

SpartanNash Co  
Form DEF 14A  
April 20, 2015  
Table of Contents

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

**SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(a) of the**  
**Securities Exchange Act of 1934 (Amendment No.     )**

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 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

SpartanNash Company

(Name of Registrant as Specified in Its Charter)

# Edgar Filing: SpartanNash Co - Form DEF 14A

(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:

(2) Form, Schedule or Registration Statement No.:

(3) Filing party:

(4) Date filed:



---

**Table of Contents**

SpartanNash Company

850 76th Street, S.W.

P.O. Box 8700

Grand Rapids, Michigan 49518-8700

(616) 878-2000

April 20, 2015

Dear Shareholder:

We cordially invite you to attend the 2015 Annual Meeting of Shareholders of SpartanNash Company, to be held on Wednesday, June 3, 2015, at the Marriott Courtyard Downtown Hotel, 11 Monroe Avenue NW, Grand Rapids, Michigan 49503, beginning at 9:00 a.m., Eastern Daylight Time.

The following pages contain the formal notice of meeting and proxy statement describing the matters to be acted upon at the Annual Meeting. We encourage you to read the proxy statement carefully. Securities and Exchange Commission rules allow us to furnish our proxy statement and annual report to our shareholders on the Internet. We are pleased to take advantage of these rules and believe that they enable us to provide our shareholders with the information that they need, while lowering the cost of delivery and reducing the environmental impact of the documents related to our Annual Meeting.

The meeting will consist primarily of the matters to be considered and voted upon by the shareholders. Management will present a brief report on results for the fiscal year ended January 3, 2015 and shareholders will have an opportunity to ask questions.

The annual meeting will continue to be webcast live. Anyone may access the webcast by visiting the Investor Relations section of our website, [www.spartannash.com](http://www.spartannash.com), and following the links to the live webcast. It is important that your shares be represented at the annual meeting, regardless of how many shares you own. **Please vote your shares using any of the means described in our proxy statement.** Regardless of whether or not you plan to attend the Annual Meeting, voting your shares prior to the meeting will not affect your right to vote in person if you attend.

Please note that attendance will be limited to shareholders of the Company and the holders of shareholder proxies. If you are a shareholder of record, you must bring the admission ticket attached to your proxy card or your notice of availability of proxy materials to be admitted to the meeting. Street name shareholders must present a copy of a brokerage statement reflecting stock ownership as of April 6, 2015. For all attendees, admission to the meeting will require presentation of a valid driver's license or other federal or state issued photo identification.

Sincerely,

Dennis Eidson

President and Chief Executive Officer

**Your vote is important. Even if you plan to attend the meeting,**

**PLEASE SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD PROMPTLY OR**

**VOTE BY TELEPHONE OR INTERNET.**

**Table of Contents**

**SPARTANNASH COMPANY**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

*To our shareholders:*

The 2015 Annual Meeting of Shareholders of SpartanNash Company, will be held at the Marriott Courtyard Downtown Hotel, 11 Monroe Avenue NW, Grand Rapids, Michigan 49503, on Wednesday, June 3, 2015, at 9:00 a.m., Eastern Daylight Time. At the meeting, we will consider and vote on:

1. The election of eleven directors from among the nominees identified in this proxy statement;
  2. Approval of the SpartanNash Company Stock Incentive Plan of 2015;
  3. Approval of the Amended and Restated SpartanNash Executive Cash Incentive Plan of 2015;
  4. Advisory approval of the Company's executive compensation (the "say-on-pay" vote);
  5. Approval of proposed amendments to our Articles of Incorporation to remove supermajority vote provisions relating to business combinations;
  6. Approval of a proposed amendment to our Articles of Incorporation to eliminate supermajority voting provisions with respect to the amendment or repeal of certain provisions of the Articles of Incorporation;
  7. Approval of a proposed amendment to our Articles of Incorporation to eliminate supermajority voting provisions with respect to the amendment or repeal of the Company's Bylaws;
  8. Approval of the elimination of the provision of our Articles of Incorporation relating to the Michigan Control Share Act, which has been repealed by the Michigan legislature;
  9. Ratification of the selection of Deloitte & Touche LLP as our independent auditors for the current fiscal year (the fiscal year ending January 2, 2016); and
  10. Any other business that may properly come before the meeting.
- You are receiving this notice and can vote at the meeting and any adjournment of the meeting if you were a shareholder of record on April 6, 2015.

*If you plan to attend the meeting:* Please note that attendance will be limited to shareholders of the Company, the holders of shareholder proxies and invited guests. Admission to the meeting will require presentation of a valid driver's license or other federal- or state-issued photo identification. If you are a shareholder of record, you must bring the admission ticket attached to your proxy card or your notice of availability of proxy materials to be admitted to the meeting. Street name shareholders must bring a copy of a brokerage statement reflecting stock ownership as of April 6, 2015 to be admitted to the meeting.

## Edgar Filing: SpartanNash Co - Form DEF 14A

The meeting will consist primarily of the matters to be considered and voted upon by the shareholders. Management will present a brief report on results for the fiscal transition period ended January 3, 2015 and shareholders will have an opportunity to ask questions. Please note that there will be no gift bags, product samples or refreshments.

***Important Notice Regarding the Availability of Proxy Materials:*** SpartanNash's Proxy Statement and annual report to Shareholders for the fiscal year ended January 3, 2015 are available for viewing via the Internet at [www.edocumentview.com/SPTN](http://www.edocumentview.com/SPTN).

In addition, you may obtain electronic copies of all of our filings with the U.S. Securities and Exchange Commission in the Investor Relations section of our website, [www.spartannash.com](http://www.spartannash.com), by clicking the SEC Filings link.

BY ORDER OF THE BOARD OF DIRECTORS

Kathleen M. Mahoney

Executive Vice President General Counsel and Secretary

April 20, 2015

**Your vote is important. Even if you plan to attend the meeting, PLEASE VOTE PROMPTLY BY TELEPHONE OR INTERNET, OR BY SIGNING, DATING AND RETURNING A PROXY CARD. See the information in the Questions and Answers section of our proxy statement regarding how to vote by telephone or internet, obtain a printed proxy card, revoke a proxy, and vote in person.**

---

**Table of Contents**

<u>Proxy Summary</u>	1
<u>Questions and Answers</u>	7
<u>Election of Directors</u>	10
<u>Stock Incentive Plan of 2015</u>	11
<u>Executive Cash Incentive Plan of 2015</u>	23
<u>Advisory (Non-Binding) Approval of the Compensation of Named Executive Officers</u>	27
<u>Amendments to Articles of Incorporation</u>	28
<u>Ratification of Selection of Independent Auditors</u>	31
<u>Corporate Governance Principles</u>	32
<u>The Board of Directors</u>	39
<u>Independent Auditors</u>	47
<u>Audit Committee Report</u>	48
<u>Ownership of SpartanNash Stock</u>	49
<u>SpartanNash's Executive Officers</u>	51
<u>Executive Compensation</u>	53
<u>Compensation Discussion and Analysis</u>	53
<u>Summary Compensation Table</u>	69
<u>Grants of Plan-Based Awards</u>	70
<u>Outstanding Equity Awards at Fiscal Year-End</u>	74
<u>Option Exercises and Stock Vested</u>	75
<u>Pension Benefits</u>	75
<u>Non-Qualified Deferred Compensation</u>	77
<u>Potential Payments Upon Termination or Change-in-Control</u>	78
<u>Compensation of Directors</u>	83
<u>Compensation Committee Interlocks and Insider Participation</u>	85
<u>Compensation Committee Report</u>	86
<u>Transactions with Related Persons</u>	87
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	88
<u>Shareholder Proposals</u>	89
<u>Solicitation of Proxies</u>	90



**Table of Contents**

**SpartanNash Company**  
**ANNUAL MEETING OF SHAREHOLDERS**  
**TO BE HELD JUNE 3, 2015**  
**PROXY STATEMENT**  
**Dated April 20, 2015**

This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider. You should carefully read the entire proxy statement and the Company's Form 10-K before voting. In this proxy statement, we, us, our, the Company, and SpartanNash refer to SpartanNash Company, and you and your refer to each shareholder of SpartanNash.

**Annual Meeting of Shareholders**

Date and Time	June 3, 2015; 9:00 a.m. Eastern Daylight Time
Place 11 Monroe Avenue NW Grand Rapids, Michigan 49503	Downtown Courtyard by Marriott Hotel
Record Date	April 6, 2015
Voting	Shareholders as of the close of business on the record date are entitled to vote. Each share of common stock is entitled to one vote for each director nominee and one vote for each of the proposals to be voted on.
Admission	The 2015 Annual Meeting Admission Ticket, notice of availability of proxy materials or brokerage statement and valid driver's license or other federal or state issued photo identification is required to enter the SpartanNash annual meeting.

**Meeting Agenda**

Election of eleven directors.

Approval of the SpartanNash Company Stock Incentive Plan of 2015.

## Edgar Filing: SpartanNash Co - Form DEF 14A

Approval of the Amended and Restated SpartanNash Company Executive Cash Incentive Plan of 2015.

Advisory approval of the Company's executive compensation as disclosed in this proxy statement.

Approval of proposed amendments to our Articles of Incorporation to eliminate all supermajority voting requirements.

Approval of the elimination of the provision of our Articles of Incorporation relating to the Michigan Control Share Act.

Ratification of the selection of Deloitte & Touche LLP as our independent auditors for the fiscal year ending January 2, 2016.

Transact any other business that may properly come before the meeting.

## **Table of Contents**

### **Voting Matters and Vote Recommendations**

The Board of Directors recommends that you vote FOR the election of each nominee and FOR the approval of each of the other proposals described in this proxy statement.

### **Quorum and Vote Required**

To conduct business at the annual meeting, a quorum of shareholders must be present. The presence in person or by properly executed proxy of the holders of a majority of all issued and outstanding shares of SpartanNash common stock entitled to vote at the meeting is necessary for a quorum. To determine whether a quorum is present, we will include shares that are present or represented by proxy, including abstentions and shares represented by a broker non-vote on any matter.

A plurality of the shares voting is required to elect directors. This means that, if there are more nominees than positions to be filled, the nominees who receive the most votes will be elected to the open director positions. Abstentions, broker non-votes and other shares that are not voted in person or by proxy will not be included in the vote count to determine if a plurality of shares voted in favor of each nominee. As discussed on page 36 under **Majority Voting**, a director-nominee receiving a greater number of votes withheld than votes for election is required to offer promptly his or her resignation to the Nominating and Corporate Governance Committee upon certification of the shareholder vote.

The proposed amendments to the Articles of Incorporation to eliminate supermajority voting with respect to business combinations (Proposal 5) will be approved if two-thirds of the shares that are outstanding and entitled to vote on April 6, 2015 are voted in favor of the proposal. The other proposed amendments to our Articles of Incorporation (Proposals 6, 7, and 8) will be approved if a majority of the shares that are outstanding and entitled to vote on April 6, 2015 are voted in favor of the proposal. For each of Proposals 5, 6, 7, and 8, abstentions, broker non-votes and other shares that are not voted in person or by proxy will have the same effect as a vote against the proposal.

The other proposals set forth in this proxy statement will be approved if a majority of the shares that are voted on the proposal at the meeting are voted in favor of approval. Abstentions, broker non-votes and other shares that are not voted on a proposal in person or by proxy will not be included in the vote count to determine if a majority of shares voted on the proposal voted in favor of approval.

We do not know of any other matters to be presented at the meeting. Generally, any other proposal to be voted on at the meeting would be approved if a majority of the shares that are voted on the proposal at the meeting are voted in favor of the proposal. Abstentions, broker non-votes and other shares that are not voted on the proposal in person or by proxy would not be included in the vote count to determine if a majority of shares voted on the proposal voted in favor of each such proposal.

### **Fiscal Year End**

In November 2013, the Company changed its fiscal year end from the last Saturday in March to the Saturday closest to December 31. This proxy statement reports information for the fiscal year ended January 3, 2015, which we refer to as **fiscal 2014** throughout this proxy statement. The fiscal transition period ended December 28, 2013 (referred to as **FYE 12/28/13**) reflects the 39-week fiscal transition period between the fiscal year end change.

**Table of Contents****Board Nominees**

The following table provides summary information about each director who is nominated for election to serve a term of one year. Each director nominee is a current director and, during fiscal 2014, attended at least 95% of the meetings of the Board and each committee on which he or she was a member. Each director has been a director of the Company since the merger between Spartan Stores, Inc. and Nash-Finch Company on November 19, 2013 (the Merger) and was a director of Spartan Stores or Nash Finch before the Merger.

Name	Age	Occupation	Independent <sup>(1)</sup>	Committee Memberships		
				AC	CC	NCGC
M. Shân Atkins	58	Managing Director of Chetrum Capital LLC	ü	F		M
Dennis Eidson	61	President and Chief Executive Officer of SpartanNash				
Mickey P. Foret	69	Retired Executive Vice President and Chief Financial Officer of Northwest Airlines, Inc. and Retired Chairman and Chief Executive Officer of Northwest Airlines Cargo, Inc.	ü	C,F		M
Frank M. Gambino	61	Professor of Marketing and the Director of the Food & Consumer Packaged Goods Marketing Program in the Haworth College of Business at Western Michigan University	ü	M		
Douglas A. Hacker	59	Independent Business Executive	ü		M	C
Yvonne R. Jackson	65	President, Principal and Co-Founder of BeecherJackson	ü		C	M
Elizabeth A. Nickels	52	Independent Business Executive	ü	F		
Timothy J. O. Donovan	70	Retired Chairman of the Board and Chief Executive Officer of Wolverine World Wide, Inc.	ü		M	M
Major General (Ret.) Hawthorne L. Proctor	67	Managing Partner of Proctor & Boone Consulting LLC and Senior Logistic Consultant of Intelligent Decisions, Inc.	ü	M		
Craig C. Sturken	71	Retired Chief Executive Officer of SpartanNash	ü			
William R. Voss	61	Managing Director of Lake Pacific Partners, LLC	ü		M	M

**Table of Contents**

AC	Audit Committee	C	Chair
CC	Compensation Committee	M	Member
NCGC	Nominating and Corporate Governance Committee	F	Member and Financial Expert

(1) Independent under Nasdaq independence standards for directors generally and for each Committee on which the director serves.

**Corporate Governance Highlights**

The Board believes that effective corporate governance should reinforce a culture of corporate integrity, foster the Company's pursuit of profitable growth and ensure quality and continuity of corporate leadership. Highlights of our governance practices include:

- ü Annual election of all directors
  
- ü Majority voting for directors
  
- ü Annual board and committee self-evaluations; bi-annual individual director assessments
  
- ü Separate Chairman (Craig Sturken) and CEO (Dennis Eidson)
  
- ü Lead Independent Director (Timothy O. Donovan)
  
- ü Directors meet regularly without management present
  
- ü Policy against hedging and pledging of our securities
  
- ü Clawback policy for the recovery of incentive compensation
  
- ü Annual say-on-pay vote
  
- ü At least 2/3rds of the board must be independent directors (currently 10 out of 11 directors are independent)
  
- ü All Board committees consist of independent directors
  
- ü Board reflects diverse viewpoints, backgrounds, skills, experiences and expertise

## Edgar Filing: SpartanNash Co - Form DEF 14A

- ü Directors limited to membership on three other public company boards of directors (management directors limited to one outside public company board)

### **Executive Compensation Advisory Vote**

Last year, the Company's shareholders voted by 92% to approve the compensation paid to our named executive officers in FYE 12/28/13. In 2011, the Company's shareholders voted to hold advisory votes on executive compensation on an annual basis. The next shareholder advisory vote on the frequency of shareholder say-on-pay votes is expected to occur in 2017.

We are asking our shareholders to approve on an advisory basis our named executive officer compensation for fiscal 2014. This proposal, commonly known as a "say-on-pay" proposal, gives our shareholders the opportunity to express their views on our executive compensation. The Board recommends a FOR vote because it believes that our compensation policies and practices are effective in achieving the Company's goal of attracting, motivating, rewarding and retaining the senior management talent required to achieve our corporate objectives and increase shareholder value through long-term profitable growth.

**Table of Contents**

*Business Context*

We are pleased with the progress we have made in our first full year of operations as SpartanNash and with all that our team has accomplished. Our achievements from the past year include:

*Increased sales.* For the 53-week fiscal 2014 full year, consolidated net sales increased 148.2% to \$7.9 billion, largely due to the benefit of the Merger, compared to \$3.2 billion for the 51 week period ended December 28, 2013. The 53rd week contributed \$135.2 million in consolidated sales. Comparable store sales, excluding fuel, increased 0.9 percent in fiscal 2014.

*Cash Generation.* We continued to report strong levels of net cash provided by operating activities, generating \$139.1 million for fiscal year 2014, primarily due to contributions from the Merger and related synergies.

*Increased Dividend.* During fiscal 2014, we increased our quarterly dividend by 33% from \$0.09 per share to \$0.12 per share or \$0.48 on an annual basis. In 2015, we further increased our quarterly dividend for the fifth consecutive year to \$0.135 per share or \$0.54 on an annual basis, an increase of 12.5%.

*Reduced Leverage.* Long-term debt and capital lease obligations, including current maturities, declined from \$605.7 million December 28, 2013 to \$570.3 million at January 3, 2015, demonstrating our commitment to reducing the Company's leverage.

*Share Repurchases.* As a result of strong cash flow generation, we continued to repurchase shares of our common stock. During fiscal 2014 we repurchased a total of 246,000 shares. As of January 3, 2015, the Company had \$21.3 million available for future share repurchases under its \$50.0 million repurchase program, which expires May 17, 2016.

*Fiscal 2014 Chief Executive Officer Compensation*

For fiscal 2014, the Board approved the following changes to our CEO's compensation to make Mr. Eidson's total compensation more consistent with the increased size, scope, and complexity of the Company:

8% increase to base salary

Target annual cash incentive compensation increased to 110% of salary from 100% of salary

Long-term incentive compensation (grant date value of shares and target value of cash opportunity) increased by 25%

Analysis of Mr. Eidson's compensation is set forth in more detail beginning on page 54.

*Executive Compensation Highlights*

## Edgar Filing: SpartanNash Co - Form DEF 14A

The Compensation Committee increased base salaries for our other named executive officers from no change to 11%.

The Company's adjusted consolidated net earnings performance was approximately 104% of target, resulting in a payout of 126.4% of target annual cash incentive for awards based on corporate performance.

Adjustments to the total value of long-term incentive award opportunities (cash and share-based) for the other named executive officers ranged from no change to 16%.



**Table of Contents**

Due to the structure and timing of long-term cash incentive award opportunities granted in prior years, no long-term cash incentive compensation was earned for fiscal 2014. Awards granted in 2014 will be measured at the end of fiscal 2016, and therefore payouts under such awards, if any, will be determined at that time.

Our Compensation Committee continued our pay-for-performance philosophy in fiscal 2014.

Our equity-based awards require continuing service and have forfeiture provisions.

All of our cash incentive awards are performance-based and our long-term cash incentive awards are subject to an additional service requirement.

Our executives must hold at least 50% of all shares acquired through the Company's stock incentive plans and other forms of stock based compensation until they are in compliance with our stock ownership guidelines.

Our Compensation Committee considers whether our compensation programs will encourage excessive or unnecessary risk-taking.

The Board of Directors has adopted a policy prohibiting the hedging and pledging of the Company's securities by directors and executive officers.

The Company maintains a clawback policy.

---

**Table of Contents**

**Questions and Answers about the Proxy Materials and Our 2014 Annual Meeting**

*Q. Who may attend the meeting?*

A. Only the Company's shareholders, their duly-appointed proxies and invited guests may attend the meeting. If you are a shareholder of record, you must bring the admission ticket attached to your proxy card or your notice of availability of proxy materials to be admitted to the meeting. Street name shareholders must bring a copy of a brokerage statement reflecting stock ownership as of April 6, 2015. All attendees must present a valid driver's license or other federal or state issued photo identification.

*Q. Who may vote?*

A. You may vote at the annual meeting if you were a shareholder of record of SpartanNash common stock at the close of business on April 6, 2015. Each shareholder is entitled to one vote per share of SpartanNash common stock on each matter presented for a shareholder vote at the meeting. As of April 6, 2015, there were 37,840,411 shares of SpartanNash common stock outstanding.

*Q. How do I vote?*

A. If you are a shareholder of record, SpartanNash offers you the convenience of voting through the Internet or by telephone, 24 hours a day, seven days a week. You may also vote by mail.

**Internet Voting.** You may vote via the Internet by visiting [www.envisionreports.com/SPTN](http://www.envisionreports.com/SPTN). You may navigate to the online voting site by clicking the "Cast Your Vote" button. Have the instructions attached to your proxy card ready when you access the site and follow the prompts to record your vote. This vote will be counted immediately and there is no need to send in your proxy card. Votes cast by Internet must be received by 1:00 a.m. Eastern Daylight Time on June 3, 2015.

**Telephone Voting.** To vote by telephone, dial the toll-free number on the instructions attached to your proxy card and listen for further directions. You must have a touch-tone phone. Telephonic votes will be counted immediately and there is no need to send in your proxy card. Votes cast by telephone must be received by 1:00 a.m. Eastern Daylight Time on June 3, 2015.

**Voting by Mail.** You may request a printed copy of your proxy card. If you properly sign and return the proxy card to the designated address, the shares represented by that proxy card will be voted at the annual meeting and at any adjournment of the meeting. Votes cast by mail must be received no later than the start of the meeting.

If you specify a choice on the proxy card that you return for voting, your shares will be voted as specified. If you do not specify a choice, your shares will be voted for election of each of the nominees named in this proxy statement, and for each of the proposals described in this proxy statement. If any other matter comes before the meeting, your shares will be voted in the discretion of the persons named as proxies on the proxy card.

*Q. How do I vote if my shares are held in street name?*

A. You hold your shares in street name if your shares are registered in the name of a bank, broker or other nominee (which we will collectively reference as your "broker"). If you hold your shares in street name, then your broker must vote your street name shares in the manner you direct if

**Table of Contents**

you provide your broker with proper and timely voting instructions. **PLEASE USE THE VOTING FORMS AND INSTRUCTIONS PROVIDED BY YOUR BROKER OR ITS AGENT. These forms and instructions typically permit you to give voting instructions by telephone or Internet, using a number or Internet address provided by the broker.** You will NOT be able to vote street name shares using the internet address or telephone numbers established for registered shareholders as described in the prior Question and Answer. If you are a street name holder and later want to change your vote, you must contact your broker.

**Please note that you may NOT vote shares held in street name in person at the annual meeting unless you request and receive a valid proxy from your broker.**

*Q. What happens if I do not cast a vote?*

A. If you are a shareholder of record and you do not cast your vote, no votes will be cast on your behalf on any of the items of business at the Annual Meeting.

If you hold your shares in street name and do not provide timely voting instructions to your broker, your bank or broker may vote your shares only on routine matters, such as the ratification of the Company's independent public accounting firm. NYSE rules applicable to its member firms provide that your broker may not vote uninstructed shares on a discretionary basis on non-routine matters, such as the election of directors or approval of the executive compensation proposal. In such cases, the broker can register your shares as being present at the Annual Meeting for purposes of determining the presence of a quorum, but will not be able to vote on non-routine matters. This is called a broker non-vote.