

SPARTAN STORES INC
Form DEF 14A
June 14, 2013
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

SPARTAN STORES, INC.

(Name of Registrant as Specified in Its Charter)

Edgar Filing: SPARTAN STORES INC - 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

SPARTAN STORES, INC.

850 76th Street, S.W.

P.O. Box 8700

Grand Rapids, Michigan 49518-8700

(616) 878-2000

June 14, 2013

Dear Shareholder:

We cordially invite you to attend the 2013 Annual Meeting of Shareholders of Spartan Stores, Inc., to be held on Tuesday, July 30, 2013, at the Courtyard by Marriott 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.

As part of our continuing efforts to reduce the cost of our Annual Meeting, this year's meeting will again be streamlined to consist primarily of the matters to be considered and voted upon by the shareholders. Management will present a brief report on results for fiscal 2013 and shareholders will have an opportunity to ask questions. Please note that there will be no gift bags, product samples, or refreshments.

The annual meeting will continue to be webcast live. Anyone may access the webcast by visiting the Investor Relations section of our website, www.spartanstores.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 June 3, 2013. For all attendees, admission to the meeting will require presentation of a valid driver's license or other federal or state issued photo identification. Thank you.

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

SPARTAN STORES, INC.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To our shareholders:

The 2013 Annual Meeting of Shareholders of Spartan Stores, Inc. will be held at the Courtyard by Marriott Hotel, 11 Monroe Avenue NW, Grand Rapids, Michigan 49503, on Tuesday, July 30, 2013, at 9:00 a.m., Eastern Daylight Time. At the meeting, we will consider and vote on:

1. The election of nine directors from among the nominees identified in this proxy statement.
2. Advisory approval of the Company's executive compensation (the "say-on-pay" vote).
3. Ratification of the selection of Deloitte & Touche LLP as our independent auditors for the current fiscal year (fiscal 2014); and
4. 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 June 3, 2013.

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 June 3, 2013 to be admitted to the meeting.

As part of our continuing efforts to reduce the cost of our Annual Meeting, this year's meeting will again be streamlined to consist primarily of the matters to be considered and voted upon by the shareholders. Management will present a brief report on results for fiscal 2013 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: Spartan Stores' Proxy Statement and Annual Report to Shareholders for the fiscal year ended March 30, 2013 are available for viewing via the Internet at 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.spartanstores.com, by clicking the "SEC Filings" link.

BY ORDER OF THE BOARD OF DIRECTORS

Alex J. DeYonker

Executive Vice President General Counsel and Secretary

June 14, 2013

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**Table of Contents**

<u>Proxy Summary</u>	1
<u>Questions and Answers</u>	7
<u>Election of Directors</u>	11
<u>Advisory (Non-Binding) Vote on the Compensation of Named Executive Officers</u>	11
<u>Ratification of Selection of Independent Auditors</u>	12
<u>Corporate Governance Principles</u>	13
<u>Declassification of the Board of Directors</u>	13
<u>Director Independence</u>	13
<u>The Board of Directors – Role in Risk Oversight</u>	13
<u>Board Leadership Structure</u>	14
<u>Committee Charters</u>	15
<u>Director Attendance</u>	15
<u>Alignment of Shareholder, Management, and Director Interests</u>	16
<u>Hedging and Pledging Prohibited</u>	16
<u>Majority Voting</u>	17
<u>Retirement and Change in Employment Status</u>	17
<u>Other Board Memberships</u>	17
<u>Codes of Conduct and Ethics</u>	17
<u>Succession Planning</u>	18
<u>Board and Management Communication</u>	18
<u>Director Education</u>	18
<u>Nominee Qualifications and the Nominations Process</u>	18
<u>Shareholder Nominations of Director Candidates</u>	19
<u>Shareholder Communications with Directors</u>	19
<u>The Board of Directors</u>	20
<u>General</u>	20
<u>Nominees for Directors with Terms Expiring in 2014</u>	20
<u>Qualifications, Attributes, Skills and Experience to be Represented on the Board as a Whole</u>	23
<u>Board Committees</u>	23
<u>Independent Auditors</u>	30
<u>Audit Committee Report</u>	31
<u>Ownership of Spartan Stores Stock</u>	32
<u>Five Percent Shareholders</u>	32
<u>Security Ownership of Management</u>	33
<u>Spartan Stores – Executive Officers</u>	35
<u>Executive Compensation</u>	36
<u>Compensation Discussion and Analysis</u>	36
<u>Summary Compensation Table</u>	54

Edgar Filing: SPARTAN STORES INC - Form DEF 14A

<u>Grants of Plan-Based Awards</u>	57
<u>Outstanding Equity Awards at Fiscal Year-End</u>	61
<u>Vesting Schedule for Restricted Stock and Options</u>	62
<u>Option Exercises and Stock Vested</u>	62
<u>Pension Benefits</u>	63
<u>Non-Qualified Deferred Compensation</u>	64
<u>Potential Payments Upon Termination or Change-in-Control</u>	66
<u>Compensation of Directors</u>	71
<u>Compensation Committee Interlocks and Insider Participation</u>	73
<u>Compensation Committee Report</u>	73
<u>Transactions with Related Persons</u>	73
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	74
<u>Shareholder Proposals</u>	74
<u>Solicitation of Proxies</u>	75

Table of Contents

Proxy Summary

SPARTAN STORES, INC.
ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD JULY 30, 2013
PROXY STATEMENT
Dated June 14, 2013

Proxy Summary

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 read the entire proxy statement and the Company's Form 10-K carefully before voting.

Annual Meeting of Shareholders

Date and Time	July 30, 2013; 9:00 a.m. Eastern Daylight Time
Place	Courtyard by Marriot Hotel 11 Monroe Avenue NW Grand Rapids, Michigan 49503
Record Date	June 3, 2013
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 2013 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 Spartan Stores, Inc. annual meeting.

Meeting Agenda

Election of nine directors

Advisory approval of the Company's executive compensation

Ratification of the selection of Deloitte & Touche LLP as our independent auditors for fiscal year 2014

Transact any other business that may properly come before the meeting

Voting Matters and Vote Recommendations

Management Proposals	Board Vote Recommendation	Page References (for more detail)
Election of Directors	FOR each Director Nominee	11
Advisory Vote on Executive Compensation	FOR	11
Ratification of Auditors	FOR	12

Table of Contents*Proxy Summary***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 attended at least 75% of the aggregate of all meetings of the Board and each committee on which he or she sits.

Name	Age	Director Since	Occupation	Independent	Committee Memberships		
					AC	CC	NCGC
M. Shân Atkins	56	2003	Managing Director of Chetrum Capital LLC	ü	C, F		M
Wendy A. Beck	48	2010	EVP and CFO of Norwegian Cruise Line	ü	F		
Dennis Eidson	59	2007	President and Chief Executive Officer of Spartan Stores, Inc.				
Frank M. Gambino	59	2003	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	
Yvonne R. Jackson	63	2010	President, Principal and Co-Founder of BeecherJackson	ü		C	M
Frederick J. Morganthall, II	61	2006	President and Chief Operating Officer of Harris Teeter Supermarkets, Inc.	ü	M		M
Elizabeth A. Nickels	51	2000	Executive Director, Herman Miller Foundation	ü	F		
Timothy J. O Donovan	68	2003	Retired Chairman of the Board and Chief Executive Officer of Wolverine World Wide, Inc.	ü		M	C
Craig C. Sturken	69	2003	Retired Chief Executive Officer of Spartan Stores, Inc.				

AC Audit Committee
 CC Compensation Committee

C Chair
 M Member

Edgar Filing: SPARTAN STORES INC - Form DEF 14A

NCGC Nominating and Corporate Governance Committee

F Financial Expert/Member

Page 2 | *Spartan Stores, Inc. Proxy Statement*

Table of Contents

Proxy Summary

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. In light of this belief, the Board has adopted the following corporate governance standards:

Declassified the Board of Directors; the transition to the annual election of all Directors is complete as of the 2013 Annual Meeting.

Established the requirement that the Board consist of at least two-thirds independent directors.

Established the policy that any director who receives a greater number of votes withheld than votes for in an uncontested election at an annual meeting of shareholders is required to promptly offer his or her resignation from the Board for the Nominating and Corporate Governance Committee to consider.

Separated the roles of Chief Executive Officer and Chairman of the Board. However, because the Chairman of the Board is a former Chief Executive Officer, the Board has appointed a lead independent director.

Adopted in fiscal 2013 a policy prohibiting our officers and directors from entering into transactions that hedge the value of our common stock and from pledging shares of our common stock (including holding shares in a margin account).

Director Independence

Seven of nine directors are independent under Nasdaq Marketplace Rules.

Each of our Board's standing committees is 100% independent, and therefore our independent directors are engaged in all aspects of our Board's work.

The Chairperson of the Nominating and Corporate Governance Committee serves as Lead Independent Director. The Lead Independent Director acts as the principal liaison between the independent directors and the Chairman of the Board and performs the responsibilities described in detail on page 15 of this proxy statement.

There are regular executive sessions of non-employee directors, and any independent director may call an executive session and raise matters for discussion at these executive sessions.

Annually, our Nominating and Corporate Governance Committee evaluates our Board.

Our Board and each committee may engage independent advisors at their sole discretion.

Board Diversity

Four of our nine directors are women.

Our Board considers a range of types of diversity with respect to our Board, including race and gender, and our Board reflects diverse viewpoints, backgrounds, skills, experiences and expertise.

Auditors

We are asking our shareholders to ratify the selection of Deloitte & Touche LLP as our independent auditors for fiscal 2014.

Table of Contents

Proxy Summary

Executive Compensation Advisory Vote

In 2012, the Company's shareholders voted by 93% to approve the compensation paid to our named executive officers. 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.

Accordingly, this year we are also asking our shareholders to approve on an advisory basis our named executive officer compensation for fiscal 2013. 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.

Executive Compensation Highlights

Our Compensation Committee continued our pay-for-performance philosophy in fiscal 2013.

Consistent with this philosophy, the total compensation of our named executive officers declined in fiscal 2013 compared to the prior year due to Company performance that was below target or below threshold with respect to certain key metrics.

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 granted in fiscal 2010 through 2013 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.

Business Context

Fiscal 2013 was a challenging year given the impact that economic conditions continued to have on the communities we service (primarily Michigan, and also Indiana and Ohio). However, we believe we successfully navigated the difficult consumer environment, made steady and meaningful progress on our strategic initiatives and delivered another consistently solid financial performance.

For the 52 week fiscal 2013 full year, consolidated net sales increased to \$2.61 billion compared to \$2.58 billion for fiscal 2012 full year, excluding net sales attributable to the 53rd week of fiscal 2012. Adjusted Earnings Before Interest, Taxes, Depreciation, and Amortization (adjusted

Table of Contents

Proxy Summary

EBITDA decreased slightly to \$106.3 million compared to \$107.2 million in the prior year, excluding the estimated impact of the 53rd week last year.

Fiscal 2013 adjusted earnings from continuing operations were \$31.2 million, or \$1.43 per diluted share, excluding net after-tax charges of \$3.3 million primarily related to debt extinguishment and asset impairment charges. Fiscal 2012 adjusted earnings from continuing operations were \$31.9 million, or \$1.39 per diluted share.

We continued to strengthen our balance sheet by refinancing our credit facility, lengthening the maturity of our debt obligations and reducing our forecasted interest expense by approximately 25% on an annual basis. In addition, the Company increased our dividend for the second consecutive year, raising our quarterly dividend by approximately 23% to \$.08 per share and repurchased approximately \$11.4 million of its common stock under a \$50 million share repurchase program authorized by the Board of Directors.

2013 Chief Executive Officer Compensation

The realizable total direct compensation (defined as salary, stock awards, and non-equity incentive compensation) of Mr. Dennis Eidson, our President and CEO, decreased by 15% (\$2,352,173 in fiscal 2013 versus \$2,768,567 in fiscal 2012);

Our CEO and other named executive officers were paid for fiscal 2013 annual incentive bonuses below target levels;

Our CEO and other named executive officers earned for fiscal 2013 a below target level portion of the earnings per share component of the long-term incentive award;

Our CEO and other named executive officers did not earn for fiscal 2013 any portion of the return on invested capital (ROIC) component of the long-term incentive award, given performance was below threshold; and

No discretionary bonuses were paid to the named executive officers, consistent with prior years.

Adjusted EBITDA is a non-GAAP operating financial measure that the Company defines as net earnings from continuing operations plus depreciation and amortization, and other non-cash items including imputed interest, deferred (stock) compensation, the LIFO provision, as well as adjustments for items that do not reflect the ongoing operating activities of the Company and costs associated with the closing of operational locations, interest expense and the provision for income taxes to the extent deducted in the computation of Net Earnings. Adjusted earnings from continuing operations is a non-GAAP operating financial measure that we define as earnings from continuing operations plus or minus adjustments for items that do not reflect the ongoing operating activities of the Company and costs associated with the closing of operational locations. This information is discussed in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations of the Company's fiscal 2013 Form 10-K, which includes a reconciliation of Adjusted EBITDA to net earnings on a GAAP basis, a reconciliation of earnings from continuing operations to adjusted earnings from continuing operations and a discussion of why the Company believes these non-GAAP financial measures are useful to investors. A copy of our fiscal 2013 Form 10-K is being provided with our proxy statement to our shareholders.

Table of Contents

Proxy Summary

Tables illustrating the year-over-year change in CEO compensation and the compensation mix (at target level) for the CEO and all named executive officers in the aggregate appear below.

Analysis of Mr. Eidson's fiscal 2013 compensation is set forth in more detail beginning on page 38.

Executive Compensation Mix

Table of Contents

Questions and Answers

Questions and Answers

Use of Terms

In this proxy statement, we, us, our, the Company and Spartan Stores refer to Spartan Stores, Inc., and you and your refer to each shareholder of Spartan Stores, Inc.

Questions and Answers about the Proxy Materials and Our 2013 Annual Meeting

Q. Why am I receiving these materials?

A. The Company's Board of Directors is providing these proxy materials to you in connection with its solicitation of proxies for use at the Spartan Stores, Inc. 2013 annual meeting of shareholders, which will take place on Tuesday, July 30, 2013, at Courtyard by Marriott Hotel, 11 Monroe Avenue NW, Grand Rapids, Michigan 49503, at 9:00 a.m., Eastern Daylight Time. Shareholders are invited to attend the annual meeting and are requested to vote upon the proposals described in this proxy statement.

Q. Why am I being asked to review materials on-line?

A. As allowed by rules adopted by the SEC, the Company has elected to provide access to its proxy materials to certain shareholders via the Internet. Accordingly, the Company is sending a Notice of Internet Availability of Proxy Materials (the Notice) to the Company's shareholders. All shareholders will have the ability to access the proxy materials on the website referenced in the Notice or request to receive a printed set of the proxy materials. You can find instructions on how to access the proxy materials over the Internet in the Notice. Shareholders may request to receive this year's proxy materials in printed form by mail or electronically by email. The Company encourages shareholders to take advantage of the availability of the proxy materials on the Internet for convenient access to the materials and to help reduce the environmental impact of its annual meetings.

Q. What information is contained in these materials?

A. The information included in this proxy statement relates to the proposals to be voted upon at the annual meeting, the voting process, the compensation of our named executive officers and directors, and certain other information.

Q. When did the Company begin sending and delivering this proxy statement to shareholders?

A. We mailed a Notice of Internet Availability of Proxy Materials to our shareholders on approximately June 14, 2013.

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 June 3, 2013. All attendees must present a valid driver's license or other federal or state issued photo identification.

Q. What proposals will be voted on at the annual meeting?

A. There are three proposals scheduled to be voted on at the annual meeting:

election of nine directors from among the nominees in this proxy statement for one-year terms expiring in 2014;

Table of Contents

Questions and Answers

advisory approval of the Company's executive compensation;

ratification of the selection of Deloitte & Touche LLP as our independent auditors for fiscal 2014.

In addition, any other business that may properly come before the meeting will be considered and voted on. As of the date of this proxy statement, we are not aware of any other matters to be considered and voted on at the annual meeting. If any other matters are presented, the persons named as proxies on the enclosed proxy card will have discretionary authority to vote for you on those matters.

Q. How does the Company's Board of Directors recommend that I vote?

A. Your Board of Directors recommends that you vote **FOR** election of each nominee named in this proxy statement, **FOR** the approval of the compensation of the Company's named executive officers, and **FOR** ratification of the selection of Deloitte & Touche LLP as our independent auditors.

Q. Who may vote?

A. You may vote at the annual meeting if you were a shareholder of record of Spartan Stores common stock at the close of business on June 3, 2013. Each shareholder is entitled to one vote per share of Spartan Stores common stock on each matter presented for a shareholder vote at the meeting. As of June 3, 2013, there were 21,894,827 shares of Spartan Stores common stock outstanding.

Q. How do I vote?

A. If you are a shareholder of record, Spartan Stores 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. 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 July 30, 2013.

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 July 30, 2013.

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, 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

Page 8 | Spartan Stores, Inc. Proxy Statement

Table of Contents

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 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.

Q. What effect do broker non-votes have on the voting on the proposals?

A. Although broker non-votes count for quorum purposes, we do not count them as votes for or against any proposal. **Therefore, if you hold your shares in street name it is critical that you cast your vote if you want your vote to count.**

Q. Can I change my mind after I return my proxy?

A. Yes. You may revoke your proxy at any time before it is voted at the meeting by taking any of the following four actions:

by delivering written notice of revocation to Spartan Stores Secretary, 850 76th Street, S.W., P.O. Box 8700, Grand Rapids, Michigan 49518-8700;

by delivering a proxy card bearing a later date than the proxy that you wish to revoke;

by casting a subsequent vote via telephone or the Internet, as described above; or

by attending the meeting and voting in person.

Merely attending the meeting will not, by itself, revoke your proxy; you must cast a subsequent vote at the meeting using forms provided for that purpose. Your last valid vote that we receive before or at the annual meeting is the vote that will be counted.

Q. What is the quorum requirement for the annual meeting?

Edgar Filing: SPARTAN STORES INC - Form DEF 14A

- A. 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

Table of Contents

Questions and Answers

issued and outstanding shares of Spartan Stores 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.

Q. May the annual meeting be adjourned?

A. Yes. The shareholders present at the meeting, in person or by proxy, may, by a majority vote, adjourn the meeting despite the absence of a quorum. Shares represented by proxy may be voted in the discretion of the proxy holder on a proposal to adjourn the meeting. If a quorum is not present at the meeting, we expect the Chairman of the Board to adjourn the meeting to solicit additional proxies, as is authorized under the Company's Bylaws. In addition, the Chairman may adjourn the meeting in the event of disorder or under other circumstances consistent with the Company's bylaws and rules of conduct for the annual meeting.

Q. What vote is necessary to approve the proposals?

A. **Election of Directors.** 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 in the Corporate Governance Principles section of this Proxy Statement, 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 resignation will be effective if and when accepted by the Nominating and Corporate Governance Committee.

Advisory Vote on Executive Compensation. The advisory vote on executive compensation (the say on pay vote) 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 the proposal in person or by proxy will not be included in the vote count to determine if a majority of shares voted on this proposal voted in favor of approval. Because your vote is advisory, it will not be binding on the Company, the Board of Directors or the Compensation Committee. However, the Board of Directors and Compensation Committee value the opinions of our shareholders and will review the voting results and take them into consideration when making future decisions regarding executive compensation.

Ratification of Independent Auditors. The ratification of the selection of Deloitte & Touche LLP as our independent auditors for fiscal 2014 will be approved if a majority of the shares that are voted on the proposal at the meeting are voted in favor of ratification. Abstentions, broker non-votes and other shares that are not voted on the proposal in person or by proxy will not be included in the vote count to determine if a majority of shares voted on this proposal voted in favor of this proposal.

Required Vote for Other Matters. 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.

Table of Contents

Questions and Answers

Q. What does it mean if I receive more than one proxy or voting instruction card?

A. It means your shares are registered differently or are in more than one account. Please provide voting instructions for all proxy and voting instruction cards you receive.

Q. Where can I find the voting results of the annual meeting?

A. We will announce preliminary voting results at the annual meeting and publish final results in a current report on Form 8-K within four business days after the annual meeting.

Election of Directors

The Board of Directors proposes that the following nine individuals be elected as directors of Spartan Stores for a one-year term expiring at the 2014 annual meeting of shareholders:

M. Shân Atkins

Wendy A. Beck

Dennis Eidson

Frank M. Gambino

Yvonne R. Jackson

Frederick J. Morgenthall, II

Elizabeth A. Nickels

Timothy J. O Donovan

Craig C. Sturken

Biographical information concerning the nominees appears below under the heading "The Board of Directors." The persons named as proxies

on the proxy card intend to vote for the election of each of the nominees. The proposed nominees are willing to be elected and to serve as directors. If any nominee becomes unable to serve or is otherwise unavailable for election, which we do not anticipate, the incumbent Board of Directors may select a substitute nominee. If a substitute nominee is selected, the shares represented by your proxy card will be voted for the election of the substitute nominee, unless you give other instructions. If a substitute is not selected, all proxies will be voted for the election of

the remaining nominees. Proxies will not be voted for more than nine nominees.

*Your Board of Directors recommends that you vote **FOR** election of all nominees as directors.*

Advisory (Non-Binding) Approval of the Compensation of Named Executive Officers

As required under Section 14A of the Securities Exchange Act of 1934, shareholders may cast an advisory vote on the compensation of the Company's named executive officers as disclosed in this proxy statement pursuant to the SEC's compensation disclosure rules.

As described in more detail in the Executive Compensation section of this proxy statement, the Company has designed its executive compensation programs to attract, motivate, reward and retain the senior management talent to manage the Company to achieve our corporate objectives and increase shareholder value through long-term

profitable growth. Our compensation programs are focused on pay-for-performance principles and are strongly aligned with the long-term interests of our shareholders. For these reasons, and the reasons discussed in the Compensation Discussion and Analysis section of this proxy statement, we are asking our shareholders to vote **FOR** the adoption of the following resolution:

RESOLVED, that the shareholders of Spartan Stores, Inc. (the Company) approve, on an advisory basis, the compensation of the Company's named executive officers, as disclosed in the Company's proxy statement for the 2013 Annual

Table of Contents

Advisory (Non-Binding) Approval of the Compensation of Named Executive Officers

Meeting of Shareholders under the heading entitled Executive Compensation.

This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and the philosophy and programs described in this proxy statement.

The vote is not binding on the Company, the Board of Directors or the Compensation

Committee. However, the Board of Directors and Compensation Committee value the opinions of our shareholders and will take the results of the vote into consideration when making future decisions regarding executive compensation.

*Your Board of Directors Recommends That You Vote **FOR** Approval of the Compensation of the Company's Named Executive Officers*

Ratification of Selection of Independent Auditors

Spartan Stores' Audit Committee has approved the selection of Deloitte & Touche LLP (Deloitte) as the Company's independent auditors to audit the financial statements and internal controls of Spartan Stores and its subsidiaries for fiscal 2014, and to perform such other appropriate accounting services as may be approved by the Audit Committee. The Audit Committee and the Board of Directors propose and recommend that shareholders ratify the selection of Deloitte to serve as the Company's independent auditors for the fiscal year ending March 29, 2014.

The independence of the Company's independent public accounting firm is of paramount concern to the Audit Committee and the Board of Directors. The Audit Committee evaluates the independence of the auditors at least annually. Deloitte has provided written affirmation that they are independent under all applicable standards, and the Audit Committee believes that Deloitte has effective internal monitoring of their independence. The Company and Deloitte have complied with SEC requirements on audit partner rotation. The lead audit partner was most recently replaced for fiscal 2014.

Independence is not the sole factor in the selection of the Company's independent auditor. The Audit Committee also considers price, quality of service and knowledge of Spartan Stores and the Company's industry when considering auditor selection.

More information concerning the relationship of the Company with its independent auditors appears below under the headings Audit Committee, Independent Auditors, and Audit Committee Report.

If the shareholders do not ratify the selection of Deloitte, the Audit Committee will consider a change in auditors for the next year.

Representatives of Deloitte are expected to be present at the annual meeting, will have the opportunity to make a statement if they desire to do so, and are expected to be available to respond to appropriate questions from shareholders.

*Your Audit Committee, which consists entirely of independent directors, and Board of Directors recommend that you vote **FOR** ratification of the selection of Deloitte & Touche LLP as our independent auditors for fiscal 2014.*

Table of Contents

Corporate Governance Principles

Corporate Governance Principles

Spartan Stores is committed to developing and implementing principles of corporate governance to help the Board fulfill its responsibilities to shareholders and to provide a framework for overseeing the management of the Company. The formal requirements pertaining to Spartan Stores corporate governance structure are set forth in our restated articles of incorporation, bylaws and committee charters. In addition, the Board has adopted a written Corporate Governance Policy. The Policy is designed to communicate our fundamental governance principles and to provide management, associates, and shareholders with insight to the Board's ethical standards, expectations for conducting business, and decision-making processes. The Policy includes, among other things, guidelines regarding:

Board size and criteria;

director independence;

term limits and retirement of directors;

Board meetings and committees;

evaluation and compensation of the Board and executive officers;

directors' access to management and outside advisors;

strategic planning;

succession planning; and

communications.

This section of our proxy statement summarizes certain charters, policies, and principles relating to Spartan Stores' corporate governance. More information regarding the Company's corporate governance, including a copy of our Corporate Governance Policy, is available in the Investor Relations Corporate Governance section of our website, www.spartanstores.com.

Declassification of the Board of Directors

In 2010, the Board of Directors unanimously recommended, and the shareholders approved, amendments to the Company's Articles of Incorporation that declassified the Board and caused each director to be elected annually for a one-year term. Previously, the Board had been divided into three classes of directors serving three year terms.

The declassification was phased in over a three-year period, which began at the 2011 Annual Meeting. Beginning this year, every director of the Company will stand for election for a one-year term of office.

Director Independence

The Board believes that the independence of directors is an essential feature of the Company's governance. Independent directors help assure that the Board and its committees are dedicated to acting in the best interests of the shareholders. Accordingly, Spartan Stores' Corporate Governance Policy requires that at least two-thirds of the directors must be independent (as defined by the applicable standards of the Nasdaq Listing Rules).

More than two-thirds of the Company's Board has consisted of independent directors for at least ten years. Currently, seven of Spartan Stores' nine directors are independent. At present, the Board has only two current or former management directors: Craig Sturken, the current Chairman of the Board, former Executive Chairman and former Chief Executive Officer, and Dennis Eidson, the current President and Chief Executive Officer.

The Board of Directors' Role in Risk Oversight

Management of risk is the direct responsibility of the Company's senior leadership team. The Board of Directors is responsible for overseeing the Company's risk management and

Table of Contents

Corporate Governance Principles

risk mitigation. In its oversight of the Company's risk-management process, the Board seeks to ensure that the Company is informed and deliberate in its risk-taking. The Company's primary mechanisms for risk management are the Company's enterprise risk management program (ERM), its internal audit program, strategic review sessions held between the Board and management, and the Company's external audit by an independent accounting firm.

The Company relies on its ERM process to help identify, monitor, measure and manage risks. The ERM approach is designed to enable the Board of Directors to establish a mutual understanding with management of the effectiveness of the Company's risk management practices and capabilities. The Company's internal audit department provides management and the Board with information and analysis regarding operational, compliance and strategic risks, and seeks to improve business processes to minimize risks of fraud and abuse. Management and the internal audit department provide the Audit Committee with reports and updates on risk management matters at each Audit Committee meeting.

At least annually, the Board of Directors undertakes a comprehensive review of the Company's strategic plan and objectives with management. This review necessarily involves the identification and assessment of strategic risks attendant to initiatives such as acquisitions and divestitures, major investments, financings and capital commitments.

The Board implements its risk oversight function both as a whole and through Committees, which meet regularly and report back to the full Board. In particular:

The Audit Committee oversees risks related to the Company's financial statements, the financial reporting process, accounting and legal matters. The Audit Committee oversees the Company's internal audit and ethics programs, including the Company's codes of conduct and ethics. On a regular basis, the Audit Committee members meet independently with the Company's head of internal audit and representatives of the independent auditing firm, the Company's Chief Financial Officer, and outside legal counsel.

The Compensation Committee evaluates the risks and rewards associated with the Company's compensation philosophy and programs. As discussed in more detail in the Compensation Discussion and Analysis section of this proxy statement, the Compensation Committee reviews and approves compensation programs with features that mitigate risk without impairing the overall incentive nature of the compensation. The Compensation Committee also reviews senior leadership succession planning.

The Nominating and Corporate Governance Committee regularly reviews the Company's governance structure and practices to promote the long-term interests of shareholders. The Nominating and Corporate Governance Committee also oversees the succession planning process for senior leadership positions.

Board Leadership Structure

The Nominating and Corporate Governance Committee and the Board of Directors evaluate, from time to time, the leadership structure of the Board of Directors in light of a variety of factors that the Board considers important, including efficiency, the Company's current Board composition, the experience and skills of our management team, and other factors.

The Board of Directors, upon the recommendation of the Nominating and Corporate Governance Committee, has determined that at this time it is in the best interests of the Company and its shareholders to separate the roles of Chief

Table of Contents

Corporate Governance Principles

Executive Officer and Chairman of the Board in recognition of the differences between the two roles. The Chief Executive Officer is responsible for setting the strategic direction for the Company and the day to day leadership and performance of the Company, while the Chairman of the Board, who previously served as the Company's Chief Executive Officer for over five years, provides guidance to the Chief Executive Officer and sets the agenda for Board meetings and presides over meetings of the full Board.

When the Chairman of the Board is the current or former Chief Executive Officer, as is currently the case, the Chairperson of the Nominating and Corporate Governance Committee serves as Lead Independent Director. The role of the Lead Independent Director is to aid and assist the Chairman and the rest of the Board in assuring effective corporate governance in managing the affairs of the Board and the Company. Specific responsibilities and authority of the Lead Independent Director include:

acting as the principal liaison between the independent directors and the Chairman of the Board;

recommending matters for the Board to consider;

advising the Chairman of the Board as to the quality, quantity and timeliness of the flow of information from management that is necessary for the independent directors to effectively and responsibly perform their duties;

developing the agenda for and chairing executive sessions of the Board of Directors and communicating with the Chairperson as appropriate;

presiding over Board meetings in the absence of or at the request of the Chairperson;

assisting in the recruitment of Board candidates;
providing performance feedback to the Chairperson (in coordination with the Nominating and Corporate Governance Committee);

requesting that management prepare specific materials for the Board's review; and

recommending to the Chairman of the Board the retention of consultants who report directly to the Board.

The Board of Directors believes that this leadership structure supports the risk oversight function of the Board (discussed above) by allowing the Chief Executive Officer and senior management to focus on strategic opportunities and risks within the framework of the Company's risk management programs, while the Board, under the leadership of the Chairman, provides oversight in connection with those efforts, and the Lead Independent Director helps promote overall effective governance.

Committee Charters

The Board has appointed three chartered committees: the Audit Committee, the Compensation Committee, and the Nominating and Corporate Governance Committee. The Board has approved a written committee charter for each of these committees. The charters define basic principles regarding each committee's organization, purpose, authority and responsibilities. The charters for the Audit, Compensation, and Nominating and Corporate Governance Committees are available in the Investor Relations Corporate Governance section of our website, www.spartanstores.com.

Director Attendance

The Board is proud of its record of recruiting and retaining directors who have a diversity of experience; have the highest personal and professional integrity; have demonstrated

Table of Contents

Corporate Governance Principles

exceptional ability and judgment; and are effective in serving the long-term interests of shareholders. Board and Committee attendance is critical to the proper functioning of the Board of Directors and is a priority. Each director is expected to make every effort to personally attend every Board meeting and every meeting of each Committee on which he or she serves as a member.

Spartan Stores' Board of Directors held six meetings during fiscal 2013. In fiscal 2013, each director attended at least 75% of the total of all meetings of the Board of Directors and the committees on which he or she served. The Board is scheduled to meet at least quarterly and may meet more frequently. Independent directors meet in executive sessions, without the presence of management, at each regularly scheduled Board meeting.

Directors are also expected to attend the annual meeting of shareholders in person unless compelling personal circumstances prevent attendance. Despite the geographic diversity of their home cities, all of Spartan Stores' directors have attended the annual meetings of shareholders for at least the past eight years, with one exception for one director who was unable to attend one annual meeting of shareholders.

Alignment of Shareholder, Management, and Director Interests

The Board has long believed that directors and management should have a significant financial stake in the Company to align their interests with those of the shareholders. Therefore, the Board and the Compensation Committee have made equity awards a substantial component of management and director compensation. In addition, the Board of Directors has established stock ownership guidelines for corporate officers and directors to ensure that they face the same downside risk and upside potential as shareholders. Under the stock ownership guidelines, the Company's executive officers are expected to achieve and maintain a level of stock ownership

having a value that is approximately equal to or greater than a specified multiple of the executive's annual base salary, ranging for various positions from five times the applicable salary to one times the applicable salary. Each member of the Board of Directors is expected to acquire and continue to hold shares of the Company's common stock having an aggregate market value from time to time which equals or exceeds five times the rate of the regular annual retainer then in effect for non-employee directors who are not chairs. Please see the Compensation Discussion and Analysis and Compensation of Directors sections of this proxy statement for additional information.

Hedging and Pledging Prohibited

Consistent with the Board of Directors' belief that ownership of the Company's stock by our executive officers and members of the Board of Directors promotes alignment of the interests of the Company's shareholders with those of its leadership, the Board recognizes that transactions that are designed to hedge or offset declines in the market value of the Company's stock can disrupt this alignment, interfere with the Company's compensation programs, and undermine our stock ownership policies. For these reasons, the Board has adopted a policy that prohibits an executive officer or director of the Company from purchasing any financial instrument or entering into any transaction that is designed to hedge or offset any decrease in the market value of the Company's common stock or other equity securities (including, but not limited to, prepaid variable forward contracts, equity swaps, collars, or exchange funds).

The Board of Directors also recognizes that officer and director pledging of the Company's stock as collateral for indebtedness can be adverse to the interests of the Company's shareholders because it creates the risk of forced sales that depress the value of the Company's stock and may encourage excessive risk-taking by executives. Therefore, the Company's executive officers and directors are not permitted to pledge, hypothecate, or otherwise encumber shares of the Company's common stock or other equity securities as

Table of Contents

Corporate Governance Principles

collateral for indebtedness. This prohibition includes, but is not limited to, holding such shares in a margin account. A copy of the Company's Policy on Hedging and Pledging Company Stock is available in the Investor Relations section of our corporate website, www.spartanstores.com.

Majority Voting

The Board believes that the Company and its shareholders are best served by having directors who enjoy the confidence of the Company's shareholders. It will be presumed that any director who receives a greater number of votes withheld than votes for such election in an uncontested election at an annual meeting of shareholders (a Majority Withheld Vote) does not have the full confidence of the shareholders. A director receiving a Majority Withheld Vote is required to offer promptly his or her resignation from the Board to the Nominating and Corporate Governance Committee upon certification of the shareholder vote. The resignation will be effective if and when accepted by the Nominating and Corporate Governance Committee.

Retirement and Change in Employment Status

The Board of Directors believes that it is generally appropriate for directors to retire before the age of 72. A director will not ordinarily be nominated for re-election to the Board of Directors following the expiration of the term of office which ends after his or her 72nd birthday. The Board of Directors recognizes, however, that the wisdom, experience and contribution of an older director could benefit the Board and the Nominating and Corporate Governance Committee may, in its discretion, nominate a director for re-election after his or her 72nd birthday in a case which the Nominating and Corporate Governance Committee determines to be exceptional. Currently, none of our directors is age 72 or older.

Directors recognize that they have been chosen for nomination or appointment to the Board of Directors in part because of the knowledge and insight they gain on a continuing basis from their active employment in their current positions and

for the public respect they bring to the Company and its Board of Directors because of the positions they hold in the business community. A director who experiences a material change in his or her employment status is expected to promptly offer his or her resignation as a director to the Nominating and Corporate Governance Committee. The Committee will promptly consider and vote upon acceptance or rejection of the director's offer to resign (excluding the affected director from consideration of and voting on acceptance of the resignation).

Other Board Memberships

Spartan Stores recognizes that the proper direction and management of the Company requires the dedication of the executive officers and a significant commitment from its directors. Accordingly, the Board has established a policy governing membership on the boards of other companies.

Executive officers of the Company must notify the Nominating and Corporate Governance Committee before serving as a member of the board of directors of any other business organization. The Nominating and Corporate Governance Committee reviews the Chief Executive Officer's membership on external boards of directors at least annually. The Chief Executive Officer may not serve on the board of directors of more than one business organization not affiliated with the Company without the prior review and approval of the Nominating and Corporate Governance Committee. The Committee may limit the directorships for any other executive officer if it believes that they will interfere with the executive officer's responsibilities to the Company. Non-management directors may not serve on more than three other public company boards without the prior review and approval of the Nominating and Corporate Governance Committee.

Codes of Conduct and Ethics

Spartan Stores is committed to the highest standards of integrity, honesty, and ethics in

Table of Contents

Corporate Governance Principles

business. The Board has approved, and the Audit Committee administers, a Code of Conduct and Business Ethics (the Code) that articulates the Company's standards regarding business ethics and expectations regarding the conduct of directors, management, and associates. This Code establishes basic guidelines to help the Company comply with legal requirements and conduct our business with honesty and integrity. The Code sets forth rules of conduct concerning disclosure of information, conflicts of interest, accurate recordkeeping and reporting, and receipt of personal benefits. The Code requires all associates of the Company to report promptly any violations of the Code. Associates may report violations through the Company's HonorLine telephone system on a confidential and anonymous basis. The Code is available in the Investor Relations Corporate Governance section of our website, www.spartanstores.com.

In addition, the Company has a comprehensive Code of Conduct Policy applicable to all associates that articulates the Company's core values and sets forth standards of conduct regarding a broad range of topics, including antitrust compliance, securities matters, environmental law compliance, political contributions, workplace conduct, and other matters that are essential to the integrity of our business activities.

Succession Planning

Under our Corporate Governance Policy, the Board of Directors maintains and periodically reviews a succession plan for the Company's Chief Executive Officer and such other executive officers as it deems appropriate to manage the continuity of leadership in the execution of the Company's business strategies. The succession plans are based upon recommendations of the Compensation Committee, with input from the Nominating and Corporate Governance Committee.

Board and Management Communication

Spartan Stores is committed to open and effective communication between the Board and management. Directors are encouraged to consult with any Spartan Stores manager or associate and

may visit Company facilities without the approval or presence of corporate management. The Board encourages executive officers to invite managers to Board meetings from time to time who can provide additional insight into matters under discussion. The Board is required to dedicate a substantial portion of at least one meeting per year to discussions with management regarding the Company's strategic plan.

Director Education

Spartan Stores encourages all of its directors to attend continuing education programs so that they may stay abreast of developments in corporate governance and best practices and further develop their expertise. The Board of Directors expects that each director will attend periodically an appropriate continuing director education program.

Nominee Qualifications and the Nominations Process

There are no specific or minimum qualifications or criteria for nomination for election or appointment to the Board of Directors. The Nominating and Corporate Governance Committee identifies and evaluates nominees for director on a case-by-case basis, regardless of who recommended the nominee, and has no written procedures for doing so. The Board has identified certain qualifications, attributes and skills that should be represented on the Board as a whole. These are discussed beginning on page 23.

The Board of Directors believes that Spartan Stores and its shareholders are best served by having a Board of Directors that brings a diversity of education, experience, skills, and perspective to Board meetings. The Board of Directors welcomes opportunities to include diverse perspectives, talents, ideas and contributions. Consistent with this philosophy, the Board of Directors may consider factors and characteristics that are pertinent to diversity, such as race and gender, when evaluating nominees to stand for election or re-election to the Board.

Table of Contents

Corporate Governance Principles

The Company has engaged and paid fees to third party search firms to assist the Nominating and Corporate Governance Committee in identifying possible nominees for director and providing information to assist the Committee in the evaluation of possible nominees.

The Board of Directors expects that there would be no material difference in the manner in which the Nominating and Corporate Governance Committee would evaluate a nominee for director that was recommended by a shareholder.

Shareholder Nominations of Director Candidates

Under our restated articles of incorporation, a shareholder of record may nominate a person for election as a director at a meeting of shareholders at which directors will be elected if, and only if, the shareholder has delivered timely notice to the Secretary of Spartan Stores setting forth:

the name, age, business address and residence address of each proposed nominee;

the principal occupation or employment of each nominee;

the number of shares of Spartan Stores stock that each nominee beneficially owns;

a statement that each nominee is willing to be nominated; and

any other information concerning each nominee that would be required under the rules of the Securities and Exchange Commission (SEC) in a proxy statement soliciting proxies for the election of those nominees.

The Nominating and Corporate Governance Committee will consider every nominee proposed by a shareholder that is received

in a timely manner in accordance with these procedures and report each such nomination, along with the Nominating and Corporate Governance Committee's recommendations, to the full Board of Directors.

To be timely, a shareholder's notice must be delivered to or mailed and received at Spartan Stores' principal executive offices at least 120 days before the date of notice of the meeting in the case of an annual meeting of shareholders, or not more than seven days following the date of notice of the meeting in the case of a special meeting of shareholders. Any nomination that does not comply with these procedures will be void.

The Nominating and Corporate Governance Committee may also, in its discretion, consider shareholders' informal recommendations of possible nominees. Shareholders may send such informal recommendations to the Committee by directing them to Spartan Stores, Inc. in care of the Secretary, 850 76th Street, S.W., P.O. Box 8700, Grand Rapids, Michigan 49518.

Shareholder Communications with Directors

In accordance with the Spartan Stores' Shareholder Communication Policy, shareholders who wish to send communications to Spartan Stores Board of Directors may do so by sending them in care of the Secretary at the address set forth in the preceding paragraph. Such communications may be addressed either to specified individual directors or the entire Board. The Secretary has the discretion to screen and not forward to directors communications which the Secretary determines in his or her discretion are communications unrelated to the business or governance of Spartan Stores and its subsidiaries, commercial solicitations, offensive, obscene, or otherwise inappropriate. The Secretary will, however, compile all shareholder communications which are not forwarded and such communications will be available to any director. A copy of our Shareholder Communication Policy can be found in the Investor Relations Corporate Governance section of our website, www.spartanstores.com.

Table of Contents*The Board of Directors***The Board of Directors****General**

The Board of Directors currently consists of nine directors. Assuming that all of the nominees are elected, there will be nine directors immediately following the annual meeting. At our 2010 Annual Meeting, our shareholders voted to amend the Company's Articles of Incorporation to declassify our Board of Directors and cause each director to stand for election annually. The declassification was phased in over a three-year period, which began with the 2011 Annual Meeting and is complete this year. All directors will stand for election at the 2013 Annual Meeting. All directors elected at this year's Annual Meeting will serve a one-year term, expiring at the 2014 Annual Meeting.

The biographies of each of the nominees and continuing directors below contains information regarding the person's service as a director, business experience, director positions held currently or at any time during the last five years, and the experiences, qualifications, attributes or skills that caused the Nominating and Corporate Governance Committee and the Board to determine that the person should continue to serve as a director for the Company. Except as otherwise indicated, each of these persons has had the same principal position and employment for over five years.

Nominees for Directors with Terms Expiring in 2014

M. Shân Atkins (age 56) has been a director of Spartan Stores since 2003. Since 2001, Ms. Atkins has been Managing Director of Chetrum Capital LLC, a private investment firm. Ms. Atkins is a director and chair of the Compensation Committee of The Pep Boys Manny, Moe and Jack, an auto parts and service retailer whose common stock is listed on the NYSE. Ms. Atkins is a director and member of the

Human Resource and Compensation Committee and the Nominating and Corporate Governance Committee of Tim Hortons, Inc., Canada's leading quick service restaurant chain whose stock is traded on the NYSE. Ms. Atkins served as a director of Shoppers Drug Mart Corporation, a retail drug store chain whose stock is traded on the Toronto Stock Exchange, from 2005 to 2012, including service as chair of the Audit Committee from 2011 to 2012. Ms. Atkins serves as a director and chair of the Audit Committee of True Value Company, a retailer-owned hardware cooperative. From 1999 to 2001, Ms. Atkins served as a director and a member of the Audit Committee of Chapters, Inc., a book retailer whose stock was traded on the Toronto Stock Exchange prior to the company's acquisition. From 1996 to 2001, Ms. Atkins served in a variety of executive positions with Sears, Roebuck and Co. (now known as Sears Holdings Corporation), a retailer whose common stock is listed on the NYSE, most recently as Executive Vice President, Strategic Initiatives. From 1982 to 1996, she served in a variety of positions with Bain and Company, Inc., an international management consulting firm, where she specialized in the consumer and retail sectors, most recently serving as Vice President. Ms. Atkins was an auditor with Price Waterhouse in Toronto, Canada, from 1979 to 1981. She has been a member of the Canadian Institute of Chartered Accountants since 1981 and is a certified public accountant. Ms. Atkins' qualifications to serve on the Board of Directors include her expertise in finance and accounting, her extensive experience as a director of other publicly traded corporations, and her experience in developing and executing strategic plans for major retail organizations.

Wendy A. Beck (age 48) has been a director of Spartan Stores since her appointment to the Board in October 2010. Since September 2010, Ms. Beck has served as the Executive Vice President and Chief Financial Officer of Norwegian Cruise Line Holdings Ltd., one of the

Table of Contents*The Board of Directors*

leading cruise ship operators in the world. Norwegian's stock is traded on the Nasdaq Global Select Market. From May 2008 to September 2010, she was the Executive Vice President and CFO of Domino's Pizza, a public pizza delivery company with more than 9,000 national and international franchise and company-owned retail stores, and an extensive food distribution operation. She was the Chief Financial Officer and Treasurer of Whataburger Restaurants from May 2004 to May 2008, and Chief Accounting Officer and Treasurer of Whataburger from August 2001 to May 2004. Prior to that experience, she served as Chief Financial Officer and Treasurer for Checkers Drive-In Restaurants, which was publicly traded during her time there, and was a senior tax accountant with Lincare, a publicly traded national healthcare services company. Ms. Beck is a Certified Public Accountant, a member of the American Institute of Certified Public Accountants and Florida Institute of Certified Public Accountants, and served on the Board of Directors for the Women's Foodservice Forum from 2006 to 2011, including service on the Executive Committee and as Treasurer of that organization from 2006 to 2008. Ms. Beck's qualifications to serve as a director of Spartan Stores include her expertise in accounting, finance, taxes, budgeting, forecasting, SEC compliance and reporting, strategic planning, and information technology systems.

Dennis Eidson (age 59) has been a director of Spartan Stores since October 2007, Chief Executive Officer since October 2008, President of Spartan Stores since October 2007, and was our Chief Operating Officer from February 2007 to October 2008, and our Executive Vice President Marketing and Merchandising from March 2003 to February 2007. Prior to joining Spartan Stores, Mr. Eidson served as the Divisional President and Chief Executive Officer of A&P's Midwest region from October 2000 to July 2002, as the Executive Vice President Sales and Merchandising of A&P's Midwest region from March 2000 to October 2000, and as the Vice President of Merchandising of A&P's Farmer Jack

division from June 1997 to March 2000. Mr. Eidson brings valuable insight and knowledge to the Board due to his service as President and Chief Executive Officer. Mr. Eidson also provides the benefit of his years of service in the grocery retail and distribution industry, including his executive experience at A&P.

Dr. Frank M. Gambino (age 59) has been a director of Spartan Stores since 2003. Dr. Gambino is a Professor of Marketing and the Director of the Food & Consumer Packaged Goods Marketing Program in the Haworth College of Business at Western Michigan University. He has been on the WMU faculty since 1984. Prior to joining WMU he had over 15 years of experience in the retail food industry. Dr. Gambino remains active within the food and consumer packaged goods industries at both the national and regional level. He is a frequent speaker, trainer and consultant to a diverse group of industry organizations. Currently, he serves on the Retail Site Development Committee for Wakefern Food Corporation (a grocery retailer cooperative) of Elizabeth, New Jersey, which is an advisory committee that reports to the Wakefern Board of Directors. He is also secretary to the Western Michigan University Food Industry Advisory Board. He is a past member of the board of directors for Alliance Foods and the Food Distribution Research Society and past senator to the WMU Faculty Senate. He has served and continues to serve on several industry advisory groups including such organizations as the National Grocers Association and the Food Marketing Institute. Dr. Gambino's qualifications to serve on the Board of Directors include his knowledge and expertise in the food industry.

Yvonne R. Jackson (age 63) has been a director of Spartan Stores since her appointment to the Board in October 2010. Ms. Jackson is President and Principal of BeecherJackson, Inc., a human resources management consulting firm that she co-founded in 2006. From 2002 to 2005, she served as Senior Vice President, Corporate Human Resources of Pfizer, Inc., a global pharmaceutical company with over 100,000 employees whose

Table of Contents*The Board of Directors*

stock is traded on the NYSE, where she was responsible for overall strategy development and the execution of Pfizer's company-wide human resources policies and initiatives. From 1999 to 2002, she served as Senior Vice President Human Resources and Chief People Officer at Compaq Computer Co., a computer manufacturing and marketing company, prior to its acquisition by Hewlett-Packard. From 1993 to 1999, she served as Senior Vice President Human Resources and Chief People Officer at Burger King Corporation, a nationwide fast-food retailer whose stock is traded on the NYSE. From 2006 to 2012, Ms. Jackson served as a director of Winn-Dixie Stores, Inc., a regional grocery retailer whose stock was traded on Nasdaq prior to its acquisition, including service as chairperson of Winn-Dixie's Compensation Committee. Ms. Jackson is a former director and member of the Compensation and Nominating and Corporate Governance Committees of Best Buy Co., Inc., whose stock is traded on the NYSE. Ms. Jackson has over 30 years' experience in human resources, including experience as the most senior human resources executive. Her experience enables her to assist the Board in its deliberations regarding succession planning, compensation and benefits, change management, talent management, organizational management and diversity strategies.

Frederick J. Morganthall, II (age 61) has been a director of Spartan Stores since 2006. Mr. Morganthall is the President and Chief Operating Officer of Harris Teeter Supermarkets, Inc. (formerly known as Ruddick Corporation), a public company whose stock is traded on the NYSE. Mr. Morganthall was promoted to his current position at Harris Teeter Supermarkets, Inc. after serving as President of its subsidiary, Harris Teeter, Inc., which operates a supermarket chain operating in the southeastern and mid-Atlantic U.S., from October 1997 to March 2012. In 2011, Mr. Morganthall was elected Chairman of the Board of the Food Marketing Institute, an organization representing 1,500 food retailers and wholesalers with a combined annual sales volume of \$680 billion. Prior to becoming President of Harris Teeter, Mr. Morganthall served Harris

Teeter in other executive positions since 1992. Mr. Morganthall's qualifications for service as a director of Spartan Stores include his extensive executive experience in the grocery industry (including distribution and supply chain operations) and his knowledge of competitive conditions and strategic developments in our industry.

Elizabeth A. Nickels (age 51) has been a director of Spartan Stores since 2000. Ms. Nickels is the Executive Director of the Herman Miller Foundation. From February 2000 to May 2012, Ms. Nickels served as an executive at Herman Miller, Inc., an office furniture manufacturing company whose stock is traded on the Nasdaq Global Select Market, including service as President of Herman Miller Healthcare from August 2007 to May 2012 and Executive Vice President of Herman Miller, Inc. from February 2000 to May 2012. Ms. Nickels also served as Chief Financial Officer of Herman Miller from February 2000 to August 2007. From 1993 to February 2000, she was Vice President and Chief Financial Officer of Universal Forest Products, Inc., a wood products manufacturer whose stock is traded on the Nasdaq Global Select Market. Ms. Nickels has practiced as a certified public accountant and maintains her registration as a C.P.A. Ms. Nickels' qualifications to serve as a director of Spartan Stores include her wealth of experience and knowledge of business, finance and accounting matters gained through nineteen years of executive experience with publicly traded companies.

Timothy J. O'Donovan (age 68) has been a director of Spartan Stores since 2003. Mr. O'Donovan is the retired Chairman of the Board and Chief Executive Officer of Wolverine World Wide, Inc., a footwear company whose common stock is listed on the NYSE. Mr. O'Donovan served as Chairman of the Board of Wolverine from April 2005 through December 2009. In April 2007, Mr. O'Donovan retired as Chief Executive Officer of Wolverine, a position which he held since April 2000. Mr. O'Donovan served as Wolverine's Chief Executive Officer and

Table of Contents

The Board of Directors

President from April 2000 until April 2005, and as Chief Operating Officer and President from 1996 until April 2000. Before 1996, Mr. O Donovan was Executive Vice President of Wolverine. Mr. O Donovan is also a director of Kaydon Corporation, a designer and manufacturer of bearing systems whose stock is traded on the NYSE. Mr. O Donovan's qualifications for service as a director of Spartan Stores include his extensive experience as a public company executive and more than 25 collective years of experience on public company boards and service on both audit and compensation committees of public company boards.

Craig C. Sturken (age 69) is the Chairman of the Board of Directors. Mr. Sturken has been a director of Spartan Stores since March 2003, was Chief Executive Officer of Spartan Stores from March 2003 to October 2008, President of Spartan Stores from March 2003 to October 2007, and Chairman of the Board of Spartan Stores since August 2003 (including Executive Chairman from October 2008 to February 2011). Mr. Sturken spent his entire career in the grocery industry and has more than 40 years of retail grocery experience, including 10 years with the Great Atlantic & Pacific Tea Company (A&P), a food retailer whose stock is traded on the NYSE. From October 2000 to March 2002, Mr. Sturken was the CEO of A&P's Atlantic region, after which he retired. From October 1992 to October 2000, he was CEO of A&P's Midwest region. Before A&P, Mr. Sturken held executive positions with The Grand Union Company and Hannaford Brothers Company. Mr. Sturken is uniquely qualified to serve as a director of Spartan Stores by virtue of his four decades of experience in the retail grocery industry and his knowledge of the Company and its operations gained during his service as the Company's Chief Executive Officer.

Qualifications, Attributes, Skills and Experience to be Represented on the Board as a Whole

The Board has identified particular qualifications, attributes, skills and experience that

are important to be represented on the Board as a whole, in light of the Company's current needs and the business priorities.

We are a leading regional grocery distributor and grocery retailer. We believe that we are the ninth largest wholesale distributor to supermarkets in the United States and the largest wholesale distributor to supermarkets in Michigan. Grocery retailing and distribution is a highly competitive and dynamic business. Accordingly, the Board of Directors believes that at least some of our directors should have experience or specific knowledge in retail or wholesale industries at the executive level. The Board believes that directors with experience or in-depth knowledge of the retail grocery industry are uniquely qualified to inform the Board's deliberations regarding business strategy. Because merchandising and marketing is central to our business, the Board believes that merchandising and marketing experience should be represented on the Board. In addition, the Board believes that its membership should include directors who have:

a high degree of financial expertise;

experience with human resources matters;

strategic planning skills; and

relevant business experience as a chief executive officer or equivalent.

Board Committees

Spartan Stores' Board has three standing committees:

the Audit Committee;

the Compensation Committee; and

the Nominating and Corporate Governance Committee;

Table of Contents*The Board of Directors*

The table below shows the current membership of each Board Committee and the number of meetings each Committee held in fiscal 2013.

BOARD OF DIRECTORS COMMITTEE MEMBERSHIP

Director	Independent Director ⁽¹⁾	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee
M. Shân Atkins	Yes	Chair		Member
Wendy A. Beck	Yes	Member		
Dennis Eidson	No			
Dr. Frank M. Gambino	Yes		Member	
Yvonne R. Jackson	Yes		Chair	Member
Frederick J. Morganthall, II	Yes	Member		Member
Elizabeth A. Nickels	Yes	Member		
Timothy J. O. Donovan	Yes		Member	Chair
Craig C. Sturken	No			
Number of Meetings in Fiscal 2013⁽²⁾		7	6	4

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

(2) The full Board of Directors held six meetings in fiscal 2013.

Audit Committee. The Board of Directors has established the Audit Committee to assist the Board in fulfilling its fiduciary responsibilities with respect to accounting, auditing, financial reporting, internal controls, and legal compliance. The Audit Committee oversees management and the independent auditors in the Company's accounting and financial reporting processes and audits of the Company's financial statements. The Audit Committee serves as a focal point for communication among the Board, the independent auditors, the internal auditors and management with regard to accounting, reporting, and internal controls. The Audit Committee represents the Board in oversight of:

the integrity of the financial statements of the Company;

the Company's system of disclosure controls and procedures and internal controls over financial reporting;
the independence and performance of the Company's independent auditors (who are ultimately responsible to the Board of Directors and the Audit Committee);

the performance of the Company's internal audit function; and

compliance by the Company with legal and regulatory requirements.

The Audit Committee has direct authority and responsibility for the appointment, compensation, retention and oversight of the work of any accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attestation services for the Company. The Audit Committee is also directly responsible for the resolution of disagreements between management and the independent auditors regarding financial reporting. The Audit Committee reviews the performance, independence, and objectivity of the independent

Table of Contents

The Board of Directors

auditors at least annually and takes or recommends to the full Board appropriate action to ensure the independence of the independent auditors. Independent auditors report directly to the Audit Committee.

See Independent Auditors Audit Committee Approval Policies for a discussion of the Audit Committee's procedures for approving services to be provided by the independent auditors to Spartan Stores and its subsidiaries.

The Audit Committee operates under a charter adopted by the Board of Directors. A copy of the Audit Committee Charter is available in the Investor Relations Corporate Governance section of our website, www.spartanstores.com.

The Board of Directors has determined that Audit Committee members M. Shân Atkins, Wendy A. Beck and Elizabeth A. Nickels are Audit Committee financial experts, as that term is defined in Item 401(h)(2) of Securities and Exchange Commission Regulation S-K. Under SEC regulations, a person who is determined to be an Audit Committee financial expert will not be deemed an expert for any other purpose, including without limitation for purposes of Section 11 of the Securities Act of 1933, as a result of being designated or identified as an Audit Committee financial expert, and the designation or identification of a person as an Audit Committee financial expert does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Audit Committee and Board of Directors in the absence of such designation or identification or affect the duties, obligations or liability of any other member of the Audit Committee or Board of Directors.

Each member of the Audit Committee is independent, as that term is defined in Rule 5605(a)(2) of the Nasdaq Listing Rules and Rule 10A-3 under the Securities Exchange Act of 1934.

Compensation Committee. The Board of Directors has established the Compensation

Committee to assist the Board of Directors in fulfilling its responsibilities relating to compensation of the Company's executive officers and the Company's compensation and benefit programs and policies. The Compensation Committee has full power and authority to perform the responsibilities of a public company compensation committee under applicable law, regulations, stock exchange rules, and public company custom and practice.

The Compensation Committee has the authority and responsibility to:

determine and oversee the Company's executive compensation philosophy, structure, policies and programs, and assess whether the Company's compensation structure establishes appropriate incentives for management and associates;

administer, amend, interpret or make recommendations to the Board of Directors with respect to retirement, stock incentive, cash incentive, welfare and other compensation and benefit plans of the Company that are approved by the Board of Directors (Plans);

approve stock option and other stock incentive awards and authorize the issuance of shares of the Company's Common Stock, options and rights to acquire Common Stock, awards and units denominated in Common Stock, and other interests in the Company's Common Stock pursuant to the Plans;

review and approve corporate and personal goals and objectives relevant to the compensation and evaluation of the Chief Executive Officer, and evaluate the performance of the Chief Executive Officer in light of those goals and objectives in coordination with the Nominating and Corporate Governance Committee;

Table of Contents

The Board of Directors

review and recommend to the Board the base salary, annual bonus plan and award opportunities and long-term incentive plan and award opportunities of the Chief Executive Officer;

review with the Chief Executive Officer and recommend to the Board the base salary, annual bonus plan and award opportunities and long-term incentive plan and award opportunities of the Company's other executive officers;

evaluate the risks and rewards associated with the Company's compensation philosophy and programs and take actions that the Committee considers necessary to mitigate risk and discourage excessive or inappropriate risk-taking;

review succession planning for the Chief Executive Officer and other key executive officers of the Company;

review, recommend and approve employment agreements and severance arrangements for executive officers, including change-in-control provisions, plans or agreements;

review, recommend and approve Company policies pertaining to executive perquisites and personal benefits;

review and approve the compensation and benefits provided to directors and authorize the issuance of equity compensation, including restricted stock and stock options, for services to the Company as a director; and

establish stock ownership guidelines for directors and executive officers and monitor compliance with the guidelines.

The Compensation Committee also has additional powers, authority and responsibilities

that are specified in the Compensation Committee Charter or delegated to the Compensation Committee by the Board of Directors or by Plans approved by the Board of Directors.

Compensation Committee Processes and Procedures. The Compensation Committee reviews executive compensation on a continuous basis each year, with the most comprehensive and in-depth reviews typically taking place in February and May. The Committee reviews executive performance, current compensation levels, and compensation benchmarking data and analysis (please see the Compensation Discussion and Analysis section of this Proxy Statement for information about benchmarking analysis). The Committee reviews this information in the context of the Company's performance and financial results. At the conclusion of this review, the Compensation Committee grants share-based awards if appropriate, establishes goals and objectives for the then-current fiscal year, and may adjust executive salaries. The Compensation Committee's decision making process is explained in more detail in the Compensation Discussion and Analysis section of this proxy statement.

Consultants and Advisors. The Compensation Committee is authorized to engage consultants, advisors and legal counsel at the expense of the Company. The Compensation Committee Charter requires that any consultant engaged for the purpose of determining the compensation of executive officers must be engaged directly by the Committee and report to the Compensation Committee. The Compensation Committee has authority to approve contracts with and payment of fees and other compensation of consultants, advisors and legal counsel.

Prior to engaging or receiving advice from any compensation consultant or advisor, the Committee reviews the independence of the proposed consultant or advisor, taking into account the following factors:

The advisor's provision of other services to the Company;

Page 26 | *Spartan Stores, Inc. Proxy Statement*

Table of Contents

The Board of Directors

The amount of fees received from the Company by the advisor, as a percentage of the advisor's total revenue;

The advisor's policies and procedures that are designed to prevent conflicts of interest;

Any business or personal relationship between the advisor and a member of the Committee or any executive officer of the Company;

The advisor's ownership of any Company stock; and

Any other factors identified by applicable securities exchange listing standards.

Please see the information under the caption "Use of Independent Compensation Consultants" in the Compensation Discussion and Analysis section of this proxy statement for more information.

Participation by Management. The Company's compensation philosophy and the administration of its various compensation plans are determined by the independent directors of the Compensation Committee. Company policy and Nasdaq rules prohibit participation by the Chief Executive Officer in the process of determining his or her own compensation. The Company's executive officers and Human Resources associates serve as a resource to the Compensation Committee and provide advice, information, analysis and documentation to the Compensation Committee upon request. In appropriate cases, in its discretion, the Compensation Committee may delegate its authority to the executive officers, being mindful that the Compensation Committee and the Board of Directors are responsible to the Company's shareholders to perform the functions and fulfill the responsibilities charged to the Compensation Committee under its Charter. The Compensation Committee may delegate to the Chief Executive Officer authority to recommend the amount or form of compensation paid to other

executive officers and associates subordinate to the Chief Executive Officer, subject to such limitations and reporting responsibilities as the Compensation Committee in its discretion may require. The Compensation Committee will not delegate to executive officers its authority to approve awards of stock options or other stock compensation.

Although the Compensation Committee makes many of the most significant compensation decisions in the first quarter of the fiscal year, the Company's compensation planning process neither begins nor ends with any particular Committee meeting. Compensation decisions are designed to promote our fundamental business objectives and strategy. Business and succession planning, evaluation of management performance, and consideration of the business environment are year-round processes for the Compensation Committee and the full Board of Directors.

Share-based Award Policy. The Board of Directors has long believed that the process by which the Company awards stock options and other share-based compensation must be transparent, fair, and compliant with all applicable legal requirements and stock exchange rules. For these reasons, the Board of Directors has adopted the Policy Regarding Stock Option Grants and other Share Based Awards which provides, among other provisions, that:

Share based awards will not be back-dated. No share based award may have an effective date earlier than the actual date of the action of the Board of Directors or authorized committee of the Board of Directors to approve the award;

The exercise price for all share based awards will be based on the market value of Spartan Stores common stock on the effective date of award (as defined under the applicable plan);

Edgar Filing: SPARTAN STORES INC - Form DEF 14A

The Company will not time its release of material non-public information for the purpose of affecting the value of executive

Table of Contents

The Board of Directors

compensation, or time the grant of compensation awards to take advantage of material non-public information;

Only the Board of Directors or the Compensation Committee, which consists entirely of independent directors, will approve share based awards. This authority may not be delegated to executive officers or associates; and

All share based awards to the Company's executive officers and directors will be timely reported pursuant to Section 16 of the Securities and Exchange Act of 1934. Share-based awards are typically granted in May of each year and in conjunction with promotions or newly hired executives.

A copy of the Policy Regarding Stock Option Grants and other Share Based Awards is available in the Investor Relations Corporate Governance section of our website, www.spartanstores.com.

Additional information regarding the Company's compensation philosophy and the Compensation Committee's processes and procedures is set forth in the Compensation Discussion and Analysis section of this proxy statement.

The Compensation Committee operates under a charter adopted by the Board of Directors. A copy of the Compensation Committee Charter is available in the Investor Relations Corporate Governance section of our website, www.spartanstores.com.

Each member of the Compensation Committee is independent, as that term is defined in Rule 5605(a)(2) of the Nasdaq Listing Rules and Rule 10C-1 under the Securities Exchange Act of 1934.

Nominating and Corporate Governance Committee. The Board of Directors has established

the Nominating and Corporate Governance Committee to assist the Board of Directors in fulfilling its responsibilities by providing independent director oversight of nominations for election to the Board of Directors and leadership in the Company's corporate governance. The Committee has full power and authority to perform the responsibilities of a public company nominating and corporate governance committee under applicable law, regulations, stock exchange rules, and public company custom and practice.

The Committee has the authority and responsibility to:

determine, review, administer, interpret, amend and make recommendations to the Board of Directors regarding the Company's Corporate Governance Policy, independence of directors, conflicts of interest, ethics, and business conduct;

review and recommend to the Board of Directors any changes in the size and composition of the Board of Directors and develop and recommend to the Board of Directors criteria for the selection of candidates for election as directors;

provide the independent director oversight of nominations for election to the Board of Directors contemplated by Nasdaq Listing Rules;

lead the search for individuals qualified to become members of the Board of Directors, review the qualifications of candidates for election to the Board of Directors, and assess the qualifications, contributions and independence of incumbent directors standing for re-election to the Board of Directors;

Edgar Filing: SPARTAN STORES INC - Form DEF 14A

recommend to the Board of Directors the candidates to be nominated and recommended by the Board of Directors for election to the Board of Directors at each

Page 28 | *Spartan Stores, Inc. Proxy Statement*

Table of Contents

The Board of Directors

annual meeting of shareholders or to be appointed by the Board of Directors to fill a vacancy on the Board of Directors;

develop and recommend to the Board of Directors for its approval an annual evaluation process for the Board of Directors, and its standing committees, and conduct and discuss with the Board of Directors the annual performance evaluation;

evaluate periodically the performance, authority, operations, charter and composition of each standing or ad hoc committee of the Board of Directors and recommend to the Board of Directors any changes the Committee determines to be appropriate;

review and make recommendations to the Board of Directors regarding responses to proposals of shareholders that relate to corporate governance;

assess at least annually the independence of directors in accordance with applicable rules and regulations; and

develop and periodically review and revise, as appropriate, a management succession plan and related procedures; consider and recommend to the Board of Directors candidates for successor to the Chief Executive Officer of the Company and, with appropriate consideration of the Chief Executive Officer's recommendations, candidates for succession to other executive offices.

The Nominating and Corporate Governance Committee also has additional powers, authority and responsibilities specified in its charter or delegated to the committee by the Board of Directors. A copy of the Nominating and Corporate Governance Committee Charter is available in the Investor Relations Corporate Governance section of our website, www.spartanstores.com.

Under the Corporate Governance Policy, if the chair of the Board is also the current or former Chief Executive Officer of Spartan Stores, the chair of the Nominating and Corporate Governance Committee will act as the Lead Independent Director. The responsibilities and authority of the Lead Independent Director are described in this proxy statement under the caption Board Leadership Structure.

Each member of the Nominating and Corporate Governance Committee is independent as that term is defined in Rule 5605(a)(2) of the Nasdaq Listing Rules.

Table of Contents*Independent Auditors***Independent Auditors****Independent Auditors Fees**

The aggregate fees billed by Deloitte & Touche LLP to Spartan Stores and its subsidiaries for fiscal 2013 and fiscal 2012 are as follows:

	Fiscal 2013	Fiscal 2012
Audit Fees ⁽¹⁾	\$ 560,382	\$ 548,735
Audit-Related Fees ⁽²⁾		\$ 25,500
Tax Fees ⁽³⁾	\$ 203,400	\$ 249,653
All Other Fees		

- (1) Audit services consist of the annual audit of the financial statements and internal control over financial reporting, reviews of quarterly reports on Form 10-Q, and related consultations.
- (2) Audit-related fees consists principally of services related to employee benefit plan audits, due diligence related to mergers and acquisitions, accounting consultations and audits in connection with acquisitions, and other consultations not arising as part of the audit.
- (3) Permissible tax services include tax compliance, tax planning and tax advice that do not impair the independence of the auditors and that are consistent with the SEC's rules on auditor independence. Tax compliance and preparation fees account for \$203,400 and \$222,903 of the total tax fees for fiscal 2013 and fiscal 2012, respectively.

Deloitte did not provide any services to Spartan Stores or its subsidiaries related to financial information systems design and implementation during the past two fiscal years.

Audit Committee Approval Policies

The Audit Committee Charter sets forth the policy and procedures for the approval by the Audit Committee of all services provided by Deloitte. The charter requires that the Audit Committee pre-approve all services provided by the independent auditors, including audit-related services and non-audit services. The charter allows the Audit Committee to delegate to one or more members of the Audit Committee the authority to approve the independent auditors' services. The decisions of any Audit Committee member to whom authority is delegated to pre-approve services are reported to the full Audit Committee. The charter also provides that the Audit Committee has authority and responsibility to approve and authorize payment of the independent auditors' fees. Finally, the charter sets forth certain services that the independent auditors are prohibited from providing to Spartan Stores or its subsidiaries. All of the services described above were approved by the Audit Committee. None

Edgar Filing: SPARTAN STORES INC - Form DEF 14A

of the audit-related fees or tax fees were approved by the Audit Committee pursuant to the *de minimus* exception set forth in Section 10A(i)(1)(B) of the Securities Exchange Act of 1934, although the Audit Committee Charter allows such approval.

Page 30 | *Spartan Stores, Inc. Proxy Statement*

Table of Contents

Audit Committee Report

Audit Committee Report

The Board of Directors has appointed the Audit Committee to assist the Board in fulfilling its fiduciary responsibilities with respect to accounting, auditing, financial reporting, internal controls, and legal compliance. The Committee oversees management and the independent public accounting firm in the Company's accounting and financial reporting processes and audits of the Company's financial statements. The Committee serves as a focal point for communication among the Board, the independent public accounting firm, the internal auditors and management with regard to accounting, reporting, and internal controls.

The Committee acts under a charter which has been adopted by the Board of Directors and is available on the Company's website at www.spartanstores.com. The Audit Committee reviews the adequacy of the charter at least annually. The Board of Directors annually reviews the standards for independence for audit committee members under the Nasdaq Listing Rules and has determined that each member of the Audit Committee is independent. The Board of Directors has also determined that three members of the Audit Committee are audit committee financial experts under Securities and Exchange Commission rules.

Management of the Company is responsible for the preparation, presentation and integrity of the Company's financial statements, the Company's accounting and financial reporting, the Company's disclosure controls and internal control over financial reporting, and procedures designed to assure compliance with accounting standards and applicable laws and regulations. The independent public accountants are responsible for auditing the Company's financial statements, expressing an opinion as to their conformity with

generally accepted accounting principles, and providing an attestation report on the effectiveness of the Company's internal control over financial reporting.

The Audit Committee has reviewed, and discussed with management and the independent accountants, the Company's audited financial statements for the year ended March 30, 2013, management's assessment of the effectiveness of the Company's internal control over financial reporting, and the independent accountants' attestation report on the Company's internal control over financial reporting. The Audit Committee has discussed with the independent accountants the matters required to be discussed under applicable auditing standards. The Audit Committee has received the written disclosures and the letter from the independent accountants required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the Audit Committee concerning independence and has discussed with the independent accountants their independence. This included consideration of the compatibility of non-audit services with the accountants' independence.

Based on the reviews and discussions described above, the Audit Committee has recommended to the Board of Directors that the audited financial statements be included in Spartan Stores' Annual Report on Form 10-K for the year ended March 30, 2013.

Respectfully submitted,

M. Shân Atkins, Chair

Wendy A. Beck

Frederick J. Morgenthall, II

Elizabeth A. Nickels

Table of Contents*Ownership of Spartan Stores Stock***Ownership of Spartan Stores Stock****Five Percent Shareholders**

The following table sets forth the number of shares of Spartan Stores common stock reported to be beneficially owned by each person or group which is known to the Company to be a beneficial owner of 5% or more of Spartan Stores' outstanding shares of common stock as of April 1, 2013. This information is based entirely on the most recent Schedule 13-G or amendment filed by the listed party as of April 1, 2013. The Company is not responsible for the accuracy of this information.

Name of Beneficial Owner	Sole Voting Power	Sole Dispositive Power	Shared Voting or Dispositive Power	Total Beneficial Ownership	Percent of Class⁽¹⁾
BlackRock Inc. ⁽²⁾ 40 East 52nd Street New York, NY 10022	1,783,122	1,783,122	-	1,783,122	8.2%
Franklin Resources, Inc. ⁽³⁾ One Franklin Parkway San Mateo, CA 94403	1,462,810	1,462,810	-	1,462,810	6.7%
Dimensional Fund Advisors LP ⁽⁴⁾ Palisades West, Building One 6300 Bee Cave Road Austin, TX 78746	1,753,808	1,785,785	-	1,785,785	8.2%
The Vanguard Group, Inc. ⁽⁵⁾ 100 Vanguard Blvd. Malvern, PA 19355	34,958	1,267,162	34,358	1,301,520	6.0%

(1) The percentages set forth in this column were calculated on the basis of 21,750,688 shares of common stock outstanding as of April 1, 2013.

Edgar Filing: SPARTAN STORES INC - Form DEF 14A

- (2) Based on a Schedule 13G/A filed February 1, 2013 filed by BlackRock, Inc.
- (3) Based on a Schedule 13G filed February 1, 2013 filed by The Bank of New York Mellon Corporation
- (4) Based on a Schedule 13G filed February 11, 2013 filed by Dimensional Fund Advisors LP.
- (5) Based on a Schedule 13G/A filed February 12, 2013 filed by The Vanguard Group, Inc.

Page 32 | *Spartan Stores, Inc. Proxy Statement*

Table of Contents*Ownership of Spartan Stores Stock***Security Ownership of Management**

The table below sets forth the number of shares of Spartan Stores common stock that each of our directors and nominees for director, each executive officer named in the Summary Compensation Table below and all directors, nominees for director and executive officers of Spartan Stores as a group are deemed to have beneficially owned as of March 30, 2013. Ownership of less than 1% of the outstanding shares of common stock is indicated by asterisk.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership ⁽¹⁾			Percent of Class ⁽⁴⁾
	Sole Voting and Dispositive Power ⁽²⁾	Shared Voting or Dispositive Power ⁽³⁾	Total Beneficial Ownership ⁽²⁾	
Theodore C. Adornato	100,857	-	100,857	*
M. Shân Atkins	35,298	-	35,298	*
Wendy A. Beck	10,272	-	10,272	*
Alex J. DeYonker	93,854	-	93,854	*
Dennis Eidson	349,266	2,400	351,266	1.6%
Dr. Frank M. Gambino.	34,753	-	34,753	*
Yvonne R. Jackson	10,272	-	10,272	*
Derek R. Jones	90,915	-	90,915	*
Frederick S. Morganthall, II	22,951	-	22,951	*
Elizabeth A. Nickels	41,052	-	41,052	*
Timothy J. O Donovan	34,753	5,000	39,753	*
David M. Staples	143,470	-	143,470	*
Craig C. Sturken	198,043	-	198,043	*