

THE HERSHEY COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(amounts in thousands, except share data or if otherwise indicated)

A summary of activity relating to grants of stock options for the year ended December 31, 2020 is as follows:

Stock Options	Shares	Weighted-Average Exercise Price (per share)	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at beginning of the period	2,420,461	\$97.80	5.7 years	
Granted	15,260	\$157.32		
Exercised	(553,131)	\$92.70		
Forfeited	(42,779)	\$102.44		
Outstanding as of December 31, 2020	<u>1,839,811</u>	\$99.72	4.9 years	\$ 96,873
Options exercisable as of December 31, 2020	<u>1,406,063</u>	\$98.29	4.2 years	\$ 75,977

The weighted-average fair value of options granted was \$21.31, \$15.25 and \$15.58 per share in 2020, 2019 and 2018, respectively. The fair value was estimated on the date of grant using a Black-Scholes option-pricing model and the following weighted-average assumptions:

For the years ended December 31,	2020	2019	2018
Dividend yields	2.1 %	2.7 %	2.4 %
Expected volatility	17.5 %	17.0 %	16.6 %
Risk-free interest rates	1.3 %	2.5 %	2.8 %
Expected term in years	6.7	6.5	6.6

- "Dividend yields" means the sum of dividends declared for the four most recent quarterly periods, divided by the average price of our Common Stock for the comparable periods;
- "Expected volatility" means the historical volatility of our Common Stock over the expected term of each grant;
- "Risk-free interest rates" means the U.S. Treasury yield curve rate in effect at the time of grant for periods within the contractual life of the stock option; and
- "Expected term" means the period of time that stock options granted are expected to be outstanding based on historical data.

The total intrinsic value of options exercised was \$32,121, \$115,786 and \$38,382 in 2020, 2019 and 2018, respectively.

As of December 31, 2020, there was \$2,138 of total unrecognized compensation expense related to non-vested stock option awards granted under the EICP, which we expect to recognize over a weighted-average period of 1.3 years.

The following table summarizes information about stock options outstanding as of December 31, 2020:

Range of Exercise Prices	Options Outstanding			Options Exercisable	
	Number Outstanding as of 12/31/20	Weighted-Average Remaining Contractual Life in Years	Weighted-Average Exercise Price	Number Exercisable as of 12/31/20	Weighted-Average Exercise Price
\$34.89 - \$96.65	451,518	3.5	\$83.35	447,523	\$83.24
\$96.66 - \$105.91	699,982	6.1	\$101.70	409,235	\$102.90
\$105.92 - \$157.32	688,311	4.5	\$108.44	549,305	\$107.13
\$34.89 - \$157.32	<u>1,839,811</u>	4.9	\$99.72	<u>1,406,063</u>	\$98.29

