

WINN DIXIE STORES INC
Form PRE 14A
September 08, 2009
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Rule 14a-12

Winn-Dixie Stores, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

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WINN-DIXIE STORES, INC.

5050 EDGEWOOD COURT JACKSONVILLE, FLORIDA 32254-3699

Notice of Annual Meeting of Shareholders

to be held on November 4, 2009

To all Shareholders of Winn-Dixie Stores, Inc.:

You are invited to attend the 2009 annual meeting of shareholders of Winn-Dixie Stores, Inc. (Winn-Dixie , we , us , our or the Company). The annual meeting will be held at our headquarters at 5050 Edgewood Court, Jacksonville, Florida at 9:00 a.m. Eastern Time, on Wednesday, November 4, 2009. At the meeting, our shareholders will act on the following matters:

Election of nine directors nominated by the Board of Directors for a term of one year;

Approval of the Winn-Dixie Stores, Inc. Fiscal 2010 Equity Incentive Plan (the 2010 Plan);

Approval of a one-time stock option exchange program for associates other than directors and named executive officers (the Stock Option Exchange Program);

Ratification of the appointment of KPMG LLP (KPMG) as our independent registered public accounting firm for fiscal 2010; and

Any other business that may properly come before the meeting.

The Board of Directors has fixed September 4, 2009 as the record date for the annual meeting. Only holders of our common stock of record at the close of business on that date will be entitled to notice of, and to vote at, the annual meeting.

By Order of the Board of Directors,

Larry B. Appel

Secretary

Jacksonville, Florida

September 21, 2009

Whether or not you expect to attend the annual meeting, please sign and return the enclosed proxy card promptly. Alternatively, you may give a proxy by telephone or over the Internet by following the instructions on your proxy card or in the proxy statement. If you decide to attend the meeting, you may, if you wish, revoke the proxy and vote your shares in person.

Important Notice Regarding the Availability of Proxy Materials for the Annual Shareholders Meeting to be held on November 4, 2009. The proxy statement and annual report to shareholders are available at https://www.sendd.com/EZProxy/?project_id=330.

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WINN-DIXIE STORES, INC.

5050 EDGEWOOD COURT JACKSONVILLE, FLORIDA 32254-3699

PROXY STATEMENT

FOR

ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON NOVEMBER 4, 2009

Our annual meeting of shareholders will be held on Wednesday, November 4, 2009, at our headquarters at 5050 Edgewood Court, Jacksonville, Florida, beginning at 9:00 a.m. Eastern Time. The enclosed form of proxy is solicited by our Board of Directors. We anticipate that this proxy statement and the accompanying proxy card will first be mailed to holders of our common stock on or about September 21, 2009.

GENERAL INFORMATION

Why am I receiving this proxy statement and proxy card?

You are receiving this proxy statement and proxy card from us because you own shares of our common stock. This proxy statement describes issues on which we would like you, as a shareholder, to vote. It provides information on these issues so that you can make an informed decision.

When you sign the proxy card or submit your proxy by telephone or Internet, you appoint Peter L. Lynch and Terry Peets as your representatives at the meeting. These representatives will vote your shares at the meeting (or any adjournments or postponements of the meeting) as you have instructed them. With proxy voting, your shares will be voted whether or not you attend the annual meeting. Even if you plan to attend the meeting, it is a good idea to complete, sign and return your proxy card or submit your proxy via telephone or Internet in advance of the meeting just in case your plans change.

If an issue comes up for a vote at the meeting (or any adjournments or postponements of the meeting) that is not described in this proxy statement, these representatives will vote your shares, under your proxy, at their discretion.

Are these proxy materials available over the Internet?

Pursuant to rules adopted by the Securities and Exchange Commission (the SEC), we are permitted to furnish our materials over the Internet to our shareholders by delivering a notice in the mail. While we have opted to continue mailing full printed sets of our proxy materials to our shareholders, you can still access and review our proxy statement and annual report over the Internet at https://www.sendd.com/EZProxy/?project_id=330.

When is the record date?

The Board of Directors has fixed September 4, 2009, as the record date for the annual meeting. Holders of common stock as of the close of business on this date will be entitled to vote at the annual meeting.

How many shares are outstanding? How many votes are permitted per share?

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As of the record date, there were 54,683,527 shares of our common stock issued and outstanding. Each share is entitled to one vote. No cumulative rights are authorized and dissenters' rights are not applicable to any of the matters being voted upon.

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In accordance with Florida law, a list of shareholders as of the record date will be available at the annual meeting and for ten days prior to the meeting for inspection by any shareholder or the shareholder's agent or attorney at our headquarters, located at 5050 Edgewood Court, Jacksonville, Florida, between the hours of 9:00 a.m. and 5:00 p.m.

What am I voting on?

You are being asked to vote on the following:

election of nine directors nominated by the Board of Directors for a one-year term, or until their respective successors are duly elected and qualified;

approval of the 2010 Plan;

approval of the Stock Option Exchange Program;

the ratification of the appointment of KPMG as our independent registered public accounting firm for fiscal 2010; and

any other business that properly may come before the meeting.

Our By-Laws require a shareholder to give advance notice of any proposal intended to be presented at the meeting. The deadline for this notice has passed and we have not received any notices. If any other matter properly comes before the shareholders for a vote at the meeting, however, the proxy holders will vote your shares in accordance with their best judgment.

How do I vote?

Holders of record of our shares have four voting options:

by telephone toll-free at 1-800-PROXIES (1-800-776-9437);

over the Internet at www.voteproxy.com;

by signing your proxy card and mailing it in the enclosed, prepaid and preaddressed envelope; or

by attending the annual meeting and voting in person.

If you vote by telephone or over the Internet, you will be prompted to enter the voter control number printed on your proxy card above your name and to follow a few simple instructions. Voting by telephone over via the Internet will not affect your right to vote in person should you decide to attend the annual meeting.

If you hold your shares in street name through a bank, broker or other nominee, your ability to vote by telephone or over the Internet depends on the voting processes of the broker, bank or other nominee. These programs are different from the program offered by our transfer agent, American Stock Transfer & Trust Company (American Stock Transfer), for shares registered in the name of the shareholder. Please carefully follow the voting instructions provided by your bank, broker or other nominee on the voting instruction form or proxy card.

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Can shareholders vote in person at the annual meeting?

Yes. We will pass out written ballots to any holder of record who wants to vote at the meeting. If your shares are not held in your name, you must request a legal proxy from your stockbroker or the registered owner to vote at the meeting.

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What do I need to bring if I plan to attend the annual meeting in person?

Shareholders will need to register at the meeting to attend the meeting in person. Please bring identification with you. If your shares are not held in your name, you will need to bring proof of your share ownership to the meeting in order to register. You should ask the broker, bank or other institution that holds your shares to provide you with a copy of an account statement or a letter that shows your ownership of Winn-Dixie common stock on September 4, 2009.

What does it mean if I receive more than one proxy card?

It means that you have multiple accounts with the transfer agent and/or with stockbrokers. Please vote all of the shares.

What if I change my mind after I return my proxy?

You may revoke your proxy and change your vote at any time before the polls close at the annual meeting. You may do this by:

voting again by telephone or over the Internet prior to 11:59 p.m. Eastern Time, on November 3, 2009;

signing another proxy with a later date and mailing it to our transfer agent, American Stock Transfer, as long as American Stock Transfer receives the proxy prior to 11:59 p.m. Eastern Time, on November 3, 2009;

voting in person at the annual meeting; or

giving written notice to our Corporate Secretary at the address on the front cover of this proxy statement prior to 11:59 p.m. Eastern Time on November 3, 2009.

How many votes do you need to hold the meeting?

For us to conduct the annual meeting we must have a quorum, which means that a majority of our outstanding shares of common stock as of the record date must be represented at the meeting. Your shares will be counted as represented at the annual meeting if you:

vote by telephone or over the Internet;

properly submit a proxy (even if you do not provide voting instructions); or

attend the annual meeting and vote in person.

How many votes are needed to elect directors?

The nine nominees receiving the highest number of FOR votes cast by the shareholders will be elected as directors, even if those nominees do not receive a majority of the votes cast. This number is called a plurality. A properly executed proxy card marked WITHHOLD with respect to the election of a director will not be voted and will not count FOR the nominee.

How many votes are needed to approve the 2010 Plan, approve the Stock Option Exchange Program and ratify the appointment of KPMG?

The 2010 Plan and the Stock Option Exchange Program will be approved and the appointment of KPMG will be ratified if the votes cast FOR the proposals exceed the votes cast AGAINST the proposals. A properly executed proxy card marked ABSTAIN with respect to any proposal

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will not be voted and will not count FOR or AGAINST the proposal. Abstentions with respect to a proposal are counted for purposes of establishing a quorum.

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Will my shares be voted if I do not sign and return my proxy card, vote by telephone or over the Internet?

If you are a shareholder of record and you do not sign and return your proxy card, vote by telephone or over the Internet or attend the annual meeting and vote in person, your shares will not be voted and will not count in deciding the matters presented for shareholder consideration in this proxy statement.

If your shares are held in street name through a bank or broker and you do not provide voting instructions before the annual meeting, your bank or broker may vote your shares on your behalf under certain circumstances. Brokerage firms have the authority under certain rules to vote shares for which their customers do not provide voting instructions on routine matters.

The election of directors and the ratification of the appointment of KPMG are considered routine matters under these rules. Therefore, brokerage firms are allowed to vote their customers' shares on these matters if the customers do not provide voting instructions. If your brokerage firm votes your shares on these matters because you do not provide voting instructions, your shares will be counted for purposes of establishing a quorum to conduct business at the annual meeting and in determining the number of shares voted FOR or AGAINST the routine matters.

The approval of the 2010 Plan and the Stock Option Exchange Program are not considered routine matters. When a proposal is not a routine matter and the brokerage firm has not received voting instructions on such a proposal, the brokerage firm cannot vote the shares on that proposal. This is called a broker non-vote. Broker non-votes will be counted for purposes of establishing a quorum but not for the number of shares voted FOR or AGAINST a non-routine proposal.

We encourage you to provide instructions to your brokerage firm by voting your proxy. This action ensures your shares will be voted at the meeting in accordance with your wishes.

How are votes counted?

Your shares will be voted as you indicate. If you just sign your proxy card with no further voting instructions, your shares will be voted:

FOR the nine director nominees;

FOR the 2010 Plan;

FOR the Stock Option Exchange Program; and

FOR the ratification of the appointment of KPMG as our independent registered public accounting firm.
Voting results will be tabulated and certified by our transfer agent, American Stock Transfer.

Where can I find the voting results of the meeting?

We will announce preliminary voting results at the meeting. We will publish the final results in our Quarterly Report on Form 10-Q for the second quarter of fiscal 2010, which will be filed with the SEC.

Who will pay for the costs of soliciting proxies?

We will bear the cost of soliciting proxies. In an effort to have as large a representation at the meeting as possible, our directors, officers and employees may solicit proxies by telephone or in person in certain circumstances. To further assist us in our efforts, we have engaged Georgeson Inc. to solicit proxies for an estimated fee of \$9,500 plus expenses. Upon request, we will reimburse brokers, dealers, banks, voting trustees and their nominees who are holders of record of our common stock on the record date for the reasonable expenses incurred for mailing copies of the proxy materials to the beneficial owners of such shares.

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How can I obtain an additional copy of the Annual Report on Form 10-K for fiscal 2009?

Our Annual Report on Form 10-K for fiscal 2009, which includes audited financial statements, accompanies this proxy statement. You may obtain additional copies of the Form 10-K by selecting SEC/Section 16 Filings on the Investors page of our website at www.winn-dixie.com.

At the written request of any shareholder who owns common stock on the record date, we will provide, without charge, an additional paper copy of the Form 10-K, including the financial statements and financial statement schedules but not including exhibits. If requested, we will provide copies of the exhibits for a reasonable fee. Requests for additional paper copies of the Form 10-K should be directed to:

Winn-Dixie Stores, Inc.

5050 Edgewood Court

Jacksonville, Florida 32254-3699

Attention: Shareholder Relations

Email: shareholderrelations@winn-dixie.com

What is householding and how does it affect me?

Householding is a program approved by the SEC which allows the delivery of only one package of proxy materials to you if there are multiple shareholders residing at the same address, unless we have received contrary instructions from one or more of the shareholders. This means you will receive an envelope containing one set of proxy materials and a separate proxy card for each shareholder account in the household. Proxy materials may include an annual report and a proxy statement. Householding saves us money by reducing printing and postage costs. It also creates less paper for you to manage and is environmentally friendly.

We will deliver promptly, upon oral or written request, a separate copy of the proxy materials to any shareholder residing at an address to which only one copy was mailed. Shareholders residing at the same address who do not wish to participate in householding may contact us to request multiple copies of the proxy materials in the future. Shareholders residing at the same address and currently receiving multiple copies of the proxy materials may contact us to request to participate in householding in the future. For requests relating to householding, please contact Shareholder Relations, 5050 Edgewood Court, Jacksonville, Florida 32254-3699, telephone number (904) 783-5000, email address shareholderrelations@winn-dixie.com.

OUR BOARD OF DIRECTORS

GENERAL INFORMATION ABOUT OUR BOARD

What is the size of our Board of Directors and who is currently serving on the Board?

Our Articles of Incorporation require that our Board consist of a minimum of seven and a maximum of 12 members. Currently, our Board consists of nine directors. The current members of the Board are Evelyn V. Follit, Charles P. Garcia, Jeffrey C. Girard, Yvonne R. Jackson, Gregory P. Josefowicz, Peter L. Lynch, James P. Olson, Terry Peets and Richard E. Rivera.

Is the Board divided into classes?

No. Our Board is not divided into classes. Each member of our Board is elected annually to serve a one-year term, or until their respective successor is duly elected and qualified.

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INFORMATION ABOUT OUR BOARD OF DIRECTORS

The following is information about our Board of Directors as of June 24, 2009:

Name, Principal Occupation for the Past Five Years and Directorships	Age
<p><i>Evelyn V. Follit</i></p> <p>2007 to present, President, Follit Associates (a corporate technology assessment and executive career strategy practice)</p> <p>2005 to 2007, retired</p> <p>1997 to 2005, Senior Vice President and Chief Information Officer, Radio Shack Corporation (a consumer electronics retail company)</p> <p>Director of Bealls, Inc. (a retail department store company)</p> <p>Director since 2006</p>	62
<p><i>Charles P. Garcia</i></p> <p>2009 to present, Managing Director, Merchant Banking Division, Cabrera Capital Markets, LLC (a full service broker-dealer)</p> <p>2007 to present, Chairman, Aetna Miami Advisory Council (advisory board reporting to the CEO of Aetna)</p> <p>2006 to 2009, Senior Managing Director, Hispanic Capital Markets Group, a division of vFinance Investments, Inc. (an investment banking group focused on the global Hispanic market)</p> <p>1997 to 2006, Chief Executive Officer of Sterling Financial Group of Companies (a financial services and investment banking firm)</p> <p>Chair, Board of Visitors, U.S. Air Force Academy (a military service academy)</p> <p>Director since 2006</p>	48
<p><i>Jeffrey C. Girard</i></p> <p>2004 to present, retired</p> <p>2002 to 2004, Vice Chairman, Finance and Administration at Shopko Stores, Inc. (a multi-department general merchandise retailer)</p> <p>Director since 2006</p>	61

Yvonne R. Jackson

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2006 to present, President and Principal of BeecherJackson (a human resources management consulting firm)

2002 to 2005, Senior Vice President and Chief People Officer of Pfizer, Inc. (a worldwide pharmaceutical company)

1999 to 2002, Senior Vice President and Chief People Officer of Compaq Computer Co. (a computer manufacturing and marketing company)

1993 to 1999, Senior Vice President and Chief People Officer, Burger King Corporation (a fast food retailer)

Member of the Advisory Council of PricewaterhouseCoopers (a public accounting firm)

Chair, Board of Trustees of Spelman College (a liberal arts college)

Director since 2006

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Name, Principal Occupation for the Past Five Years and Directorships	Age
<p><i>Gregory P. Josefowicz</i></p> <p>Currently serves as a Director of PetSmart, Inc. (a pet supply/services company) and United States Cellular Corp. (a telecommunications company)</p> <p>2006 to February 2008, Senior Level Consultant to Borders Group, Inc. (a book, movies and music retail company)</p> <p>1999 to 2006, President, Chief Executive Officer and Chairman of Borders Group, Inc.</p> <p>Director since 2006</p>	56
<p><i>Peter L. Lynch</i></p> <p>2004 to present, President and Chief Executive Officer of Winn-Dixie</p> <p>2003 to 2004, a private investor</p> <p>1999 to 2003, held various positions with Albertson's, Inc. (a food and drug retailing company), including President and Chief Operating Officer and Executive Vice President-Operations</p> <p>Director since 2004</p>	57
<p><i>James P. Olson</i></p> <p>2006 to present, retired</p> <p>2002 to 2006, Senior Vice President, Operations, PepsiCo International (a consumer food and beverage company)</p> <p>1999 to 2002, Vice President, Operations, Ernest & Julio Gallo Winery (a retail wine manufacturing company)</p> <p>Director since 2007</p>	59
<p><i>Terry Peets</i></p> <p>2007 to present, a private investor</p> <p>2000 to 2007, Senior Advisor to JP Morgan Partners (now CCMP Capital, an investment banking company)</p> <p>2000 to 2002, Chairman of the Board of Bruno's Supermarkets, Inc. (a food retailing company)</p>	64

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Chairman of the Board and Director of World Kitchen, LLC (a kitchen products manufacturing and marketing company), the City of Hope National Cancer Center (a biomedical research, treatment and educational institution) and the Beckman Research Institute (a biomedical research institution)

Director since 2006

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Name, Principal Occupation for the Past Five Years and Directorships	Age
<i>Richard E. Rivera</i>	62
<p>2009 to present, President and CEO of Real Mex Restaurants, Inc. (a casual dining Mexican restaurant chain)</p> <p>2004 to present, President and Chief Executive Officer of Rubicon Enterprises, LLC (a restaurant consulting, development and management company)</p> <p>1997 to 2004, served in various capacities at Darden Restaurants, Inc. (a dining restaurant company), including President and Chief Operating Officer from 2002 to 2004 and President of Red Lobster from 1997 to 2002</p> <p>Director of the National Restaurant Association (a restaurant trade organization)</p> <p>Director since 2006</p>	

CORPORATE GOVERNANCE

BOARD STRUCTURE

How does the Board determine which directors are independent?

Our Corporate Governance Principles require that two-thirds of the members of the Board be independent as defined under listing standards of The NASDAQ Stock Market (NASDAQ). Under these independence criteria, a director will not be considered independent if he or she has a material relationship with us. Relationships we consider material include employment by us within the last three years, affiliation with our auditors within the last three years, being a part of an interlocking directorate within the last three years, being an officer or employee of a company that does substantial business with us or having a family member that meets one of these criteria.

What was the Board's determination with respect to director independence?

The Board of Directors reviewed the independence of each director in September 2009. As a result of the review, the Board affirmatively determined that the following directors are independent: Evelyn V. Follit, Charles P. Garcia, Jeffrey C. Girard, Yvonne R. Jackson, Gregory P. Josefowicz, James P. Olson, Terry Peets and Richard E. Rivera. Peter L. Lynch is not independent because he is our employee.

How many times did the Board meet in fiscal 2009?

During the fiscal year ended June 24, 2009, the Board of Directors held 12 meetings. All members of the Board during the fiscal year attended at least 90% of the total number of meetings of the Board and any committees of which he or she was a member.

Does the Board have a lead director?

Yes. Pursuant to our Corporate Governance Principles, a lead director is selected by a majority vote of the independent directors. After reviewing the strengths and qualifications of its independent members, the independent directors selected Gregory P. Josefowicz as the lead director in September 2007.

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Do the independent directors of the Board meet during the year?

Yes. Under our Corporate Governance Principles, the independent directors meet at each face-to-face Board meeting without any representative of management being present. The lead director, or in the absence of the lead director one of our Committee chairs, presides at these sessions.

Does the Board have a policy with respect to attendance at the annual meeting of shareholders?

Although the Board understands that there may be situations that prevent a director from attending an annual meeting, the Board strongly encourages all directors to make attendance at the annual meeting a priority. All nine members of our Board of Directors attended our annual meeting of shareholders in 2008.

How can shareholders communicate with the Board?

Shareholders who wish to communicate directly with members of the Board, the Chairman, the lead director or any chairperson of a Board Committee may do so by writing directly to those individuals, in care of the Corporate Secretary, Winn-Dixie Stores, Inc., 5050 Edgewood Court, Jacksonville, Florida 32254-3699. Our Corporate Secretary notifies the Chairman of all communications. If the correspondence is not addressed to a particular member, the communication will be reviewed with the Chairman, unless the correspondence relates to the Chairman, in which case the correspondence will be reviewed with the lead director. Our Corporate Secretary reviews all communications before forwarding to the appropriate Board member.

For shareholder communications relating to our accounting, internal accounting controls, or audit matters, please call 1-877-91W-DIAL (1-877-919-3425). Your call will be confidential and you may remain anonymous. The Audit Committee of our Board of Directors will be notified directly of your call.

DIRECTOR COMPENSATION

How were the directors compensated in fiscal 2009?

Our non-employee directors receive retainer fees and cash meeting fees which are paid quarterly in arrears at the end of each fiscal quarter and an annual equity compensation grant of restricted stock units. Compensation is reviewed annually in November. Directors who are employees do not receive additional compensation for serving on the Board. Compensation for non-employee directors in fiscal 2009 consisted of:

an annual retainer of \$50,000 for serving on the Board;

an additional annual retainer of \$20,000 for the lead director;

an additional annual retainer of \$20,000 for the Audit Committee chairperson;

an additional annual retainer of \$10,000 for the other Committee chairpersons;

in-person meeting fees of \$1,500 per meeting for Board meetings and \$1,000 per meeting for Committee meetings;

telephonic meeting fees of \$750 per meeting for Board and Committee meetings; and

an annual equity compensation grant of restricted stock units with a fair market value of \$105,000.

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Name	Fees Earned or Paid in Cash (\$)	Stock Awards \$(¹ / ₂)	Total (\$)
Evelyn V. Follit	\$ 69,250	\$ 137,425	\$ 206,675
Charles P. Garcia	\$ 73,750	\$ 137,425	\$ 211,175
Jeffrey C. Girard	\$ 89,250	\$ 137,425	\$ 226,675
Yvonne R. Jackson	\$ 85,750	\$ 137,425	\$ 223,175
Gregory P. Josefowicz	\$ 90,250	\$ 137,425	\$ 227,675
James P. Olson	\$ 80,250	\$ 137,425	\$ 217,675
Terry Peets	\$ 88,750	\$ 137,425	\$ 226,175
Richard E. Rivera	\$ 74,750	\$ 137,425	\$ 212,175

(1) The amounts shown in the stock awards column reflect the dollar amount recognized for fiscal 2009, in accordance with Statement of Financial Accounting Standards No. 123 (revised 2004), Share-Based Payment (FAS 123R) with respect to all restricted stock unit awards that remained unvested during any part of fiscal 2009. Each non-employee director received the following awards of restricted stock units: 5,047 on February 22, 2007, 5,319 on November 8, 2007 and 9,563 on October 23, 2008. These awards had a grant-date fair value of \$84,638, \$104,997 and \$105,002, respectively. They vest one year from the date of grant, except that the February 2007 grant vests ratably over three years from the date of grant. The grant-date fair value of all restricted stock unit awards is equal to the closing price of the Company's stock on the grant date as more fully described in Note 12 to our consolidated financial statements for fiscal 2009 included in our Form 10-K.

(2) As of June 24, 2009, each of our non-employee directors held 11,278 unvested restricted stock units.

Do you reimburse your directors for expenses?

We reimburse directors for travel expenses incurred in attending Board and Committee meetings. Each member of the Board is also encouraged to attend director education programs, and we reimburse their expenses in participating in these programs up to \$6,000 in any calendar year.

May directors defer the payment of the fees they earn?

Each calendar year, under our Directors' Deferred Compensation Plan, a director may elect to defer payment of all or any part of their cash fees. At the election of the director, fees are (i) credited to an Income Account, (ii) credited to a Stock Equivalent Account, or (iii) divided in any manner between these accounts. The Income Account pays interest at the end of each calendar quarter equivalent to the prime interest rate then in effect at Wachovia Bank, N.A., a Wells Fargo company, and is computed on the basis of the average closing monthly credit balance in the participant's account.

Fees elected to be deferred to the Stock Equivalent Account are converted into the maximum number of shares of our common stock which could be purchased with the equivalent dollar amount at the closing market price of the common stock on the date the fees would have been paid, and held in an account on behalf of the participant. These shares are appropriately adjusted in the event of any stock dividends, stock splits or any other similar changes in our common stock. Payments from these accounts are payable in either a lump-sum payment or in annual installments upon termination of service as a director.

No deferred payment elections were made by our directors for calendar year 2009.

COMMITTEE STRUCTURE

What are the Committees of the Board?

The Board of Directors currently has three committees: Audit, Nominating and Corporate Governance and Compensation. Charters for each of these committees, as well as our Corporate Governance Principles, are available under the Corporate Governance section of our Investors page of our website at www.winn-dixie.com.

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AUDIT COMMITTEE

Who are the members of the Audit Committee, and how many times did the committee meet during fiscal 2009?

The current members of the Audit Committee are Jeffrey C. Girard, Evelyn V. Follit, Charles P. Garcia and Gregory P. Josefowicz. Mr. Girard serves as the chairperson of the committee. The committee met eight times during fiscal 2009.

What are the responsibilities of the Audit Committee?

The Board of Directors has adopted a charter which sets forth the responsibilities of the committee. The Audit Committee is responsible for oversight of:

the integrity of our financial statements and financial reporting;

the integrity and effectiveness of our disclosure controls and internal controls;

our compliance with applicable law, regulatory requirements, our Code of Business Conduct and Ethics and other risk management programs and policies;

the independence, qualifications and performance of our internal auditors and our independent registered public accounting firm; and

the approval of related party transactions.

In addition, the Audit Committee reviews the scope and results of audits and selects and evaluates our independent registered public accounting firm. It also reviews the scope of internal audits, systems of internal controls and accounting policies and procedures.

What are the qualifications for serving on the Audit Committee?

The Audit Committee is composed of no less than three directors, one of whom serves as chairperson and all of whom are independent under NASDAQ listing standards and Rule 10A-3 of the Securities Exchange Act of 1934, as amended (the Exchange Act).

Each member of the committee must be able to read and understand fundamental financial statements, including our balance sheet, statement of operations and statement of cash flow. In addition, at least one member of the committee must be designated by the Board as an audit committee financial expert as defined by the SEC.

In addition, because of the demanding role and responsibility of serving on an audit committee, no member of the Audit Committee may serve on more than two other audit committees of publicly traded companies. In the event a member of the committee accepts membership on more than two other such audit committees, he or she shall immediately submit his or her resignation from the Audit Committee to the chairperson of the Nominating and Corporate Governance Committee.

The Board has determined that each of the members of the Audit Committee meets the independence requirements and the qualifications of reading and understanding fundamental financial statements as required by the Audit Committee Charter.

Has the Board designated an audit committee financial expert?

Yes. The Board has determined that Charles P. Garcia, Jeffrey C. Girard and Gregory P. Josefowicz are audit committee financial experts, as that term is defined by the SEC.

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NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

Who are the members of the Nominating and Corporate Governance Committee, and how many times did the committee meet during fiscal 2009?

The current members of the Nominating and Corporate Governance Committee are Terry Peets, Charles P. Garcia and James P. Olson. Mr. Peets serves as the chairperson of the committee. The committee met five times during fiscal 2009.

What are the responsibilities of the Nominating and Corporate Governance Committee?

The Board of Directors has adopted a charter which sets forth the responsibilities of the committee. The Nominating and Corporate Governance Committee is responsible for oversight of:

Board and committee composition and practices;

our corporate governance practices, including the content of our governance documents, such as the charters for all Board committees, our Articles of Incorporation, By-Laws, Code of Business Conduct and Ethics and other compliance policies, and our other relevant policies and procedures;

director evaluation and educational programs; and

director compensation.

The Nominating and Corporate Governance Committee reviews the selection criteria for directors and the selection of nominees to serve as directors; evaluates the performance of the Board of Directors, together with the Chairman and lead director; and develops, reviews, evaluates and makes recommendations to the Board of Directors with respect to corporate governance issues.

What are the qualifications for serving on the Nominating and Corporate Governance Committee?

The Nominating and Corporate Governance Committee is composed of no less than three directors, one of whom serves as chairperson and all of whom are independent in accordance with NASDAQ listing standards. The Board has determined that each of the members of the Nominating and Corporate Governance Committee meets these qualifications.

What does the Nominating and Corporate Governance Committee consider in selecting nominees to the Board?

The committee selects director candidates on the basis of their character, integrity, judgment, and business, government, legal and other relevant experience. Financial expertise is also a relevant criterion. We desire a Board that is diverse in nature and experience.

We believe our Company's interests are best served by maintaining a Board of Directors exhibiting stability, knowledge of our business operations and knowledge of the retail food industry generally. Directors must be willing to devote sufficient time to carry out their duties and responsibilities effectively. When a director's principal occupation or business association changes substantially during his or her tenure, that director must notify the Board by submitting a letter to the Chairman of the Board and the chairperson of the Nominating and Corporate Governance Committee offering to resign. The committee will review whether the change in status is consistent with the criteria for Board membership and make a recommendation to the Board for action, if any, to be taken in response.

During fiscal 2009, Charles P. Garcia and Richard E. Rivera each had a change in principal occupation. As required, each submitted written notification to the Chairman of the Board and the chairperson of the Nominating and Corporate Governance Committee and a determination was made that their change in employment status required no action by the Board.

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Will the Nominating and Corporate Governance Committee consid