

WINN DIXIE STORES INC
Form PRE 14A
September 21, 2010
Table of Contents

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.

(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

WINN-DIXIE STORES, INC.

5050 EDGEWOOD COURT JACKSONVILLE, FLORIDA 32254-3699

Notice of Annual Meeting of Shareholders

to be held on November 10, 2010

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

You are invited to attend the 2010 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 10, 2010. 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;

Ratification of the appointment of KPMG LLP (KPMG) as our independent registered public accounting firm for fiscal 2011;

Advisory approval of executive compensation;

Consideration of a shareholder proposal, if presented at the meeting; and

Any other business that may properly come before the meeting.

The Board of Directors has fixed September 10, 2010, as the record date for the annual meeting. Only holders of our common stock at the close of business on the record 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

October 6, 2010

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 10, 2010. The proxy statement and annual report to shareholders are available at <http://phx.corporate-ir.net/phoenix.zhtml?c=78738&p=proxy>.

Table of Contents

TABLE OF CONTENTS

<u>GENERAL INFORMATION</u>	1
<u>GOVERNANCE OF THE COMPANY</u>	5
<u>GENERAL INFORMATION ABOUT OUR BOARD</u>	5
<u>BOARD STRUCTURE</u>	6
<u>DIRECTOR COMPENSATION</u>	8
<u>COMMITTEE STRUCTURE</u>	9
<u>COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION</u>	14
<u>OTHER GOVERNANCE MATTERS</u>	15
<u>PROPOSAL 1 ELECTION OF DIRECTORS</u>	16
<u>INFORMATION ABOUT OUR BOARD OF DIRECTORS</u>	16
<u>AUDIT COMMITTEE REPORT</u>	21
<u>INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FEES AND SERVICES</u>	23
<u>PROPOSAL 2 RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	23
<u>EXECUTIVE COMPENSATION</u>	24
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>	24
<u>REPORT OF THE COMPENSATION COMMITTEE</u>	34
<u>SUMMARY COMPENSATION TABLE FOR FISCAL 2010</u>	35
<u>GRANTS OF PLAN-BASED AWARDS FOR FISCAL 2010</u>	37
<u>OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END FOR 2010</u>	38
<u>OPTION EXERCISES AND STOCK VESTED IN FISCAL 2010</u>	39
<u>FISCAL 2010 NON-QUALIFIED DEFERRED COMPENSATION</u>	39
<u>EMPLOYMENT AGREEMENTS</u>	40
<u>POTENTIAL PAYMENTS UPON TERMINATION</u>	40
<u>PROPOSAL 3 ADVISORY APPROVAL OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS</u>	44
<u>PROPOSAL 4 SHAREHOLDER PROPOSAL</u>	46
<u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS</u>	47
<u>STOCK OWNERSHIP BY DIRECTORS, MANAGEMENT AND 5% SHAREHOLDERS</u>	49
<u>SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	50
<u>SHAREHOLDER PROPOSALS FOR 2011 ANNUAL MEETING</u>	50
<u>MISCELLANEOUS</u>	51

Table of Contents

WINN-DIXIE STORES, INC.

5050 EDGEWOOD COURT JACKSONVILLE, FLORIDA 32254-3699

PROXY STATEMENT

FOR

ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON NOVEMBER 10, 2010

Our annual meeting of shareholders will be held on Wednesday, November 10, 2010 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 October 6, 2010.

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 over the 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 over the 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 <http://phx.corporate-ir.net/phoenix.zhtml?c=78738&p=proxy>.

When is the record date?

The Board of Directors has fixed September 10, 2010 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?

Edgar Filing: WINN DIXIE STORES INC - Form PRE 14A

As of the record date, there were 55,521,120 shares of our common stock issued and outstanding. Each share is entitled to one vote. No cumulative voting rights are authorized and dissenters' rights are not applicable to any of the matters being voted upon.

Table of Contents

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 the respective successor of each director is duly elected and qualified;

ratification of the appointment of KPMG as our independent registered public accounting firm for fiscal 2011;

advisory approval of compensation of our named executive officers;

a shareholder proposal, if presented at the meeting; and

any other business that may properly 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 notice of any matter. 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 or over 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, LLC (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.

Edgar Filing: WINN DIXIE STORES INC - Form PRE 14A

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

If you plan to attend the meeting in person, you must bring photo identification with you. If you hold your shares in street name through a bank, broker, or other nominee, you will need to bring proof of your share ownership to the meeting. You should ask the broker, bank or other nominee 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 10, 2010.

Table of Contents

Can shareholders vote in person at the annual meeting?

Yes. We will distribute written ballots to any shareholders who want to vote at the meeting. Please note that if your shares are held in street name, you must request a legal proxy from your bank, broker or the registered owner of your shares to vote in person at the meeting.

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 banks or brokers. Please cast your vote for the shares represented on each proxy card that you receive in order to ensure that all of your shares are voted.

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 9, 2010;

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 9, 2010;

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 9, 2010.

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 in person or by proxy 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 ratify the appointment of KPMG, to approve the advisory vote on executive compensation or to approve the shareholder proposal?

The appointment of KPMG will be ratified, the advisory vote on executive compensation will be approved, and the shareholder proposal will be approved if the votes cast FOR each proposal exceed the votes cast AGAINST each proposal. A properly executed proxy card marked

Edgar Filing: WINN DIXIE STORES INC - Form PRE 14A

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

Table of Contents

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

If you are a shareholder of record and you do not sign and return your proxy card, vote by telephone or vote 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 New York Stock Exchange (NYSE) rules to vote shares for which their customers do not provide voting instructions on routine matters.

The ratification of the appointment of KPMG is considered a routine matter under these rules. Therefore, banks and brokers are allowed to vote their customers' shares on these matters if the customers do not provide voting instructions. If your bank or broker votes your shares on this item 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 this routine matter.

Effective January 1, 2010, the election of directors is not considered routine, and your bank or broker is no longer permitted to vote your shares in the election of directors if you do not provide voting instructions. In addition, neither the advisory vote on executive compensation nor the shareholder proposal are considered routine. For your shares to be voted with respect to these matters, you will need to provide voting instructions to your bank or broker, vote before the date of the shareholder meeting or attend the meeting and vote in person. If your bank or broker has not received voting instructions on any of these matters, the bank or broker cannot vote the shares on that matter. This is called a broker non-vote. Broker non-votes will be counted for the purposes of establishing a quorum but not for the number of shares voted FOR or AGAINST the non-routine matters.

We encourage you to provide voting instructions to your bank or broker. 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 ratification of the appointment of KPMG as our independent registered public accounting firm;

FOR the advisory approval of executive compensation; and

AGAINST the shareholder proposal.

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 on a Current Report on Form 8-K, which will be filed with the SEC within four business days of the meeting.

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

Table of Contents

circumstances. To further assist us in our efforts, we have engaged Georgeson Inc. to solicit proxies for a fee of \$9,000 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.

How can I obtain an additional copy of the Annual Report on Form 10-K for fiscal 2010?

Our Annual Report on Form 10-K for fiscal 2010, 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.

GOVERNANCE OF THE COMPANY

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.

Table of Contents

What documents provide for governance of the Company?

The Company is subject to the corporate laws of the State of Florida, where we are incorporated, as well as our Articles of Incorporation and By-Laws, which we have filed with the SEC. Our Governance Principles, charters of our Board committees, and certain other documents relating to our governance are available through the Corporate Governance page of our www.winn-dixie.com website.

BOARD STRUCTURE

What is the Board's leadership structure?

Our Governance Principles provide that the leadership of the Board vests primarily in the Chairman of the Board. Peter Lynch currently serves as both Chairman of the Board and Chief Executive Officer (CEO) of Winn-Dixie. Mr. Lynch's pre-bankruptcy employment agreement specified he hold both the Chairman and CEO positions. We believe that having our CEO serve as Chairman of the Board, with the other board leadership elements described below, is in the best interests of shareholders because Mr. Lynch brings substantial industry experience, with a particular emphasis on turnarounds, which uniquely qualifies him for this joint role. Having our CEO serve as Chairman promotes unified leadership and a clear chain of command for executing the Company's strategic initiatives and business plan and ensures that important strategic and business issues will be brought to the Board. Our Governance Principles provide that the Board does not maintain a policy regarding whether or not separate individuals should hold the positions of Chairman and CEO. We believe instead that the Board should maintain the flexibility to make appointments to these positions in a manner that best meets our business needs as they exist from time to time.

We also believe that our Board's leadership structure provides substantial independent and effective oversight of management which further promotes sound corporate governance:

We have a lead independent director. Our Governance Principles provide that, if one person serves as Chairman and CEO, the interests of the Company are best served by the designation of a lead independent director to assist with some of the duties handled by the Chairman. The lead director is selected by a majority vote of the independent directors following a review of the strengths and qualifications of all 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. As lead director, Mr. Josefowicz consults with Mr. Lynch with respect to the setting of agendas for Board meetings and the quality and timeliness of meeting materials. Our Governance Principles provide for other responsibilities of the lead director. Among those responsibilities are to (1) preside at meetings of the Board when the Chairman is not present, act as representative of the independent directors when appropriate and assist other members of the Board in expressing comments on Board matters to the Chairman, (2) preside at all meetings of independent directors and report on matters discussed during those sessions to the Chairman and/or the Corporate Secretary, (3) lead, along with the chairperson of the Compensation Committee, the annual evaluation of the Chairman and CEO by the Board of Directors, (4) consult with the Chairman and the Nominating and Corporate Governance Committee regarding the conduct of annual Board of Director evaluations, and (5) consult with the Chairman and the Nominating and Corporate Governance Committee with respect to committee assignments for members of the Board of Directors.

We conduct annual evaluations of the performance of the Chairman and CEO. The Board annually evaluates the performance of Mr. Lynch. These reviews are led by our lead independent director, working with the chair of the Compensation Committee.

We hold regularly scheduled in-person meetings of independent directors without the presence of management. Independent directors meet in an executive session at each face-to-face Board meeting. Our lead director, or, in the absence of the lead director, the chair of the Nominating and Corporate Governance Committee, presides at these sessions.

Table of Contents

We have a substantial majority of independent directors. With the exception of Mr. Lynch, all of our directors are independent. Each of our directors is an equal participant in decisions made by the Board and its committees, and we believe our directors to be well-qualified, active and effective.

Each of the Board's committees is comprised solely of independent directors. Each of the Compensation, Audit and Nominating and Corporate Governance Committees is made up solely of independent directors, with each of these committees having a separate chair.

How does the Board determine which directors are independent?

Our 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 2010. 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.

What is the Board's Role with respect to Risk Oversight?

Under our Governance Principles, one of the key functions of the Board of Directors is to support management in identifying and assessing significant risks affecting our business and the available options for mitigating those risks. The Company faces risk in many different areas, including strategy, finance, operations, and regulatory compliance. Management of risk is the direct responsibility of the Company's CEO and senior management. The Board, as a whole and through its committees, has responsibility for the oversight of risk management, including responsibility for overseeing the Company's Enterprise Risk Management, or ERM, program. Our ERM program allows the Board to exercise oversight of these various types of risk. This includes determining that management has established effective risk management practices to identify, assess, and manage the organization's most significant risk exposures. The Board believes that, in light of the interrelated nature of the Company's strategic risks, oversight of strategic risk management is ultimately the responsibility of the full Board. Each year, the Board holds meetings with senior management dedicated to discussing and reviewing our operating plans and overall corporate strategy. The meetings include discussions of key risks to the plans and strategy, as well as risk mitigation activities. In addition, the committees of the Board are responsible for oversight of risks within their respective areas of responsibility. The Board of Directors is kept abreast of its committees' risk oversight and other activities through reports of the committee chairpersons to the full Board.

The Audit Committee oversees financial risk and receives quarterly ERM reports on the management of regulatory compliance and operational risk. Management routinely reports to the Audit Committee on individual financial, regulatory compliance and operational risk areas, as well as an annual summary of the Company's risk assessment process and results.

The Compensation Committee considers the risks associated with our compensation policies and practices, with respect to both executive compensation and compensation generally.

The Nominating and Corporate Governance Committee conducts a comprehensive annual review of board governance practices and recommends enhancements to the full Board or, if appropriate, to the lead independent director or Chairman of the Board.

Table of Contents

How many times did the Board meet in fiscal 2010?

During the fiscal year ended June 30, 2010, the Board of Directors held 14 meetings. Each member of the Board during the fiscal year attended at least 85% of the total number of meetings of the Board and any committees of which he or she was a member.

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

Yes. Under our Governance Principles, the independent directors meet at each in-person Board meeting without any representative of management being present. The lead director or, in the absence of the lead director, the chair of the Nominating and Corporate Governance Committee, 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 2009.

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 2010?

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 2010 consisted of:

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

an additional annual retainer of \$25,000 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 grant date fair market value of \$105,000.

Table of Contents**Director Compensation**

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)⁽¹⁾⁽²⁾	Total (\$)
Evelyn V. Follit	71,750	105,004	176,754
Charles P. Garcia	74,750	105,004	179,754
Jeffrey C. Girard	91,750	105,004	196,754
Yvonne R. Jackson	88,000	105,004	193,004
Gregory P. Josefowicz	94,750	105,004	199,754
James P. Olson	81,000	105,004	186,004
Terry Peets	90,250	105,004	195,254
Richard E. Rivera	75,000	105,004	180,004

(1) Amounts in the Stock Awards column represent the applicable full grant date fair values of stock awards in accordance with FASB Accounting Standards Codification Topic 718 on Stock Compensation, excluding the effect of forfeitures. 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 11 to our consolidated financial statements for fiscal 2010 included in our Form 10-K.

(2) As of June 30, 2010, each of our non-employee directors held 9,276 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. The number of shares is 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 cash 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 2010.

COMMITTEE STRUCTURE

What are the Committees of the Board?

The Board of Directors currently has three standing committees: Audit, Nominating and Corporate Governance and Compensation. Charters for each of these committees, as well as our Governance Principles, are available under the Corporate Governance section of the Investors page of our website at www.winn-dixie.com. Under our Governance Principles, the Board may establish additional committees as needed to facilitate and assist in the execution of its responsibilities.

Table of Contents

AUDIT COMMITTEE

Who are the members of the Audit Committee, and how many times did the committee meet during fiscal 2010?

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 2010.

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 Charter was amended in September 2010 and is available under the Corporate Governance section through the Investors link at www.winn-dixie.com. 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 regulatory compliance and operational risk management programs and policies, as well as our codes of business conduct and ethics, all of which are incorporated into our ERM program;

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.

Table of Contents

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 2010?

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 three times during fiscal 2010.

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, Governance Principles, 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 the 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.

How does the Nominating and Corporate Governance Committee identify, evaluate and select nominees to the Board?

The charter of our Nominating and Corporate Governance Committee provides that nominees to be directors are selected based on criteria established under our Governance Principles. The Nominating and Corporate Governance Committee may use a variety of sources in order to identify new candidates. New candidates may be identified through recommendations from independent directors or members of management, search firms, discussions with other persons who may know of suitable candidates to serve on the Board, and shareholder recommendations. Evaluations of prospective candidates typically include a review of the candidate's background and qualifications by the Nominating and Corporate Governance Committee, and may include interviews with the committee as a whole, one or more members of the committee, or one or more other Board members, as well as discussions of the committee and, when appropriate, the full Board. The Nominating and Corporate Governance Committee then recommends candidates to the full Board, with the full Board selecting the candidates to be nominated for election by the shareholders or to be elected by the Board to fill a vacancy.

Our Governance Principles provide that director candidates shall be selected on the basis of their character, integrity, judgment, and business, government, legal, community and other relevant experience. Financial expertise is also a relevant criterion. While the Company does not have a formal policy on Board diversity, our

Table of Contents

Governance Principles provide that we desire a board that is diverse in nature and experience. The Nominating and Corporate Governance Committee actively considers such diversity in recruitment and nominations of directors. The current composition of our Board reflects those efforts.

We believe our Company's interests are best served by maintaining a Board of Directors with 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 business or other activity in which the Board member was engaged at the time of his or her election changes 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 whether or not the offer of resignation should be accepted.

Will the Nominating and Corporate Governance Committee consider shareholder recommendations for director?

Yes. The Nominating and Corporate Governance Committee will consider recommendations for director candidates from our shareholders on the same basis as recommendations from other sources.

What are the procedures for submission of a shareholder recommendation for director?

Under our By-Laws, any shareholder who wishes to submit a recommendation for a director candidate to be considered as a nominee by the Nominating and Corporate Governance Committee should direct a written communication to the committee, in care of our Corporate Secretary, at the address on the front cover of this proxy statement.

Any shareholder who wishes to nominate a director for election at the Company's annual shareholders' meeting or a special meeting of the shareholders must submit a proper and timely request as follows:

Timing For consideration at the annual shareholders' meeting, a shareholder's written notice of nomination must be delivered and/or received at the principal executive offices of the Company not less than 90 days nor more than 120 days prior to the anniversary date of the immediately preceding annual shareholders' meeting; provided, however, that, in the event that the annual shareholders' meeting is called for a date that is not within 30 days before or after such anniversary date, a timely notice by the shareholder must be received not later than the close of business on the tenth day following the day on which such notice of the date of the annual shareholders' meeting was mailed or announced to the public. For consideration at a special meeting of the shareholders, a shareholder's written notice of nomination must be delivered and/or received at the principal executive offices of the Company not later than the close of business on the tenth day following the day on which the notice of the date of the special meeting was mailed or publicly announced, whichever occurs first. An adjournment or postponement of an annual shareholders' meeting or the announcement thereof does not commence a new time period for a shareholder to give notice as described above.

Information To be in proper written form, a shareholder's notice to the Corporate Secretary must set forth the following information for both the nominee(s) and the shareholder giving notice:

the name, age, principal occupation, business address (or record address) and residence address;

the class or series and number of shares of capital stock of the Company which are beneficially owned, the date such shares were acquired and the investment intent of such acquisition for the nominee;

Table of Contents