ii) if such breach occurs within 1 year following (A) the Vesting Date or (B) to the extent **Section 3(b)** applies, the applicable settlement date, all shares of Stock issued or transferred to the Participant pursuant to this Agreement shall be returned by the Participant to the Company within 30 days after the Company has provided notice to the Participant of such breach and, if

such shares of Stock have been sold by the Participant, an amount equal to the proceeds from such sale (determined without regard to any taxes paid) shall become due and payable by the Participant to the Company within 30 days after the Company has provided notice to the Participant of such breach. Notwithstanding the foregoing, the Committee, in its sole discretion, may waive the Participant obligations described in clause (i) and (ii) at any time if deemed to be in the best interests of the Company. The Participant acknowledges and agrees that it would be inequitable for the Participant to benefit from the RSUs should the Participant breach the Confidentiality Agreement or, if applicable, any of the Non-Competition and Non-Solicitation Obligations.

(d) **Remedies; Government Investigations; DTSA**. The Participant acknowledges and agrees that the rights and remedies set forth in this **Section 18** are in addition to and are not intended to limit any other rights or remedies the Company may have available to it, both during and at any time after the termination of the Participant's employment with the Company, including, without limitation, any rights or remedies the Company may have under the Confidentiality Agreement or other similar agreements. Notwithstanding anything in this Agreement to the contrary, nothing in this Agreement prevents the Participant from providing, without prior notice to the Company, information to governmental authorities regarding possible legal violations or otherwise testifying or participating in any investigation or proceeding by any governmental authorities regarding possible legal violations, and, for purpose of clarity, the Participant is not prohibited from providing information voluntarily to the Securities and Exchange Commission pursuant to Section 21F of the Act. Furthermore, the U.S. Defend Trade Secrets Act of 2016 ("DTSA") provides that an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (i) is made (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation of law or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, the DTSA provides that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (x) files any document containing the trade secret under seal and (y) does not disclose the trade secret, except pursuant to court order.

Exhibit A

Non-Competition and Non-Solicitation Provisions

1. **Definitions**. Unless otherwise defined, capitalized terms used in this Exhibit A shall have the meanings given to them in the Agreement or the Plan, as applicable. As used in this Exhibit A:

   (a) "*Company"* shall include all Subsidiaries of the Company.

   (b) "*Competing Organization"* is defined as any organization that researches, develops, manufactures, markets, distributes and/or sells one or more Competing Products/Services.

   (c) "*Competing Products/Services*" means any products, services or activities (including, without limitation, products, services or activities in the planning or development stage during the Non-Compete Period) that compete, directly or indirectly, in whole or in part, with one or more of the material products, services or activities (including, without limitation, products, services or activities in the planning or development stage during the Non-Compete Period) produced, provided, or engaged in by the Company or its affiliates at the time of the Participant's termination of employment with the Company and with which the Participant worked or about which the Participant obtained any trade secret or other Confidential and Proprietary Information at any time during the five (5) years immediately preceding the Participant's termination of employment with the Company. "Material products, services or activities" means the development, manufacture or production of packaged potato, sweet potato, appetizer and vegetable products for the retail, foodservice or institutional channels. If the products manufactured, sold or marketed by the Company are expanded at any time during the Participant's employment, such additional products will be deemed to be "material products, services or activities" for all purposes under this Agreement.

   (d) "*Confidential and Proprietary Information"* is defined as information and data of any kind, in any form, not generally available to the public, concerning any matters affecting or relating to the Company, including but not limited to: names, addresses, and any other characteristics identifying information or aspects of existing or potential Company customers, employees, vendors or suppliers; the business or operations of the Company and/or the financials, products, drawings, plans, processes; or other data of the Company not generally known or available outside of the Company. This definition also includes derivations of Confidential and Proprietary Information, including any information derived, summarized or extracted from any of the foregoing whether observed in writing, electronically, mechanically, and/or orally during the Participant's employment with the Company.

   (e) "*Employee*" (including its plural) means any person employed by the Company.

   (f) "*Non-Compete Period*" means the period from the date of the Agreement through the twelve-month period following the Participant's termination of employment with the Company for any reason.

   (g) "*Prohibited Capacity"* is defined as (i) any same or similar capacity to that the Participant held at any time during the last three years of employment with the Company prior to the date of the Participant's termination of employment from the Company; (ii) any executive or managerial capacity; (iii) any marketing or sales capacity; or (iv) any capacity in which the Participant's knowledge of Confidential and Proprietary Information would render the Participant's assistance to a Competing Organization a competitive advantage.

   (h) "*Restricted Geographic Area*" is defined as all countries, territories, parishes, municipalities and states in which the Company is doing business or is selling its products at the time of the Participant's termination of employment with the Company, including, but not limited to, every

parish and municipality in the state of Louisiana.[1] The Participant acknowledges that this geographic scope is reasonable given the Participant's position with the Company, the international scope of the Company's business, and the fact that the Participant could compete with the Company from anywhere the Company does business.

(i) "*Trade Secret*" means information possessed by or developed for the Company, including, without limitation, any compilation of data, program, device, method, system, technique or process, where: (i) the information derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, (ii) the information is the subject of efforts to maintain its secrecy that are reasonable under the circumstances, or (iii) information that constitutes a "trade secret" under the Idaho Trade Secrets Act, IDAHO STAT. § 48-801(5) and/or under the DTSA.

2. **Non-Competition**. During the Non-Compete Period, the Participant agrees that he or she will not, within the Restricted Geographic Area, be employed by, work for, consult with, provide services to, or lend assistance to any Competing Organization in a Prohibited Capacity.

3. **Non-Solicitation**. The Participant recognizes and agrees that the Company has a legitimate business interest in restricting potential competitors from hiring Employees who possess or otherwise may have or had access to the Company's or any of its affiliates' Confidential and Proprietary Information or Trade Secrets. Therefore, the Participant agrees that during the Participant's employment with the Company and through the twelve-month period following the termination of the Participant's employment with the Company, the Participant shall not directly or indirectly through any other person or entity recruit, induce, or attempt to induce any Employee to terminate his or her employment with the Company or otherwise interfere in any way with the employment relationship between the Company and its Employees. This restriction includes, but is not limited to: (a) identifying Employees as potential candidates for employment by name, background or qualifications; (b) recruiting or soliciting Employees; and/or (c) participating in any pre-employment interviews with Employees.

4. **California Residents**. Notwithstanding anything in the Agreement or in this Exhibit A, if the Participant is a resident of the state of California, the non-competition and non-solicitation obligations described in this Exhibit A shall not apply.

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[1] These Louisiana parishes currently include Acadia, Allen, Ascension, Assumption, Avoyelles, Beauregard, Bienville, Bossier, Caddo, Calcasieu, Caldwell, Cameron, Catahoula, Claiborne, Concordia, De Soto, East Baton Rouge, East Carroll, East Feliciana, Evangeline, Franklin, Grant, Iberia, Iberville, Jackson, Jefferson, Jefferson Davis, La Salle, Lafayette, Lafourche, Lincoln, Livingston, Madison, Morehouse, Natchitoches, Orleans, Ouachita, Plaquemines, Pointe Coupee, Rapides, Red River, Richland, Sabine, St. Bernard, St. Charles, St. Helena, St. James, St. John The Baptist, St. Landry, St. Martin, St. Mary, St. Tammany, Tangipahoa, Tensas, Terrebonne, Union, Vermilion, Vernon, Washington, Webster, West Baton Rouge, West Carroll, West Feliciana and Winn.

FORM OF PERFORMANCE SHARE AGREEMENT

NOTICE OF GRANT
PERFORMANCE SHARES
LAMB WESTON HOLDINGS, INC. 2016 STOCK PLAN
(AS AMENDED AND RESTATED AS OF JULY 20, 2017)

Lamb Weston Holdings, Inc., a Delaware corporation (the "***Company***"), has awarded to the Participant, as identified below, the number of Performance Shares (the "***Performance Shares***") set forth below. The Performance Shares are subject to all of the terms and conditions as set forth in this Notice of Grant (the "***Notice***") as well as in the Company's 2016 Stock Plan (as amended and restated as of July 20, 2017) (the "***Plan***") and the Performance Share Agreement (the "***Agreement***"), both of which are attached hereto and incorporated in their entirety. Each Performance Share represents the right to receive one share of Stock on the Payment Date (as defined in the Agreement), subject to achievement of the Performance Targets (as defined in the Agreement) and the other terms and conditions of this award. The number of Performance Shares that may be earned, if any, may range from 25% of the Target Number of Performance Shares, if the minimum Performance Targets and other conditions are met, to 200% of the Target Number of Performance Shares (the "***Maximum Number of Performance Shares***"), if the maximum Performance Targets and other conditions are met. Capitalized terms not explicitly defined in this Notice but defined in the Plan or the Agreement will have the same definitions as in the Plan or the Agreement. In the event of any conflict between the terms of the Award and the Plan, the terms of the Plan will control.

Participant:	
Employee ID:	
Target Number of Performance Shares:	
Maximum Number of Performance Shares:	
Date of Grant:	
Vesting Date:	The third anniversary of the Date of Grant, _____, subject to the terms and conditions set forth in **Section 2** of the Agreement and Exhibit A to the Agreement.
Dividend Equivalents:	Yes, dividend equivalents will be accumulated on earned Performance Shares, but no amounts are paid, until the Payment Date of the Performance Shares, in accordance with **Section 7** of the Agreement.

By the Company's signature below and by the Participant's clicking the "Accept" button online, the Company and the Participant agree that the Performance Shares are governed by this Notice and by the provisions of the Plan and the Agreement, both of which are attached to and made a part of this document. The Participant acknowledges receipt of copies of the Plan and the Agreement, represents that the Participant has read and is familiar with their provisions, and hereby accepts the Performance Shares subject to all of their terms and conditions.

The Company has caused this Notice and the Agreement to be effective as of the Date of Grant.

LAMB WESTON HOLDINGS, INC.	**PARTICIPANT**
By:	
Date:	Date:

PERFORMANCE SHARE AGREEMENT
LAMB WESTON HOLDINGS, INC. 2016 STOCK PLAN
(AS AMENDED AND RESTATED AS OF JULY 20, 2017)

Lamb Weston Holdings, Inc., a Delaware corporation (the "*Company*"), has awarded the Participant, as named in the Notice of Grant (the "*Notice*"), to which this Performance Share Agreement (this "*Agreement*") is attached, a Performance Share Award (the "*Performance Shares*") that is subject to the Company's 2016 Stock Plan (as amended and restated as of July 20, 2017) (the "*Plan*"), the Notice, and this Agreement, for the number of Performance Shares indicated in the Notice. In the event of any conflict between the terms in this Agreement and the Plan, the terms of the Plan will control.

1. **Definitions.** Capitalized terms used herein without definition have the meanings set forth in the Plan. The following terms shall have the respective meanings set forth below:

(a) *"Change of Control"* shall mean the occurrence of any of the following events:

(i) Individuals who, as of the effective date of the Plan, constitute the Board (the "*Incumbent Board*") cease for any reason to constitute at least a majority of the Board; provided, however, that any person becoming a member of the Board subsequent to the effective date of the Plan whose election, or nomination for the election by the Company's stockholders, was approved by a vote of at least a majority of the Board members then comprising the Incumbent Board shall be, for purposes of this clause (i), considered as though such person were a member of the Incumbent Board as of the effective date of the Plan;

(ii) Consummation of a reorganization, merger or consolidation, in each case, with respect to which persons who were the stockholders of the Company immediately prior to such reorganization, merger or consolidation do not, immediately thereafter, own more than 50% of the Voting Power of the reorganized, merged or consolidated entity;

(iii) Any person becomes the beneficial owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such person, any securities acquired directly from the Company or its affiliates) representing 30% or more of the Voting Power of the Company's then outstanding securities;

(iv) A liquidation or dissolution of the Company; or

(v) The sale of all or substantially all of the assets of the Company.

(b) *"Continuous Employment*" shall mean the absence of any interruption or termination of employment with the Company and its Subsidiaries and the performance of substantial services. Continuous Employment shall not be considered interrupted or terminated in the case of sick leave, short-term disability (as defined in the Company's sole discretion), military leave or any other leave of absence approved by the Company unless and until there is a Separation from Service (as defined in **Section 1(f)** below).

(c) "*Divestiture*" shall mean a permanent disposition to a person other than the Company of a plant or other facility or property at which the Participant performs a majority of the Participant's services, whether such disposition is effected by means of a sale of assets, a sale of Subsidiary stock or otherwise.

(d) "*Early Retirement*" shall mean Separation from Service with the Company and its Subsidiaries when the Participant (i) is at least age 55, and (ii) has at least ten years of credited service with the Company and its Subsidiaries.

(e) "*Normal Retirement*" shall mean a Separation from Service with the Company and its Subsidiaries on or after attaining age 65.

(f) "*Performance Period*" shall mean the one-year period commencing on May ___, 20__ and ending on May ___, 20__.

(g) "*Performance Targets*" shall mean the applicable performance goals set forth on Exhibit A.

(h) "*Separation from Service,*" *"termination of employment" and similar terms* shall mean the date that the Participant incurs a "separation from service" within the meaning of Section 409A of the Code. As used in connection with the definition of "Separation from Service," the term "Company" includes Lamb

Weston Holdings, Inc. and any other entity that, with Lamb Weston Holdings, Inc., constitutes a controlled group of corporations (as defined in Section 414(b) of the Code), or a group of trades or businesses (whether or not incorporated) under common control (as defined in Section 414(c) of the Code), substituting 25% for the 80% ownership level for purposes of both Sections 414(b) and Section 414(c) of the Code.

(i) "*Specified Employee*" is as defined under Section 409A of the Code and Treasury Regulation Section 1.409A-1(i).

(j) "*Successors*" shall mean the beneficiaries, executors, administrators, heirs, successors and assigns of a person.

2. **Vesting of Performance Shares**.

(a) **Normal Vesting**. Subject to the terms and conditions of the Notice, the Plan, this Agreement and Exhibit A to this Agreement, the Performance Shares covered by this Agreement shall become nonforfeitable ("*Vest*" or similar terms) to the extent that:

(i) Except as provided in **Section 2(b)** or **Section 2(c)** below, the Participant remains Continuously Employed by the Company or a Subsidiary through the Vesting Date; and

(ii) The applicable Performance Targets set forth on Exhibit A for the Performance Period are achieved, which level of achievement must be certified by the Committee in writing within 90 days after the end of the Performance Period.

Any Performance Shares that do not satisfy both **Section 2(a)(i)** and **Section 2(a)(ii)** will be forfeited.

(b) **Termination of Employment**. If, prior to the Vesting Date, the Participant's employment with the Company and its Subsidiaries shall terminate:

(i) by reason of (A) Normal Retirement occurring on or after the date that is 12 months after the Date of Grant or (B) death, the Performance Shares shall remain subject to performance through the end of the Performance Period and shall become Vested (based upon actual achievement of the applicable Performance Targets set forth in Exhibit A) in accordance with the terms and conditions of this Section 2 as if the Participant had remained Continuously Employed from the Date of Grant until the Vesting Date (or, if earlier, the occurrence of a Change of Control to the extent a Replacement Award is not provided).

(ii) by reason of Early Retirement or involuntary termination due to disability, position elimination, reduction in force (each as defined in the Company's sole discretion), or Divestiture, in each case, occurring on or after the date that is 12 months after the Date of Grant, the Performance Shares shall remain subject to performance through the end of the Performance Period and shall become Vested (based upon actual achievement of the applicable Performance Targets set forth in Exhibit A) in accordance with the terms and conditions of this Section 2 on a pro-rata basis in an amount equal to the product of (A) the number of Performance Shares in which the Participant would have Vested in accordance with the terms and conditions of this **Section 2** if the Participant had remained Continuously Employed from the Date of Grant until the Vesting Date (or, if earlier, the occurrence of a Change of Control to the extent a Replacement Award is not provided), multiplied by (B) a fraction, the numerator of which is the total number of calendar days during which the Participant was employed by the Company or a Subsidiary during the period beginning on May ___, 20__ and ending on the Separation from Service and the denominator of which is the total number of calendar days beginning on May ___, 20__ and ending on the Vesting Date, rounded to the nearest whole number of Performance Shares.

(iii) for Cause or any reason other than as described in **Sections 2(b)(i)** or **2(b)(ii)** prior to the Vesting Date, then all Performance Shares, whether Vested or unvested prior to the Vesting Date, shall be immediately forfeited without further consideration to the Participant.

For the avoidance of doubt, any Vested Performance Shares pursuant to **Sections 2(b)(i)** or **2(b)(ii)** will be settled pursuant to **Section 3(a)** hereof.

(c) **Accelerated Vesting in Connection with a Change of Control**.

(i) If a Change of Control occurs prior to the end of the Performance Period, and the

Participant has been in Continuous Employment between the Date of Grant and the date of such Change of Control, then the Participant shall Vest in a number of Performance Shares equal to the greater of (A) the number of Performance Shares in which the Participant would Vest based on actual performance through the most recent date prior to the Change of Control for which achievement of Performance Targets can reasonably be determined, as certified by the Committee as constituted immediately prior to the Change of Control and (B) the target number of Performance Shares subject to this Agreement, rounded to the nearest whole number of Performance Shares, except to the extent that (I) such Performance Shares have previously been forfeited, or (II) a Replacement Award is provided to the Participant to replace, continue or adjust the outstanding Performance Shares (the "*Replaced Award*").

(ii) If a Change of Control occurs after the end of the Performance Period but before the Vesting Date, then all Performance Shares earned based on performance will become 100% Vested, except to the extent that (A) such Performance Shares have previously been forfeited, or (B) a Replacement Award is provided to the Participant to replace, continue or adjust the outstanding Performance Shares.

(iii) If, within a period of two years following a Change of Control, the Participant's employment with the Company, a Subsidiary or any of its or their successors after the Change of Control (as applicable, the "*Successor Company*") is terminated by the Participant for Good Reason or by the Successor Company other than for Cause prior to the Vesting Date, to the extent that the Replacement Award has not previously been Vested or forfeited, the Replacement Award will become 100% Vested (and become entitled to settlement as specified in **Section 3(b)(i)**).

(iv) For purposes of this Agreement, a "*Replacement Award*" means an award (A) of the same type as the Replaced Award (*i.e.*, restricted stock or restricted stock units) but with any remaining performance conditions of the Replaced Award deemed satisfied at the greater of (I) the actual level of performance as of the Change of Control, if reasonably measurable, and (II) the target level of performance, in each case without proration, and subject to continued service through the Vesting Date, (B) that has a value at least equal to the value of the Replaced Award, including at the deemed level of performance as determined in clause (A) above, as applicable, (C) that relates to publicly traded equity securities of the Successor Company in the Change of Control (or another entity that is affiliated with the Successor Company following the Change of Control), (D) the tax consequences of which for such Participant under the Code, if the Participant is subject to U.S. federal income tax under the Code, are not less favorable to the Participant than the tax consequences of the Replaced Award, and (E) the other terms and conditions of which are not less favorable to the Participant than the terms and conditions of the Replaced Award (including the provisions that would apply in the event of a subsequent change of control). A Replacement Award may be granted only to the extent it does not result in the Replaced Award or Replacement Award failing to comply with or ceasing to be exempt from Section 409A of the Code. Without limiting the generality of the foregoing, the Replacement Award may take the form of a continuation of the Replaced Award if the requirements of the preceding two sentences are satisfied. The determination of whether the conditions of this **Section 2(c)(iv)** are satisfied will be made in good faith by the Committee, as constituted immediately before the Change of Control, in its sole discretion.

(v) For purposes of this Agreement, "*Cause*" means: (A) the willful and continued failure by the Participant to substantially perform the Participant's duties with the Successor Company (other than any such failure resulting from termination by the Participant for Good Reason) after a demand for substantial performance is delivered to the Participant that specifically identifies the manner in which the Successor Company believes that the Participant has not substantially performed the Participant's duties, and the Participant has failed to resume substantial performance of the Participant's duties on a continuous basis within five days of receiving such demand; (B) the willful engaging by the Participant in conduct which is demonstrably and materially injurious to the Successor Company, monetarily or otherwise; or (C) the Participant's conviction of, or plea of nolo contendere to, (I) a felony or (II) a misdemeanor which impairs the Participant's ability

substantially to perform the Participant's duties with the Successor Company. For the purposes of this definition, no act, or failure to act, on the Participant's part shall be deemed "willful" unless done, or omitted to be done, by the Participant not in good faith and without reasonable belief that the Participant's action or omission was in the best interest of the Successor Company.

(vi) For purposes of this Agreement, "*Good Reason*" means: (A) any material failure of the Successor Company to comply with and satisfy any of the terms of any employment or change in control (or similar) agreement between the Successor Company and the Participant pursuant to which the Participant provides services to the Successor Company; (B) any significant involuntary reduction of the authority, duties or responsibilities held by the Participant immediately prior to the Change of Control (and, for the avoidance of doubt, involuntary removal of the Participant from an officer position that the Participant holds immediately prior to the Change of Control will not, by itself, constitute a significant involuntary reduction of the authority, duties or responsibilities held by the Participant immediately prior to the Change of Control); (C) any material involuntary reduction in the aggregate target cash remuneration opportunity of the Participant as in effect immediately prior to the Change of Control; or (D) requiring the Participant to become based at any office or location more than 50 miles from the office or location at which the Participant was based immediately prior to such Change of Control, except for travel reasonably required in the performance of the Participant's responsibilities; provided, however, that no termination shall be deemed to be for Good Reason unless (I) the Participant provides the Successor Company with written notice setting forth the specific facts or circumstances constituting Good Reason within ninety days after the initial existence of the occurrence of such facts or circumstances, (II) the Successor Company fails to cure such facts or circumstances within thirty days of its receipt of such written notice, and (III) the Participant actually terminates employment within thirty days following the end of the Successor Company's thirty-day cure period, if such event or circumstance has not been cured.

(vii) If a Replacement Award is provided, notwithstanding anything in this Agreement to the contrary, any outstanding Performance Shares which at the time of the Change of Control are not subject to a "substantial risk of forfeiture" (within the meaning of Section 409A of the Code) will be deemed to be Vested at the time of such Change of Control (and such Vested Performance Shares shall be settled in accordance with **Section 3(b)(ii)** below).

(d) **Forfeiture of Performance Shares**. Subject to **Section 2(b)(iii)**, any Performance Shares that have not Vested pursuant to **Section 2(a)**, **Section 2(b)**, or **Section 2(c)** will be forfeited automatically and without further notice (including if the Participant ceases to be in Continuous Employment prior to the Vesting Date for any reason other than as described in **Section 2(b)** or **Section 2(c)**).

3. **Settlement of Performance Shares.**

(a) **Normal**. Subject to **Section 3(b)**, the Company will issue to the Participant one share of Stock for each earned Performance Share within 30 days following the Vesting Date (the "*Payment Date*").

(b) **Other Settlement Events**. Notwithstanding **Section 3(a)**, to the extent the Performance Shares are Vested Performance Shares on the dates set forth below and to the extent the Vested Performance Shares have not previously been Vested, forfeited or settled, the Company will settle such Vested Performance Shares as follows:

(i) **Separation from Service**. If there are such Vested Performance Shares upon the Participant's Separation from Service following a Change of Control pursuant to **Section 2(c)(iii)** hereof, within thirty days of the Participant's Separation from Service, one share of Stock will be issued for each such Vested Performance Share; provided, that such Change of Control qualifies as a permissible date of distribution under Section 409A(a)(2)(A) of the Code and the regulations thereunder. If such Change of Control does not qualify, the Participant is entitled to receive the corresponding payment on the date that would have otherwise applied pursuant to **Section 3** as though such Change of Control had not occurred.

(ii) **Change of Control**. If there are such Vested Performance Shares upon a Change of

Control, one share of Stock will be issued for each such Vested Performance Share as of the date of the Change of Control; provided, however, that if such Change of Control would not qualify as a permissible date of distribution under Section 409A(a)(2)(A) of the Code, and the regulations thereunder, and where Section 409A of the Code applies to such distribution, the Participant is entitled to receive the corresponding payment on the date that would have otherwise applied pursuant to **Section 3** as though such Change of Control had not occurred.

(c) **Payment of Taxes Upon Settlement.** As a condition of the issuance of shares of Stock upon settlement of Performance Shares hereunder, the Participant agrees to remit to the Company at the time of settlement any taxes or other amounts required to be withheld by the Company under Federal, State or local law as a result of the settlement of the Performance Shares. As a condition of the issuance of shares of Stock upon settlement of Performance Shares hereunder, the Participant agrees that the Company will deduct from the total shares to be issued as a result of the Vesting of the Performance Shares a sufficient number of shares to satisfy the required statutory withholding amount, which may exceed the minimum statutory tax withholding amount only if it would not cause adverse accounting or tax consequences for the Company or a Subsidiary.

(d) **Specified Employee**. Notwithstanding anything (including any provision of the Agreement or the Plan) to the contrary, if a Participant is a Specified Employee and if the Performance Shares are subject to Section 409A of the Code, payment to the Participant on account of a Separation from Service shall, to the extent required to comply with Treasury Regulation Section 1.409A-3(i)(2), be made to the Participant on the earlier of (i) the Participant's death or (ii) the first business day (or within 30 days after such first business day) that is more than six months after the date of Separation from Service. Notwithstanding anything contained herein to the contrary, the Participant shall not be considered to have terminated employment with the Company or any Subsidiary for purposes of any payments under this Agreement which are subject to Section 409A of the Code until the Participant has incurred a Separation from Service. In the Company's sole and absolute discretion, interest may be paid due to such delay. Further, any interest will be calculated in the manner determined by the Company in its sole and absolute discretion in a manner that qualifies any interest as reasonable earnings under Section 409A of the Code. Dividend equivalents will not be paid with respect to any dividends that would have been paid during the delay if the Stock had been issued. To the extent required for purposes of Section 409A of the Code, each installment that vests under this Agreement shall be construed as a separate identified payment for purposes of Section 409A of the Code.

4. **Non-Transferability of Performance Shares.** The Performance Shares may not be assigned, transferred, pledged or hypothecated in any manner (otherwise than by will or the laws of descent or distribution) nor may the Participant enter into any transaction for the purpose of, or which has the effect of, reducing the market risk of holding the Performance Shares by using puts, calls or similar financial techniques. The Performance Shares subject to this Agreement may be settled during the lifetime of the Participant only with the Participant or the Participant's guardian or legal representative. Upon any attempt to transfer, assign, pledge, hypothecate, or otherwise dispose of the Performance Shares or any related rights to the Performance Shares that is contrary to the provisions of this Agreement or the Plan, or upon the levy of any attachment or similar process upon the Performance Shares or such rights, the Performance Shares and such rights shall immediately become null and void. The terms of this Agreement shall be binding upon the Successors of the Participant.

5. **Stock Subject to the Performance Shares; Compliance with Law.** The Company will not be required to issue or deliver any shares of Stock or any certificate or certificates for shares of Stock with respect to the Participant's Performance Shares until such shares have been listed (or authorized for listing upon official notice of issuance) upon each stock exchange on which outstanding shares of the same class are then listed and until the Company has taken such steps as may, in the opinion of counsel for the Company, be required by law and applicable regulations, including the rules and regulations of the Securities and Exchange Commission, and state securities laws and regulations, in connection with the issuance of such shares, and the listing of such shares on each such exchange.

6. **Rights as Stockholder.** The Participant or his/her Successors shall have no rights as stockholder with respect to any Performance Shares or underlying shares covered by this Agreement until the Participant or his/her Successors shall have become the beneficial owner of such shares on the Payment Date.

7. **Dividend Equivalents.** Upon the payment of earned Performance Shares as of the Payment Date, the Participant shall receive additional shares of Stock equal in value to the accrued dividend

equivalents. The amount of dividend equivalents for each Performance Share earned shall equal the dividends paid on one share of Stock for each dividend whose record date occurs during the period between the Date of Grant and the Payment Date.

8. **Adjustments Upon Changes in Capitalization; Change of Control.** In the event of any change in corporate capitalization, corporate transaction, sale or other disposition of assets or similar corporate transaction or event involving the Company as described in Section 5.5 of the Plan, the Committee shall make equitable adjustment as it determines necessary and appropriate in the number and type of shares subject to this Agreement; provided, however, that no fractional share shall be issued upon subsequent settlement of the Performance Shares. No adjustment shall be made if such adjustment is prohibited by Section 5.5 of the Plan (relating to Section 409A of the Code).

9. **Notices.** Each notice relating to this Agreement shall be deemed to have been given on the date it is received. Each notice to the Company shall be addressed to its principal Office in Eagle, Idaho, Attention: Compensation. Each notice to the Participant or any other person or persons entitled to shares issuable upon settlement of the Performance Shares shall be addressed to the Participant's address and may be in written or electronic form. Anyone to whom a notice may be given under this Agreement may designate a new address by giving notice to the effect.

10. **Benefits of Agreement.** This Agreement shall inure to the benefit of and be binding upon each successor of the Company. All obligations imposed upon the Participant and all rights granted to the Company under this Agreement shall be binding upon the Participant's Successors. This Agreement shall be the sole and exclusive source of any and all rights which the Participant or his/her Successors may have in respect to the Plan or this Agreement.

11. **No Right to Continued Employment**. Nothing in this Agreement shall interfere with or affect the rights of the Company or the Participant under any employment agreement or confer upon the Participant any right to continued employment with the Company or a Subsidiary.

12. **Resolution of Disputes.** Any dispute or disagreement which should arise under or as a result of or in any way related to the interpretation, construction or application of this Agreement will be determined by the Committee. Any determination made hereunder shall be final, binding and conclusive for all purposes. This Agreement and the legal relations between the parties hereto shall be governed by and construed in accordance with the laws of the state of Delaware.

13. **Section 409A of the Code.** To the extent applicable, this Agreement is intended to comply with Section 409A of the Code and any regulations or notices provided thereunder. This Agreement and the Plan shall be interpreted in a manner consistent with this intent. The Company reserves the unilateral right to amend this Agreement on written notice to the Participant in order to comply with Section 409A of the Code. The Company makes no representation that any or all of the payments described in this Agreement will be exempt from or comply with Section 409A of the Code and makes no undertaking to preclude Section 409A of the Code from applying to any such payment. None of the Company or any Subsidiary, or any of its or their contractors, agents and employees, nor the Board or any member of the Board, shall be liable for any consequences of any failure to follow the requirements of Section 409A of the Code or any guidance or regulations thereunder.

14. **Clawback Policy and Stock Ownership Guidelines**. Shares of Stock issued upon settlement of the Performance Shares shall be subject to any stock ownership guidelines of the Company applicable to the Participant. In addition to the clawback described in **Section 18(b)** of this Agreement, this Agreement and the Performance Shares are subject to the Company's clawback policy applicable to the Participant as may be in effect from time to time, including, as applicable, being subject to recoupment or clawback by the Company on the terms and conditions as provided for under Section 10D of the Act and any applicable rules or regulations promulgated by the Securities and Exchange Commission or any national securities exchange or national securities association on which the Stock may be traded.

15. **Amendment.** Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto.

16. **Severability**. If any provision of this Agreement or the application of any provision hereof to any person or circumstances is held invalid, unenforceable or otherwise illegal, the remainder of this Agreement and the application of such provision to any other person or circumstances shall not be affected, and the provisions so held to be invalid, unenforceable or otherwise illegal shall be reformed to the extent (and only to the extent) necessary to make it enforceable, valid and legal.

17. **Electronic Delivery**. The Company may, in its sole discretion, deliver any documents related to the Performance Shares and the Participant's participation in the Plan, or future awards that may be granted under the Plan, by electronic means or request the Participant's consent to participate in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and, if requested, agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

18. **Restrictive Covenants**.

(a) **Confidentiality**. It is a condition to the Participant's receipt of the Performance Shares that the Participant execute and agree to the terms of the Company or a Subsidiary's current and applicable Confidentiality Agreement (the "*Confidentiality Agreement*"). By electronically accepting this Agreement, the Participant acknowledges that the Participant has either already entered into such Confidentiality Agreement with the Company or a Subsidiary as of the date of acceptance or will enter into such agreement within 30 days of the Participant's receipt of this grant of Performance Shares. If such execution is required and the Participant does not sign and return the Confidentiality Agreement as prompted by the Workday HR system within 30 days of the Participant's receipt of this grant of Performance Shares, this grant of Performance Shares and any rights to the Performance Shares will terminate and become null and void. The Participant further acknowledges that as consideration for the Participant's agreement to the terms of the Confidentiality Agreement, the Company is providing the Participant with the opportunity to participate in this grant of Performance Shares under the Plan and receive the Performance Shares evidenced by this Agreement. The Participant understands that this acknowledgment shall be deemed a part of the Confidentiality Agreement and is to be interpreted in a manner consistent with its terms.

(b) **Non-Competition and Non-Solicitation**. By electronically accepting this Agreement, the Participant acknowledges that the Participant has received or will receive specialized training, trade secrets and confidential information from the Company and, in consideration thereof, agrees to the non-competition and non-solicitation provisions set forth in Exhibit B to this Agreement (the "*Non-Competition and Non-Solicitation Obligations*"). The Participant further acknowledges that as consideration for the Participant's agreement to the terms of the Non-Competition and Non-Solicitation Obligations, the Company is providing the Participant with the opportunity to participate in this grant of Performance Shares under the Plan and receive the Performance Shares evidenced by this Agreement. Notwithstanding the foregoing, if the Participant is a resident of the state of California, the Participant will not be bound by the Non-Competition and Non-Solicitation Obligations.

(c) **Violation of Restrictive Covenants**. Notwithstanding anything herein to the contrary, if the Participant breaches the Confidentiality Agreement or, if applicable, any of the Non-Competition and Non-Solicitation Obligations, (i) the Participant shall forfeit all Performance Shares and related dividend equivalents evidenced by this Agreement, effective on the date on which the Participant first breached such agreement or obligation(s) and (ii) if such breach occurs within 1 year following (A) the Vesting Date or (B) to the extent **Section 3(b)** applies, the applicable settlement date, all shares of Stock issued or transferred to the Participant pursuant to this Agreement shall be returned by the Participant to the Company within 30 days after the Company has provided notice to the Participant of such breach and, if such shares of Stock have been sold by the Participant, an amount equal to the proceeds from such sale (determined without regard to any taxes paid) shall become due and payable by the Participant to the Company within 30 days after the Company has provided notice to the Participant of such breach. Notwithstanding the foregoing, the Committee, in its sole discretion, may waive the Participant obligations described in clause (i) and (ii) at any time if deemed to be in the best interests of the Company. The Participant acknowledges and agrees that it would be inequitable for the Participant to benefit from the Performance Shares should the Participant breach the Confidentiality Agreement or, if applicable, any of the Non-Competition and Non-Solicitation Obligations.

(d) **Remedies; Government Investigations; DTSA**. The Participant acknowledges and agrees that the rights and remedies set forth in this **Section 18** are in addition to and are not intended to limit any other rights or remedies the Company may have available to it, both during and at any time after the termination of the Participant's employment with the Company, including, without limitation, any rights or remedies the Company may have under the Confidentiality Agreement or other similar agreements. Notwithstanding anything in this Agreement to the contrary, nothing in this Agreement prevents the Participant from providing, without prior notice to the Company, information to governmental authorities regarding possible legal violations or otherwise testifying or participating in any investigation or

proceeding by any governmental authorities regarding possible legal violations, and, for purpose of clarity, the Participant is not prohibited from providing information voluntarily to the Securities and Exchange Commission pursuant to Section 21F of the Act. Furthermore, the U.S. Defend Trade Secrets Act of 2016 ("*DTSA*") provides that an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (i) is made (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation of law or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, the DTSA provides that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (x) files any document containing the trade secret under seal and (y) does not disclose the trade secret, except pursuant to court order.

Exhibit B

Non-Competition and Non-Solicitation Provisions

1. **Definitions**. Unless otherwise defined, capitalized terms used in this Exhibit B shall have the meanings given to them in the Agreement or the Plan, as applicable. As used in this Exhibit B:

   (a) "*Company"* shall include all Subsidiaries of the Company.

   (b) "*Competing Organization"* is defined as any organization that researches, develops, manufactures, markets, distributes and/or sells one or more Competing Products/Services.

   (c) "*Competing Products/Services*" means any products, services or activities (including, without limitation, products, services or activities in the planning or development stage during the Non-Compete Period) that compete, directly or indirectly, in whole or in part, with one or more of the material products, services or activities (including, without limitation, products, services or activities in the planning or development stage during the Non-Compete Period) produced, provided, or engaged in by the Company or its affiliates at the time of the Participant's termination of employment with the Company and with which the Participant worked or about which the Participant obtained any trade secret or other Confidential and Proprietary Information at any time during the five (5) years immediately preceding the Participant's termination of employment with the Company. "Material products, services or activities" means the development, manufacture or production of packaged potato, sweet potato, appetizer and vegetable products for the retail, foodservice or institutional channels. If the products manufactured, sold or marketed by the Company are expanded at any time during the Participant's employment, such additional products will be deemed to be "material products, services or activities" for all purposes under this Agreement.

   (d) "*Confidential and Proprietary Information"* is defined as information and data of any kind, in any form, not generally available to the public, concerning any matters affecting or relating to the Company, including but not limited to: names, addresses, and any other characteristics identifying information or aspects of existing or potential Company customers, employees, vendors or suppliers; the business or operations of the Company and/or the financials, products, drawings, plans, processes; or other data of the Company not generally known or available outside of the Company. This definition also includes derivations of Confidential and Proprietary Information, including any information derived, summarized or extracted from any of the foregoing whether observed in writing, electronically, mechanically, and/or orally during the Participant's employment with the Company.

   (e) "*Employee*" (including its plural) means any person employed by the Company.

   (f) "*Non-Compete Period*" means the period from the date of the Agreement through the twelve-month period following the Participant's termination of employment with the Company for any reason.

   (g) "*Prohibited Capacity"* is defined as (i) any same or similar capacity to that the Participant held at any time during the last three years of employment with the Company prior to the date of the Participant's termination of employment from the Company; (ii) any executive or managerial capacity; (iii) any marketing or sales capacity; or (iv) any capacity in which the Participant's knowledge of Confidential and Proprietary Information would render the Participant's assistance to a Competing Organization a competitive advantage.

   (h) "*Restricted Geographic Area*" is defined as all countries, territories, parishes, municipalities and states in which the Company is doing business or is selling its products at the time of the Participant's termination of employment with the Company, including, but not limited to, every

parish and municipality in the state of Louisiana.[1] The Participant acknowledges that this geographic scope is reasonable given the Participant's position with the Company, the international scope of the Company's business, and the fact that the Participant could compete with the Company from anywhere the Company does business.

(i) "*Trade Secret*" means information possessed by or developed for the Company, including, without limitation, any compilation of data, program, device, method, system, technique or process, where: (i) the information derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, (ii) the information is the subject of efforts to maintain its secrecy that are reasonable under the circumstances, or (iii) information that constitutes a "trade secret" under the Idaho Trade Secrets Act, IDAHO STAT. § 48-801(5) and/or under the DTSA.

2. **Non-Competition**. During the Non-Compete Period, the Participant agrees that he or she will not, within the Restricted Geographic Area, be employed by, work for, consult with, provide services to, or lend assistance to any Competing Organization in a Prohibited Capacity.

3. **Non-Solicitation**. The Participant recognizes and agrees that the Company has a legitimate business interest in restricting potential competitors from hiring Employees who possess or otherwise may have or had access to the Company's or any of its affiliates' Confidential and Proprietary Information or Trade Secrets. Therefore, the Participant agrees that during the Participant's employment with the Company and through the twelve-month period following the termination of the Participant's employment with the Company, the Participant shall not directly or indirectly through any other person or entity recruit, induce, or attempt to induce any Employee to terminate his or her employment with the Company or otherwise interfere in any way with the employment relationship between the Company and its Employees. This restriction includes, but is not limited to: (a) identifying Employees as potential candidates for employment by name, background or qualifications; (b) recruiting or soliciting Employees; and/or (c) participating in any pre-employment interviews with Employees.

4. **California Residents**. Notwithstanding anything in the Agreement or in this Exhibit B, if the Participant is a resident of the state of California, the non-competition and non-solicitation obligations described in this Exhibit B shall not apply.

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[1] These Louisiana parishes currently include Acadia, Allen, Ascension, Assumption, Avoyelles, Beauregard, Bienville, Bossier, Caddo, Calcasieu, Caldwell, Cameron, Catahoula, Claiborne, Concordia, De Soto, East Baton Rouge, East Carroll, East Feliciana, Evangeline, Franklin, Grant, Iberia, Iberville, Jackson, Jefferson, Jefferson Davis, La Salle, Lafayette, Lafourche, Lincoln, Livingston, Madison, Morehouse, Natchitoches, Orleans, Ouachita, Plaquemines, Pointe Coupee, Rapides, Red River, Richland, Sabine, St. Bernard, St. Charles, St. Helena, St. James, St. John The Baptist, St. Landry, St. Martin, St. Mary, St. Tammany, Tangipahoa, Tensas, Terrebonne, Union, Vermilion, Vernon, Washington, Webster, West Baton Rouge, West Carroll, West Feliciana and Winn.

Exhibit 31.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER

I, THOMAS P. WERNER, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended August 29, 2021 of Lamb Weston Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 7, 2021

/s/ THOMAS P. WERNER

THOMAS P. WERNER
Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER

I, BERNADETTE M. MADARIETA, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended August 29, 2021 of Lamb Weston Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 7, 2021

/s/ BERNADETTE M. MADARIETA

BERNADETTE M. MADARIETA
Senior Vice President and Chief Financial Officer

Exhibit 32.1

CERTIFICATION

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

I, THOMAS P. WERNER, Chief Executive Officer of Lamb Weston Holdings, Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to my knowledge that Lamb Weston Holdings, Inc.'s Quarterly Report on Form 10-Q for the quarter ended August 29, 2021 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and that the information contained in such Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of Lamb Weston Holdings, Inc. as of and for the periods presented.

October 7, 2021

/s/ THOMAS P. WERNER

THOMAS P. WERNER

Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to Lamb Weston Holdings, Inc. and will be retained by Lamb Weston Holdings, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

I, BERNADETTE M. MADARIETA, Senior Vice President and Chief Financial Officer of Lamb Weston Holdings, Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to my knowledge that Lamb Weston Holdings, Inc.'s Quarterly Report on Form 10-Q for the quarter ended August 29, 2021 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and that the information contained in such Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of Lamb Weston Holdings, Inc. as of and for the periods presented.

October 7, 2021

/s/ BERNADETTE M. MADARIETA

BERNADETTE M. MADARIETA
Senior Vice President and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Lamb Weston Holdings, Inc. and will be retained by Lamb Weston Holdings, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.