

UNITED NATURAL FOODS INC
Form DEF 14A
November 02, 2012

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[TABLE OF CONTENTS](#)

[APPENDIX A 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
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Rule 14a-11(c) or Rule 14a-12
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

United Natural Foods, Inc.

(Name of Registrant as Specified in its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
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Table of Contents

UNITED NATURAL FOODS, INC.

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON DECEMBER 12, 2012**

Dear Stockholder:

You are cordially invited to attend the Annual Meeting of Stockholders of United Natural Foods, Inc., which will be held on Wednesday, December 12, 2012 at 4:00 p.m. eastern standard time on the Internet through a virtual web conference at www.virtualshareholdermeeting.com/unfi2012, and any adjournments or postponements of the annual meeting.

We are holding the annual meeting for the following purposes:

1. To elect two nominees as directors to serve until the 2015 annual meeting of stockholders.
2. To ratify the selection of KPMG LLP as our independent registered public accounting firm for the fiscal year ending August 3, 2013.
3. To approve, on an advisory basis, our executive compensation.
4. To approve the United Natural Foods, Inc. 2012 Equity Incentive Plan.
5. To consider a stockholder proposal if properly presented at the annual meeting.
6. To transact such other business as may properly come before the annual meeting or any adjournments or postponements of the annual meeting.

These matters are more fully described in the accompanying proxy statement, which is made a part of this notice. We are not aware of any other business to be transacted at the annual meeting.

Only stockholders of record on our books at the close of business on Friday, October 19, 2012 will be entitled to vote at the annual meeting and any adjournments or postponements of the annual meeting. For 10 days prior to the annual meeting, a list of stockholders entitled to vote will be available for inspection at our principal executive offices located at 313 Iron Horse Way, Providence, RI 02908. If you would like to view the stockholder list, please call our Investor Relations Department at (401) 528-8634 to schedule an appointment. The stockholder list will also be available on the Internet through the virtual web conference at the beginning of the annual meeting.

In accordance with rules approved by the Securities and Exchange Commission, this year we are again furnishing proxy materials to our stockholders over the Internet. On or about November 2, 2012, we mailed to all stockholders of record as of the close of business on October 19, 2012 a notice containing instructions on how to access our Annual Report to Stockholders, which contains our audited consolidated financial statements for the fiscal year ended July 28, 2012, our proxy statement, proxy card and other items of interest to stockholders on the Internet website indicated in our notice, as well as instructions on how to vote. That notice also provided instructions on how you can request a paper copy of our proxy materials and Annual Report to Stockholders if you desire.

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Table of Contents

You may vote your shares via the Internet, by telephone or by completing, dating, signing and promptly returning your proxy card to us in the envelope provided, if you received a paper copy of the proxy card by mail. The proxy materials provide you with details on how to vote by these three methods. **We encourage you to vote in the method that suits you best so that your shares will be voted at the annual meeting.** If you decide to attend the virtual annual meeting through the Internet, you may revoke your proxy and cast your vote electronically over the Internet during the meeting.

By Order of the Board of Directors,

Michael S. Funk,
Chair of the Board

November 2, 2012

PLEASE VOTE. STOCKHOLDERS MAY VOTE BY THE INTERNET, TELEPHONE OR MAIL. PLEASE REFER TO YOUR PROXY CARD OR THE NOTICE OF PROXY AVAILABILITY DISTRIBUTED TO YOU ON NOVEMBER 2, 2012 FOR INFORMATION ON HOW TO VOTE BY THE INTERNET, TELEPHONE OR MAIL.

Table of Contents

TABLE OF CONTENTS

<u>INFORMATION ABOUT THE MEETING</u>	<u>1</u>
<u>Record Date and Share Ownership</u>	<u>1</u>
<u>Submitting and Revoking Your Proxy</u>	<u>1</u>
<u>How to Vote</u>	<u>3</u>
<u>Quorum</u>	<u>4</u>
<u>Votes Required</u>	<u>4</u>
<u>Attending the Annual Meeting</u>	<u>4</u>
<u>Householding</u>	<u>5</u>
<u>STOCK OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	<u>6</u>
<u>CORPORATE GOVERNANCE</u>	<u>8</u>
<u>Summary</u>	<u>8</u>
<u>Director Independence</u>	<u>9</u>
<u>Lead Independent Director</u>	<u>9</u>
<u>Board Leadership Structure</u>	<u>10</u>
<u>Risk Oversight</u>	<u>10</u>
<u>Compensation Risk</u>	<u>11</u>
<u>Committees of the Board of Directors</u>	<u>12</u>
<u>Board Meetings</u>	<u>13</u>
<u>PROPOSAL 1 ELECTION OF DIRECTORS</u>	<u>14</u>
<u>Directors and Nominees for Director</u>	<u>14</u>
<u>Majority Vote Standard for Election of Directors</u>	<u>17</u>
<u>Nomination of Directors</u>	<u>17</u>
<u>Director Nominees Recommended by Stockholders</u>	<u>18</u>
<u>Communication with the Board of Directors</u>	<u>18</u>
<u>DIRECTOR COMPENSATION</u>	<u>19</u>
<u>Compensation of our Non-Employee Directors</u>	<u>19</u>
<u>Fiscal 2013 Changes to Compensation of Our Non-Employee Directors</u>	<u>20</u>
<u>Compensation of Mr. Funk</u>	<u>20</u>
<u>Deferred Compensation</u>	<u>20</u>
<u>Director Compensation Table Fiscal 2012</u>	<u>21</u>
<u>Stock Ownership Requirement</u>	<u>22</u>
<u>Compensation Committee Interlocks and Insider Participation</u>	<u>22</u>
<u>Certain Relationships and Related Transactions</u>	<u>22</u>
<u>AUDIT COMMITTEE REPORT</u>	<u>24</u>
<u>EXECUTIVE COMPENSATION</u>	<u>26</u>
<u>Compensation Discussion and Analysis</u>	<u>26</u>
<u>COMPENSATION COMMITTEE REPORT</u>	<u>45</u>
<u>EXECUTIVE COMPENSATION TABLES</u>	<u>46</u>
<u>Summary Compensation Table Fiscal Years 2010-2012</u>	<u>46</u>
<u>Grants of Plan-Based Awards in Fiscal 2012</u>	<u>47</u>
<u>Outstanding Equity Awards at Fiscal 2012 Year-End</u>	<u>48</u>
<u>Option Exercises and Stock Vested Fiscal 2012</u>	<u>49</u>
<u>Pension Benefits</u>	<u>50</u>
<u>Nonqualified Deferred Compensation Fiscal 2012</u>	<u>50</u>
<u>Potential Payments upon Termination or Change-in-Control</u>	<u>51</u>
<u>Equity Compensation Plan Information</u>	<u>54</u>

PROPOSAL 2 RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Fees Paid to KPMG LLP

56
56

Table of Contents

<u>Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services</u>	57
<u>PROPOSAL 3 ADVISORY APPROVAL OF OUR EXECUTIVE COMPENSATION</u>	58
<u>PROPOSAL 4 APPROVAL OF THE UNITED NATURAL FOODS, INC. 2012 EQUITY INCENTIVE PLAN</u>	59
<u>Background</u>	59
<u>Summary of the 2012 Equity Plan</u>	59
<u>Certain Federal Income Tax Consequences</u>	64
<u>New Plan Benefits</u>	66
<u>PROPOSAL 5 SHAREHOLDER PROPOSAL</u>	67
<u>Proponent's Proposal and Supporting Statement</u>	67
<u>The Company's Statement in Opposition to Proposal 5</u>	67
<u>OTHER MATTERS</u>	69
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	69
<u>Stockholder Proposals for the 2013 Annual Meeting of Stockholders</u>	69
<u>APPENDIX A UNITED NATURAL FOODS, INC. 2012 EQUITY INCENTIVE PLAN</u>	A-1

Table of Contents

UNITED NATURAL FOODS, INC.
313 Iron Horse Way
Providence, Rhode Island 02908

PROXY STATEMENT

**FOR THE ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON DECEMBER 12, 2012**

This proxy statement is being furnished in connection with the solicitation of proxies by the Board of Directors of United Natural Foods, Inc., for use at the Annual Meeting of Stockholders to be held on Wednesday, December 12, 2012 at 4:00 p.m. eastern standard time on the Internet through a virtual web conference at www.virtualshareholdermeeting.com/unfi2012, and any adjournments or postponements of the annual meeting. The Board of Directors (which we sometimes refer to as the Board in this proxy statement) is soliciting proxies for the purposes set forth in the accompanying *Notice of Annual Meeting of Stockholders*. We will bear the cost of soliciting the proxies.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be Held on December 12, 2012:

As outlined on the notice we mailed to you on November 2, 2012 (the "*Notice of Proxy Availability*"), the proxy statement, proxy card and Annual Report to Stockholders for the fiscal year ended July 28, 2012 are available on the Internet at <http://www.proxyvote.com>.

INFORMATION ABOUT THE MEETING

Record Date and Share Ownership

Only stockholders of record on our books at the close of business on Friday, October 19, 2012 (the "*Record Date*") will be entitled to vote at the annual meeting and any adjournments or postponements of the annual meeting. As of the close of business on October 19, 2012, we had 49,141,375 shares of common stock outstanding. Each share of common stock entitles the record holder to one vote on each matter to be voted upon at the annual meeting. Copies of the Notice of Annual Meeting of Stockholders, this proxy statement, the proxy card and our Annual Report to Stockholders for the fiscal year ended July 28, 2012, are being first made available to stockholders of record on or about November 2, 2012. The Board is making these materials available to you on the Internet or, upon your request, is delivering printed versions of these materials to you without charge by mail. On or about November 2, 2012, we mailed to all stockholders of record as of the Record Date the Notice of Proxy Availability, which contains instructions on how to access these materials and vote.

We will, upon written request of any stockholder, furnish without charge a copy of our Annual Report on Form 10-K for the fiscal year ended July 28, 2012, as filed with the Securities and Exchange Commission (the "SEC"), without exhibits. Please address all such requests to the attention of Carrie Walker, Corporate Assistant Secretary, United Natural Foods, Inc., 313 Iron Horse Way, Providence, Rhode Island 02908. Exhibits will be provided upon written request to Ms. Walker and payment of an appropriate processing fee.

Submitting and Revoking Your Proxy

If you complete and submit a proxy, the persons named as proxies will vote the shares represented by your proxy in accordance with your instructions. If you submit a proxy but do not complete the

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Table of Contents

voting instructions, the persons named as proxies will vote the shares represented by your proxy as follows:

FOR the election of Peter A. Roy and Richard J. Schnieders as directors to serve until our 2015 annual meeting of stockholders (Proposal 1);

FOR the ratification of the selection of KPMG LLP as our independent registered public accounting firm for fiscal 2013 (Proposal 2);

FOR the advisory approval of our executive compensation (Proposal 3);

FOR the approval of the United Natural Foods Inc. 2012 Equity Incentive Plan (Proposal 4); and

AGAINST the stockholder proposal (Proposal 5).

If other matters come before the annual meeting, the persons named as proxies will vote on such matters in accordance with their best judgment. We have not received notice of other matters that may properly be presented at the annual meeting.

You may revoke or revise your proxy at any time before it is exercised by (1) delivering to us a signed proxy card with a date later than your previously delivered proxy, (2) voting via the Internet while attending the virtual annual meeting, (3) granting a subsequent proxy through the Internet or telephone, or (4) sending a written revocation to our corporate secretary at 313 Iron Horse Way, Providence, Rhode Island 02908. Attendance at the virtual annual meeting through the Internet will not itself be deemed to revoke your proxy unless you vote via the Internet while attending the virtual annual meeting. Your most current proxy card or telephone or Internet proxy is the one that is counted.

If you hold shares of common stock in a stock brokerage account or through a bank or other nominee, you are considered to be the beneficial owner of shares held in "*street name*" and these proxy materials are being forwarded to you by your broker, bank or nominee. You may not vote directly any shares held in street name; however, as the beneficial owner of the shares, you have the right to direct your broker, bank or nominee on how to vote your shares. If you do not provide your broker, bank or nominee instructions on how to vote your shares on non-discretionary items, a "broker non-vote" will occur. Proposal 1 (election of two nominees as directors), Proposal 3 (advisory approval of our executive compensation), Proposal 4 (approval of the United Natural Foods, Inc. 2012 Equity Incentive Plan (the "2012 Equity Plan"), and Proposal 5 (the stockholder proposal) are non-discretionary items for which your broker, bank or nominee will not be able to vote your shares without your instructions. Proposal 2 (ratification of the selection of KPMG LLP) is a discretionary item, and your broker, bank or nominee may vote your shares in their discretion even without voting instructions from you. Accordingly, it is possible for there to be broker non-votes for Proposals 1 and 3 through 5, but not for Proposal 2. In the case of a broker non-vote, your shares would be included in the number of shares considered present at the meeting for the purpose of determining whether there is a quorum. A broker non-vote, being shares not entitled to vote, would not have any effect on the outcome of the vote on Proposal 1 or Proposals 3 through 5.

If you participate in our Employee Stock Ownership Plan (the "*ESOP*"), you will receive a separate voting instructions card which will serve as a voting instruction for Mr. Robert Huckins, the trustee of the ESOP. If Mr. Huckins does not receive voting instructions for your ESOP shares, he will vote your ESOP shares in the same proportion as other ESOP participants' shares for which voting instructions have been received. Mr. Huckins will vote unallocated shares of common stock in the ESOP in the same proportion as participants have directed the trustee to vote their allocated shares of common stock.

Table of Contents

If you participate in the United Natural Foods, Inc. Stock Fund (the "*Stock Fund*") through the United Natural Foods, Inc. Retirement Plan (the "*401(k) Plan*"), you will receive a separate voting instructions card which will serve as a voting instruction for Fidelity Management Trust Company ("*Fidelity*"), the trustee of the plan. If Fidelity does not receive voting instructions for your shares, it will vote your shares in the same proportion as other plan participants' shares for which voting instructions have been received.

In addition to solicitations by mail and the Internet, our directors, officers and employees may, without additional remuneration, solicit proxies by telephone, facsimile and personal interviews. We will request brokerage houses, banks, and nominees to forward copies of the proxy materials to those persons for whom they hold shares and request instructions for voting the proxies. We will reimburse such brokerage houses, banks and other nominees for their reasonable expenses in connection with this distribution.

How to Vote

For Proposal 1 (election of two nominees as directors), you may vote "FOR" or "AGAINST" each of the nominees to the Board. You may also abstain from voting "FOR" or "AGAINST" any nominee. For Proposal 2 (ratification of the selection of KPMG LLP), Proposal 3 (advisory approval of our executive compensation), Proposal 4 (approval of the 2012 Equity Plan) and Proposal 5 (the stockholder proposal), you may vote "FOR" or "AGAINST" or abstain from voting.

Stockholders of Record: If you are a stockholder of record, there are three ways to vote:

by completing, signing, dating and returning your proxy card by mail, if you request a paper copy of the proxy materials;

by making a toll-free telephone call within the United States or Canada using a touch-tone telephone to the toll-free number provided on your Notice of Proxy Availability; or

by voting on the Internet. To vote on the Internet, go to the website address indicated on your Notice of Proxy Availability to complete an electronic proxy card. You will be asked to provide the control number from the Notice of Proxy Availability. You may also vote on the Internet while attending the meeting virtually through the Internet.

If you plan to vote by telephone or Internet in advance of the meeting, your vote must be received by 7:00 p.m., eastern standard time, on December 11, 2012 to be counted. Internet voting during the annual meeting is also permissible through the virtual web meeting hosted at www.virtualshareholdermeeting.com/unfi2012.

Street Name Holders: If you hold your shares in street name, the Notice of Proxy Availability was forwarded to you by your brokerage firm, bank or other nominee and you should follow the voting instructions provided by your broker, bank or nominee. You may complete and return a voting instruction card to your broker, bank or nominee. Please check your Notice of Proxy Availability for more information. If you hold your shares in street name and wish to vote at the annual meeting, you must have your 12 digit control number from your Notice of Proxy Availability.

Holders Through the ESOP: If you hold your shares through the ESOP, a voting instructions card was forwarded to you, which will serve as a voting instruction for Mr. Robert Huckins, the trustee of the ESOP. You must submit your voting instructions to Mr. Huckins by the close of business on December 10, 2012 to allow him time to receive your voting instructions. If Mr. Huckins does not receive voting instructions for your ESOP shares, he will vote your ESOP shares in the same proportion as other ESOP participants' shares for which voting instructions have been received.

Table of Contents

Holders Through the 401(k) Plan: If you hold your shares through the 401(k) Plan's Stock Fund, you will receive a separate voting instructions card which will serve as a voting instruction for Fidelity, the trustee of the 401(k) Plan. You must submit your voting instructions to Fidelity by 5:00 p.m. eastern standard time on December 10, 2012 to allow it time to receive your voting instructions. If Fidelity does not receive voting instructions for your shares, it will vote your shares in the same proportion as other plan participants' shares for which voting instructions have been received.

We provide Internet proxy voting to allow you to vote your shares online both before and during the meeting, with procedures designed to ensure the authenticity and correctness of your proxy vote instructions. However, please be aware that you must bear any costs associated with your Internet access, such as usage charges from Internet access providers and telephone companies.

Quorum

Presence by attendance through the virtual annual meeting or by proxy of a majority of the shares of common stock outstanding at the close of business on the Record Date and entitled to vote at the annual meeting will be required for a quorum. Shares of common stock present by attendance through the virtual annual meeting or represented by proxy (including shares that abstain or do not vote with respect to one or more of the matters presented for stockholder approval) will be counted for purposes of determining whether a quorum exists at the annual meeting.

Votes Required

Proposal 1 (election of two nominees as directors) is an uncontested director election. In uncontested elections, our Bylaws require that each nominee be elected by a majority of votes cast with respect to such nominee. Therefore, a director will be elected if the number of shares voted "FOR" the director exceed the number of shares voted "AGAINST" the director. Since each nominee is already a director, our Bylaws require any nominee who does not receive the affirmative vote of at least a majority of the votes cast to offer to tender his or her resignation to the Board. The Nominating and Governance Committee will make a recommendation to the Board on whether to accept or reject the director's resignation, or whether other action should be taken. The Board will act on such recommendation within 90 days from the date of the certification of the election results. Abstentions and broker non-votes will have no effect on these items because they are not considered votes cast.

For Proposal 2 (ratification of the selection of KPMG LLP), Proposal 3 (advisory approval of our executive compensation), Proposal 4 (approval of the 2012 Equity Plan) and Proposal 5 (the stockholder proposal), the affirmative vote of a majority of votes cast on the proposal is necessary for approval. Abstentions and broker non-votes will have no effect on the results of Proposals 2, 3, 4 or 5 because they are not considered votes cast.

Attending the Annual Meeting

We will be hosting the 2012 Annual Meeting of Stockholders live via the Internet. A summary of the information you need to attend the annual meeting online is provided below:

Any stockholder can attend the annual meeting live via the Internet at www.virtualshareholdermeeting.com/unfi2012.

Webcast starts at 4:00 p.m. eastern standard time.

Please have your 12-digit control number to enter the annual meeting.

Stockholders may vote and submit questions while attending the annual meeting on the Internet.

Instructions on how to attend and participate via the Internet, including how to demonstrate proof of stock ownership, are posted at www.virtualshareholdermeeting.com/unfi2012.

Table of Contents

Webcast replay of the annual meeting will be available at www.virtualshareholdermeeting/unfi2012 until December 12, 2013.

Householding

We have adopted a procedure for stockholders whose shares are held in street name called "*householding*," pursuant to which stockholders of record who have the same address and the same last name will receive only one Notice of Proxy Availability each and, as applicable, one set of any additional proxy materials that are delivered, unless one or more of these stockholders notifies us that they wish to continue receiving multiple copies. This procedure provides extra convenience for stockholders and a cost savings for us. Currently, we are not providing householding to stockholders whose shares are registered in their name.

If at any time you no longer wish to participate in householding and would prefer to receive a separate Notice of Proxy Availability and, as applicable, any additional proxy materials that are delivered, or if your shares are held in street name and you are receiving multiple copies of our Notice of Proxy Availability and, as applicable, any additional proxy materials that are delivered and wish to receive only one, please notify your bank, broker, trust or other holder of record. For more information, please contact our corporate secretary at 313 Iron Horse Way, Providence, Rhode Island 02908.

Stockholders who participate in householding will continue to receive separate control numbers for use in voting their shares, and, if requested, separate proxy cards.

Table of Contents**STOCK OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

This table includes information regarding the amount of our common stock beneficially owned as of October 19, 2012 by (i) each of our directors, (ii) each of our executive officers named in the *EXECUTIVE COMPENSATION TABLES Summary Compensation Table Fiscal Years 2010-2012*, (iii) all of our directors and current executive officers as a group, (iv) our Employee Stock Ownership Trust ("ESOT"), and (v) each person or entity known to us to own more than 5% of our outstanding common stock.

Name and Address of Beneficial Owner(1)	Number of Shares Beneficially Owned(2)(3)	Percentage Ownership
Directors and Named Executive Officers:		
Michael S. Funk	46,837	**
Gordon D. Barker	34,327	**
Steven L. Spinner(4)	122,329	**
Mary Elizabeth Burton	11,217	**
Joseph M. Cianciolo	30,241	**
Gail A. Graham	16,917	**
James P. Heffernan	50,986	**
Peter A. Roy	41,999	**
Richard J. Schnieders	3,014	**
Sean F. Griffin	9,054	**
Mark E. Shamber	77,079	**
Craig H. Smith	3,262	**
Joseph J. Traficanti	12,896	**
All directors and executive officers, as a group (19 persons)	502,621	1.0%
Other Stockholders:		
Employee Stock Ownership Trust(5)	2,160,558	4.4%
BlackRock, Inc.(6)	3,549,600	7.2%
TimesSquare Capital Management, LLC(7)	2,829,104	5.8%
The Vanguard Group, Inc.(8)	2,525,010	5.1%

**

Less than 1%

(1)

The address for each listed director and executive officer is c/o United Natural Foods, Inc., 313 Iron Horse Way, Providence, Rhode Island 02908. The address for the ESOT is c/o Robert G. Huckins, Trustee, 19404 Camino Del Aguila, Escondido, California 92025. The address for BlackRock, Inc. is 40 East 52nd Street, New York, New York, 10022. The address for TimesSquare Capital Management, LLC is 1177 Avenue of the Americas, 39th Floor, New York, New York 10036. The address for The Vanguard Group, Inc. is 100 Vanguard Boulevard, Malvern, Pennsylvania 19355.

(2)

The number of shares of common stock beneficially owned by each stockholder is determined under SEC rules, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares as to which a person has sole or shared voting power or investment power and also any shares which a person has the right to acquire within 60 days after October 19, 2012 through the vesting and/or exercise of any equity award or other right. The inclusion herein of such shares, however, does not constitute an admission that the named stockholder is a direct or indirect beneficial owner of such shares. Unless otherwise indicated, each person named in the table has sole voting power and investment

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Table of Contents

power (or shares such power with his or her spouse) with respect to all shares of common stock listed as owned by such person.

(3)

The shares of common stock shown in the table include the following numbers of shares that are issuable upon the exercise of stock options: Mr. Funk 26,458; Mr. Barker 3,500; Mr. Spinner 26,822; Ms. Burton 4,433; Mr. Cianciolo 5,320; Mr. Heffernan 30,590; Mr. Roy 17,743; Mr. Griffin 5,080; Mr. Shamber 39,923; Mr. Smith 3,203; Mr. Traficanti 5,964; all directors and executive officers as a group 198,992.

The shares of common stock shown in the table include the following numbers of shares issuable pursuant to restricted stock units: Mr. Smith 1,830; all directors and executive officers as a group 2,498.

The shares of common stock shown in the table include the following numbers of shares that are issuable pursuant to phantom stock in the Company's Deferred Compensation and Deferred Stock Plans (the "*Deferral Plans*"): Mr. Barker 30,827; Mr. Spinner 6,093; Mr. Cianciolo 21,148; Ms. Graham 6,384; Mr. Heffernan 17,559; Mr. Shamber 15,768; Mr. Traficanti 4,830; all directors and executive officers as a group 102,609.

The shares of common stock shown in the table include the following numbers of shares held in trust by the ESOT and allocated to the individuals under the ESOP: Mr. Funk 1,790; Mr. Spinner 549; Mr. Griffin 216; Mr. Shamber 2,294; and Mr. Traficanti 292; all directors and executive officers as a group 9,208.

The shares of common stock shown in the table include the following numbers of shares that are allocated to the individual's account under our 401(k) Plan's Stock Fund: Mr. Griffin 679; Mr. Shamber 1,699; Mr. Traficanti 292; all directors and executive officers as a group 9,208.

(4)

Includes 4,500 shares of common stock held by, or by a custodian for, his minor children.

(5)

The ESOT disclaims beneficial ownership of allocated shares of common stock in the ESOP to the extent that the beneficial ownership of such shares is attributable to participants in the ESOP.

(6)

Beneficial ownership information based on information contained in a Schedule 13G/A filed with the SEC on February 10, 2012 by BlackRock, Inc.

(7)

Beneficial ownership information based on information contained in a Schedule 13G/A filed with the SEC on February 8, 2012 by TimesSquare Capital Management, LLC. In its role as an investment advisor, TimesSquare Capital Management, LLC has the sole voting power with respect to 2,383,184 shares and the sole dispositive power with respect to 2,829,104 shares.

(8)

Beneficial ownership information based on information contained in a Schedule 13G filed with the SEC on February 9, 2012 by The Vanguard Group, Inc. The Vanguard Group, Inc. has sole voting power with respect to 67,189 shares, sole dispositive power with respect to 2,457,821 shares and shared dispositive power with respect to 67,189 shares. Vanguard Fiduciary Trust Company ("VFTC"), a wholly-owned subsidiary of The Vanguard Group, Inc., beneficially owns 67,189 shares as a result of VFTC's serving as investment manager of collective trust accounts. VFTC directs the voting of such shares.

Table of Contents

CORPORATE GOVERNANCE

Summary

We are committed to maintaining strong corporate governance practices and principles. The Board actively monitors developments relating to the corporate governance of public corporations, and the Board has consulted with our legal counsel and independent registered public accounting firm to evaluate our current corporate governance and other practices in light of these developments. Our policies and practices reflect corporate governance best practices and are compliant with the requirements of the Sarbanes-Oxley Act of 2002, SEC rules and regulations and the NASDAQ Stock Market ("*NASDAQ*") listing standards. For example:

The Board has adopted clear corporate governance principles, which were most recently revised in September 2010, that outline the roles and responsibilities of the Board and its committees and establish policies regarding governance matters such as Board meetings and communications, performance evaluations of the Board and our Chief Executive Officer, stock ownership guidelines, and director orientation and continuing education;

A majority of the members of the Board are independent within the NASDAQ listing standards' definition, and the Board makes an affirmative determination regarding the independence of each director annually;

All members of the Board's standing committees the Audit Committee, the Compensation Committee and the Nominating and Governance Committee are independent within the NASDAQ listing standards' definition;

The independent members of the Board meet regularly without the presence of management;

We have designated an independent director to serve as our "Lead Independent Director" to coordinate the activities of the other independent members of the Board;

We have a clear code of business conduct and ethics that applies to our principal executive officers and all members of our finance department, including our principal financial officer and principal accounting officer;

The charters of the Board's committees clearly establish their respective roles and responsibilities; and

The Audit Committee has procedures in place for the anonymous submission of employee complaints on accounting, internal controls or auditing matters.

In addition, our corporate governance principles limit our independent directors to serving on no more than a total of four public company boards and limit our executive officers to serving on no more than a total of two public company boards, in each case, including our Board. Directors and executive officers must notify the Nominating and Governance Committee in advance of accepting an invitation to serve on another corporate board. Directors are also required to notify the Nominating and Governance Committee when their principal occupation or business association changes, at which point the committee will evaluate the propriety of continued Board service.

As discussed under *PROPOSAL 1 ELECTION OF DIRECTORS Majority Vote Standard for Election of Directors*, our Bylaws provide for a majority voting standard for uncontested elections of directors and the Board approved amendments to the Nominating and Governance Committee's charter to implement the majority voting standard for directors. The Nominating and Governance Committee's charter sets forth the procedures for the Nominating and Governance Committee's deliberations regarding whether to accept an offer by a nominee for director to resign from the Board if that nominee does not receive more votes cast "FOR" his or her election than votes cast "AGAINST" his or her election.

Table of Contents

We maintain a corporate governance page on our website that includes key information about our corporate governance initiatives. The corporate governance page can be found at www.unfi.com, by clicking on "Investor Overview" and then on "Corporate Governance" or "Code of Conduct" as applicable. Copies of our corporate governance principles, our code of business conduct and ethics, the charters for each of the Board's committees and the charter of the Lead Independent Director can be found on the investor overview pages of our website. Information contained on our website is not incorporated by reference in this proxy statement or considered to be part of this document.

Director Independence

Our corporate governance principles require a majority of the members of the Board to be independent directors as such term is defined in the NASDAQ listing standards. The Board, upon the recommendation of the Nominating and Governance Committee, has determined that seven of its nine members are independent. Our seven independent directors are Gordon D. Barker, Mary E. Burton, Joseph M. Cianciolo, Gail A. Graham, James P. Heffernan, Peter A. Roy and Richard J. Schnieders. Michael S. Funk and Steven L. Spinner are our employees and therefore are not independent directors. Mr. Cianciolo has reached mandatory retirement age under our corporate governance principles, and, therefore, he is not standing for re-election at the annual meeting. In connection with Mr. Cianciolo's term expiring at the annual meeting, we will reduce the size of the Board to eight members.

Our corporate governance principles and the charter for each of the Boards' standing committees the Audit Committee, the Compensation Committee, and the Nominating and Governance Committee require all members of the Board's standing committees to be independent. The charter of the Audit Committee also requires each of its members to meet the definition of independence under Section 10A of the Securities Exchange Act of 1934, as amended (the "*Exchange Act*"), and the SEC's rules thereunder. The charter of the Compensation Committee requires each of its members to be a non-employee director within the meaning of Rule 16b-3 under the Exchange Act and an outside director within the meaning of Section 162(m) of the Internal Revenue Code, as amended (the "*Code*"). We will be revising the charter of the Compensation Committee to take into account the impact of recently proposed changes to the NASDAQ listing standards, including the changes regarding committee member independence, and will post the amended version of the charter to the corporate governance section of our website.

Lead Independent Director

The Board previously maintained the positions of Vice Chair and Lead Independent Director. Effective September 2012, the Board eliminated the "Vice Chair" reference and instituted a 3-year term limit for the Lead Independent Director role, effective retroactively. Mr. Barker, Chair of the Nominating and Governance Committee, currently serves as the Lead Independent Director. In accordance with our corporate governance principles and the charter of the Lead Independent Director, the Lead Independent Director must be independent, and unless the Board determines otherwise, the Chair of the Nominating and Governance Committee shall serve as the Lead Independent Director. The Lead Independent Director is responsible for coordinating the activities of the other independent directors and for performing such other duties and responsibilities as the Board may determine from time to time, including:

Serving as a liaison between the Chair of the Board, independent directors, and the President and Chief Executive Officer;

Leading the annual performance reviews of the Chair of the Board and the President and Chief Executive Officer, and leading the full Board in an annual review of the performance and effectiveness of the Board and its committees;

Table of Contents

Recommending to the Board the membership of the Board's committees, and recommending to the Chair of the Board the retention of advisers and consultants who report directly to the Board;

Advising the Chair of the Board as to an appropriate schedule of and agenda for the Board's meetings and ensuring the Board's input into the agenda for the Board's meetings;

Advising the President and Chief Executive Officer as to the quality, quantity, and timeliness of the information submitted by the Company's management that is necessary or appropriate for the independent directors to effectively and responsibly perform their duties;

Assisting the Board, the Nominating and Governance Committee, and our officers in better ensuring compliance with and implementation of our corporate governance principles; and

Serving as the Chair for executive sessions of the Board's independent directors and acting as Chair of the Board's regular and special meetings when the Chair is unable to preside.

A complete description of the duties of the Lead Independent Director is included in the charter of the Lead Independent Director, a copy of which can be found in the corporate governance section of our website at www.unfi.com.

Board Leadership Structure

The Board is currently led by the Chair of the Board, Mr. Funk, and by the Lead Independent Director, Mr. Barker. The Board believes that it is in our best interests for two separate members of the Board to lead the Board. This dual leadership role combines the benefits of Mr. Barker's guidance as an independent director and Mr. Funk's prior executive management experience with the Company, and its predecessor company, from 1976 to 2008. Our corporate governance principles do not require the Chair of the Board to be independent and do not specify whether the positions of Chair of the Board and Chief Executive Officer must be separated.

The Chair and the Lead Independent Director provide overall leadership to the Board in its oversight function, whereas the Board believes that the Chief Executive Officer, Mr. Spinner, provides leadership with respect to the day-to-day management and operation of our business. We believe the separation of the offices of the Board's leadership from our day-to-day management and operations allows Mr. Funk and Mr. Barker to focus on managing the Board's matters and allows Mr. Spinner to focus on managing our business. The Board believes this leadership structure has enhanced the Board's oversight of, and independence from, management, the ability of the Board to carry out its roles and responsibilities on behalf of our stockholders, and our overall corporate governance. Furthermore, the Board believes that having a Lead Independent Director vested with key duties and responsibilities (as discussed above) and the Board's standing committees comprised of and chaired by independent directors (as discussed below) provides a formal structure for strong independent oversight of our management team.

Risk Oversight

The Board has overall responsibility for risk oversight. The Board exercises its oversight responsibilities with respect to strategic, operational and competitive risks, as well as risks related to the planning for succession of our Chief Executive Officer and other members of senior management. The Board has delegated responsibility for the oversight of specific risks to the Board's committees as follows: the Audit Committee discusses with management and the independent auditor significant financial risk exposures and the steps management has taken to monitor, control, and report such exposures; and the Compensation Committee is responsible for ensuring that compensation policies and programs do not encourage our executives to take unnecessary and excessive risks that could threaten our long-term value. All committees report to the full Board as appropriate, including when a matter

Table of Contents

rises to the level of a material or enterprise level risk. We believe the division of risk management responsibilities described above is an effective approach for addressing the risks facing our company.

Compensation Risk

In fiscal 2012, we performed a comprehensive assessment for the Compensation and Audit Committees to determine whether the risks arising from any of our compensation policies or practices are reasonably likely to have a material adverse effect on us. Our assessment covered each material element of executive and non-executive employee compensation and any risk mitigating factors as discussed below. We believe that our policies and practices do not create risks that are reasonably likely to have a material adverse effect on us. In addition, the structure of our compensation program for executive officers does not incentivize unnecessary or excessive risk taking. The base salary component of compensation does not encourage risk-taking because it is a fixed amount. In addition, performance-based cash incentive awards and long-term equity-based incentive awards made in fiscal 2012 have the following risk-limiting characteristics:

Time-based vesting equity awards for Messrs. Spinner, Shamber, Traficanti and Griffin were granted with a grant date fair value equal to the sum of 115% of base salary and 57.5% of the performance-based annual cash incentive award earned in fiscal 2011. Time-based vesting equity awards for Mr. Smith were granted with a grant date fair value equal to the sum of 100% of base salary and 50% of the performance-based annual cash incentive award earned in fiscal 2011.

Equity awards in the form of stock options were limited to approximately 20% of the time-based vesting award value, which reduces the incentive to take unnecessary or excessive risks to increase our stock price. The remaining approximately 80% of the time-based vesting award value was delivered in the form of time-based vesting restricted stock units, which aligns the interests of our executive officers to long-term stockholder interests.

Time-based vesting equity awards to employees generally have graded vesting with 25% of the grant vesting on each anniversary of the grant date.

Performance-based vesting restricted stock units with performance criteria tied to our performance in the fiscal year after the fiscal year in which the award is granted were granted with a grant date fair value equal to 33.34% of the sum of 125% of base salary and 50% of the amount of the performance-based annual cash incentive award at the target level of performance for fiscal 2012. These awards can vest at a value of up to 200% of the grant date value if the maximum performance targets are achieved.

Executive officers are subject to our executive stock ownership guidelines as described in *EXECUTIVE COMPENSATION Compensation Discussion and Analysis Other Programs, Policies and Considerations* and all non-employee directors are subject to stock ownership requirements as described in *DIRECTOR COMPENSATION Stock Ownership Requirement*.

Members of the Compensation Committee approve the final incentive compensation pool based on the minimum performance hurdle and the performance multiplier as described in *Components of our Executive Compensation Program Minimum Performance Hurdle* and *Components of our Executive Compensation Program Performance Multiplier* after reviewing corporate performance.

Equity awards and cash-based incentive plan awards are subject to our Recoupment Policy as described in *EXECUTIVE COMPENSATION Compensation Discussion and Analysis Other Programs, Policies and Considerations*.

Table of Contents

Committees of the Board of Directors

The Board currently has three standing committees: the Compensation Committee, the Audit Committee and the Nominating and Governance Committee. Upon recommendation of the Nominating and Governance Committee, the full Board appoints members of each committee. Each committee is responsible for appointing its chair. In addition to the individuals identified as committee members below, the Lead Independent Director is an ex-officio member of each of the committees described below.

Compensation Committee. The Compensation Committee establishes or approves all policies and procedures related to our human resources function, including employee compensation, incentive programs, and our 401(k) plan, and administers our stock incentive plans, including the United Natural Foods, Inc. 2002 Stock Incentive Plan (the "2002 Equity Plan"), the United Natural Foods, Inc. Amended and Restated 2004 Equity Incentive Plan (the "2004 Equity Plan"), and the United Natural Foods, Inc. Amended and Restated 1996 Stock Option Plan (the "1996 Equity Plan"). Additionally, this committee evaluates and establishes the compensation of our executive officers whose compensation is described below in *EXECUTIVE COMPENSATION TABLES Summary Compensation Table Fiscal Years 2010-2012*, including our Chief Executive Officer and Chief Financial Officer. The Compensation Committee also reviews the compensation of the other members of our senior management team and recommends to the Board the compensation for our non-employee directors. For a description of the role of the Compensation Committee, its consultants and management in setting executive compensation, please see *EXECUTIVE COMPENSATION Compensation Discussion and Analysis How We Make Decisions Regarding Executive Pay*. The Compensation Committee also approves our annual compensation discussion and analysis included in our annual proxy statements.

The agenda for meetings of the Compensation Committee is determined by its Chair with the assistance of our Chief Executive Officer, Chief Financial Officer, Chief Human Resources and Sustainability Officer and Secretary and General Counsel. Compensation Committee meetings are regularly attended by the Chair of the Board, the Chief Executive Officer, the Chief Financial Officer, the General Counsel and the Chief Human Resources and Sustainability Officer. At certain meetings during fiscal 2012, the Compensation Committee met in executive session. The Compensation Committee's Chair reports the committee's recommendations on executive compensation to the Board. Independent advisors and the Company's finance, human resources, benefits and legal departments support the Compensation Committee in its duties and may be delegated authority to fulfill certain administrative duties regarding the compensation programs. The Compensation Committee has authority under its charter to retain, approve fees for and terminate advisors, consultants and agents as it deems necessary to assist in the fulfillment of its responsibilities.

The Compensation Committee's charter is available on our website, www.unfi.com. The Compensation Committee held three meetings during fiscal 2012. The current members of the Compensation Committee are Mr. Heffernan (chair), Ms. Graham and Messrs. Cianciolo and Roy, each of whom is an independent director.

Audit Committee. The Board has an Audit Committee that is a separately designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. The Audit Committee is responsible for monitoring the integrity of our financial reporting process and systems of internal controls regarding finance, accounting, and legal compliance; monitoring the independence of our independent registered public accounting firm; and monitoring the performance of our independent registered public accounting firm, management and our internal audit department. Among the Audit Committee's duties are to review the results and scope of the audit and other services provided by our independent registered public accounting firm.

The Audit Committee's charter is available on our website, www.unfi.com. The Audit Committee held four meetings during fiscal 2012. The current members of the Audit Committee are Ms. Burton

Table of Contents

(chair) and Messrs. Barker, Cianciolo and Heffernan, each of whom is an independent director. The Board has determined that Ms. Burton and Messrs. Barker, Cianciolo and Heffernan are audit committee financial experts, as defined by the rules and regulations of the SEC.

Nominating and Governance Committee. The Nominating and Governance Committee is responsible for developing, reviewing and recommending to the Board for adoption our corporate governance principles; identifying and nominating candidates for election to the Board; assessing and making recommendations to the Board regarding the size and composition of the Board and the size, composition, scope of authority, responsibilities and reporting obligations of each of the Board's committees; and assisting the Board in conducting performance reviews of the Board and its committees and members. For additional information regarding the director nomination process undertaken by the Nominating and Governance Committee, please refer to *PROPOSAL 1 ELECTION OF DIRECTORS Nomination of Directors*.

The Nominating and Governance Committee's charter is available on our website, www.unfi.com. The Nominating and Governance Committee held three meetings during fiscal 2012. The current members of the Nominating and Governance Committee are Mr. Barker (chair), Ms. Burton and Mr. Roy, each of whom is an independent director.

Board Meetings

During the fiscal year ended July 28, 2012, the Board met five times and following each of the Board's meetings, the independent directors met in executive session without the presence of management (in each case, including by telephone conference). All directors attended at least 75% of the meetings of the Board and of the committees on which they served. We encourage each member of the Board to attend our annual meetings of stockholders. All of our directors attended last year's virtual annual meeting, with the exception of Ms. Burton (and Mr. Schnieders, who was not a member of the Board at the time).

Table of Contents

PROPOSAL 1 ELECTION OF DIRECTORS

Directors and Nominees for Director

Currently, the Board is comprised of nine directors. The directors are divided into three classes, each serving until the date of the third annual meeting following the annual meeting at which such director was elected. The Board consists of three Class I directors (Messrs. Cianciolo, Roy and Schnieders), three Class II directors (Mes. Burton and Graham and Mr. Barker) and three Class III director (Messrs. Funk, Heffernan and Spinner).

The term of each Class I director will expire at the 2012 Annual Meeting of Stockholders, unless elected to a new term by our stockholders. Mr. Cianciolo has reached mandatory retirement age under our corporate governance principles, and, therefore, he is not standing for re-election at the annual meeting. In connection with Mr. Cianciolo's term expiring at the annual meeting, we will be reducing the size of the Board to eight members.

Messrs. Roy and Schnieders have been nominated to stand for re-election as a director at the 2012 Annual Meeting of Stockholders to hold office until the annual meeting of stockholders to be held in 2015 and until their successors are elected and qualified. Each nominee has indicated his or her willingness to serve, if elected. If any nominee should be unable to serve, the person acting under the proxy may vote the proxy for a substitute nominee. We have no reason to believe any of the nominees will be unable to serve if elected.

We have described below information concerning the business experience and qualification of each of our Class I directors and incumbent directors.

The Board unanimously recommends that stockholders vote "FOR" each of the director nominees. Proxies received by the Board will be voted "FOR" each of the nominees unless a contrary choice is specified in the proxy.

NOMINEES FOR ELECTION TO TERM EXPIRING 2015 (CLASS I)

Peter A. Roy, age 56, has served as a member of the Board since June 2007. Mr. Roy is a member of the Nominating and Governance Committee and the Compensation Committee. Mr. Roy is an entrepreneur and since 1999 has been a strategic advisor to North Castle Partners. In connection with his role as a strategic advisor to North Castle Partners, Mr. Roy served on the boards of Avalon Natural Products, Inc. and Naked Juice Company. From 1993 to 1998, Mr. Roy served as President of Whole Foods Market, Inc. and, for five years prior to that, served as President of that company's West Coast Region.

Mr. Roy's experience as the President of Whole Foods Market, Inc. allows him to provide the Board essential insight and guidance into the day-to-day operations of natural and organic products retailers, including a key customer of ours. In addition, his experience in the healthy lifestyle industry helps the Board maintain its focus on our core values, including our sustainability goals.

Richard J. Schnieders, age 63, has served as a member of the Board since February 2012. Mr. Schnieders served as a director of Sysco Corporation ("Sysco") from July 1997 through June 2009, including as executive Chairman of the Board from January 2003 through June 2009. Mr. Schnieders also previously served as Sysco's Chief Executive Officer from January 2003 through March 2009. Prior to that role, Mr. Schnieders served as Sysco's Chief Operating Officer beginning in January 2000 and as President beginning in July 2000, each through December 2002. Mr. Schnieders also served as President from July 2005 until he stepped down from that position on July 1, 2007. Since 2009, Mr. Schnieders

Table of Contents

has focused on sustainable solutions that increase access to fresh food, provide nutritional education, and empower local communities and recently co-founded a new venture to provide healthy, affordable food to underserved communities.

Mr. Schnieders experience including as Chief Executive Officer of Sysco allows him to provide the Board essential insight and guidance into the operations of another wholesale food distributor. In addition, his recent work on sustainability and food quality help the Board maintain its focus on our core values, including our sustainability goals.

INCUMBENT DIRECTORS TERMS EXPIRING 2013 (CLASS II)

Gordon D. Barker, age 66, has served as Lead Independent Director since January 2010 and as a member of the Board since September 1999. Mr. Barker serves as Chair of the Nominating and Governance Committee and as a member of the Audit Committee. Mr. Barker served on the Board of Directors of The Sports Authority, Inc. from April 1998 to May 2006. Mr. Barker served as a contract Chief Executive Officer for QVL Pharmacy Holdings, Inc., a privately-held entity, from October 2004 until February 2007. Mr. Barker served as Chief Executive Officer of Snyder's Drug Stores, Inc. from October 1999 to March 2004. Snyder's Drug Stores, Inc. filed for Chapter 11 bankruptcy in September 2003 and emerged from this filing in March 2004. Mr. Barker has served as President of Barker Holdings, LLC since January 2004. Mr. Barker has served as the principal of Barker Enterprises, an investment and consultant firm, since January 1997.

Mr. Barker's extensive business experience within the retail sector, including his having served as a chief executive officer of three retail drug store chains, coupled with his past experience as a public company director and deep understanding of corporate governance matters contribute to his qualifications to serve on the Board.

Mary E. Burton, age 60, has served as a member of the Board since August 2010. Ms. Burton serves as Chair of the Audit Committee and as a member of the Nominating and Governance Committee. Ms. Burton served as Interim Chief Executive Officer of Zale Corporation, a specialty jewelry retailer, from January 2006 to July 2006 and as President and Chief Executive Officer from July 2006 to December 2007. Ms. Burton also has been the Chief Executive Officer of BB Capital, Inc., a retail advisory and management services company, since 1992. Prior directorships include The Sports Authority, Inc. from 1999 to 2006, Aeropostale, Inc. from 2000 to 2006, Rent-a-Center, Inc from 2002 to 2007 and Zale Corporation from 2003 to 2007. Ms. Burton served on the board of directors of Staples, Inc., from June 1993 to June 2012.

Ms. Burton is an experienced business leader whose extensive executive level experience within the retail industry, including insight into marketing, merchandising and operational management adds experience to the Board in these important areas. Her past experience as the chief executive officer of large retailers like Zale Corporation adds to her qualifications.

Gail A. Graham, age 61, has served as a member of the Board since October 2002. Ms. Graham serves as a member of the Compensation Committee. Ms. Graham has served as the General Manager of Mississippi Market Natural Foods Cooperative, a consumer owned and controlled cooperative in St. Paul, Minnesota, since October 1999. Ms. Graham served as Vice Chair of the Board of Directors of Blooming Prairie Cooperative Warehouse from November 1994 until October 1998 and from November 2000 until October 2002. Ms. Graham served as the Chair of the Board of Directors of Blooming Prairie Cooperative Warehouse from November 1998 until October 2000. Ms. Graham resigned from the Board of Directors of Blooming Prairie Cooperative Warehouse in October 2002, concurrent with our purchase of the cooperative and her appointment to the Board.

Table of Contents

Ms. Graham's active involvement in the natural products industry for over 30 years, including her experience in managing natural food cooperatives and her deep understanding of the issues facing our industry bring to the Board a unique perspective on the issues facing our company and industry generally.

INCUMBENT DIRECTORS TERMS EXPIRING 2014 (CLASS III)

Michael S. Funk, age 58, has served as Chair of the Board since September 2008, a position which he also held from January 2003 to December 2003, and has been a member of the Board since February 1996. Mr. Funk served as our President and Chief Executive Officer from October 2005 to September 2008. Mr. Funk also served as Vice Chair of the Board from February 1996 until December 2002, as our Chief Executive Officer from December 1999 until December 2002 and as our President from October 1996 until December 1999. From its inception in July 1976 until April 2001, Mr. Funk served as President of Mountain People's Warehouse, Inc., now known as United Natural Foods West, Inc., one of our wholly-owned subsidiaries.

Mr. Funk's extensive knowledge of our industry and our historical operations as well as his past service as our Chief Executive Officer brings to the Board valuable insight into the day-to-day operations of our company and a deep understanding of the natural and organic products distribution business. His institutional knowledge of all operational aspects of our business resulting from his long-time involvement with our Company is also valuable to the Board.

James P. Heffernan, age 66, has served as a member of the Board since March 2000. Mr. Heffernan serves as Chair of the Compensation Committee and as a member of the Audit Committee. Mr. Heffernan has served as a Director for the New York Racing Association since November 1998. Mr. Heffernan has served as a Director of Command Security Corp. since October 2010 and as a Director of Solutia, Inc. from February 2008 to July 2012. Mr. Heffernan has previously served as a member of the Board of Directors of Columbia Gas System, Inc. from January 1993 until November 2000.

The totality of Mr. Heffernan's professional experience, together with his other board service has provided him with the background and experience of board processes, function, compensation practices and oversight of management which is valuable to the Board.

Steven L. Spinner, age 52, has served as our President and Chief Executive Officer and as a member of the Board since September 2008. Mr. Spinner also served as our Interim President of the Eastern Region from September 2010 to December 2010. Prior to joining the Company in September 2008, Mr. Spinner served as a director and as Chief Executive Officer of Performance Food Group Company ("PFG") from October 2006 to May 2008, when PFG was acquired by affiliates of The Blackstone Group and Wellspring Capital Management. Mr. Spinner previously had served as PFG's President and Chief Operating Officer beginning in May 2005. Mr. Spinner served as PFG's Senior Vice President and Chief Executive Officer - Broadline Division from February 2002 to May 2005 and as PFG's Broadline Division President from August 2001 to February 2002. Mr. Spinner has served as a Director of Arkansas Best Corporation since July 2011.

Mr. Spinner's extensive experience in the wholesale food distribution business, including most recently having served as the president and chief executive officer of one of the largest publicly traded foodservice distribution businesses in the United States, brings valuable insight to the Board beyond the knowledge and insight he brings from being our president and chief executive officer.

Table of Contents

Majority Vote Standard for Election of Directors

We adopted a majority voting standard for the election of directors as an amendment to our bylaws in 2007. If the number of nominees exceeds the number of directors to be elected in an election (a contested election), directors will be elected by a plurality standard. However, when the number of nominees does not exceed the number of directors to be elected (an uncontested election) as is the case at this year's annual meeting, our bylaws require each of the directors to be elected by a majority of the votes cast (that is, the number of shares voted "for" a director must exceed the number of shares voted "against" that director). If a nominee who is serving as a director is not elected at the annual meeting, under Delaware law the director would continue to serve on the Board as a "holdover director." However, under our bylaws, any director who fails to be elected must offer to tender his or her resignation to the Board. The Nominating and Governance Committee would then make a recommendation to the Board whether to accept or reject the resignation, or whether other action should be taken. The Board will act on the Nominating and Governance Committee's recommendation and publicly disclose its decision and the rationale behind it within 90 days from the date the election results are certified. The director who offers to tender his or her resignation will not participate in the Board's decision or the Nominating and Governance Committee's deliberations (if the director is a member of that committee). If a nominee who was not already serving as a director is not elected at the annual meeting, under Delaware law that nominee would not become a director and would not serve on the Board as a "holdover director." All nominees for election as directors at the Annual Meeting of Stockholders are currently serving on the Board.

Nomination of Directors

The Nominating and Governance Committee reviews the qualifications of every person recommended as a nominee to the Board to determine whether the recommended nominees are qualified to serve on the Board. The Nominating and Governance Committee has adopted qualitative standards by which it determines if nominees are qualified to serve on the Board. The Nominating and Governance Committee evaluates recommended nominees in accordance with the following criteria:

Personal characteristics. The Nominating and Governance Committee considers the personal characteristics of each nominee, including the nominee's integrity, accountability, ability to make informed judgments, financial literacy, professionalism and willingness to meaningfully contribute to the Board (including by possessing the ability to communicate persuasively and address difficult issues). In addition, the Committee evaluates whether the nominee's previous experience reflects a willingness to establish and meet high standards of performance, both for him or herself and for others.

Core Competencies. The Nominating and Governance Committee considers whether the nominee's knowledge and experience would contribute to the Board's achievement of certain core competencies. The Committee believes that the Board, as a whole, should possess competencies in accounting and finance, business judgment, management best practices, crisis response, industry knowledge, leadership, strategy and vision.

Board Independence. The Nominating and Governance Committee considers whether the nominee would qualify as "independent" under SEC rules and NASDAQ listing standards.

Director Commitment. The Nominating and Governance Committee expects that each of our directors will prepare for and actively participate in meetings of the Board and its committees, provide advice and counsel to our management, develop a broad knowledge of our business and industry and, with respect to an incumbent director, maintain the expertise that led the Nominating and Governance Committee to initially select the director as a nominee. The Nominating and Governance Committee evaluates each nominee on his or her ability to provide this level of commitment if elected to the Board.

Table of Contents

Additional Considerations. Each nominee also is evaluated based on the overall needs of the Board and the diversity of experience he or she can bring to the Board, whether in terms of specialized knowledge, skills or expertise. Although we do not have a formal policy with regard to the consideration of diversity in identifying director nominees, the Nominating and Governance Committee strives to nominate directors with a variety of complementary skills so that, as a group, the Board will possess the appropriate talent, skills and expertise to oversee our businesses.

Following this evaluation, the Nominating and Governance Committee will make recommendations for membership on the Board and review such recommendations with the Board, which will decide whether to invite the candidate to be a nominee for election to the Board.

Director Nominees Recommended by Stockholders

The Nominating and Governance Committee evaluates nominees recommended by stockholders on the same basis as nominees recommended by any other sources, including making a determination whether the candidate is qualified to serve on the Board based on the qualitative standards described above. To be considered by the Nominating and Governance Committee, a stockholder who wishes to recommend a director nominee must deliver or send by first class U.S. mail a written notice addressed to Joseph J. Traficanti, Corporate Secretary, United Natural Foods, Inc., 313 Iron Horse Way, Providence, RI 02908. The written notice must be received by our Corporate Secretary not less than 60 days nor more than 90 days prior to the date of the annual meeting; provided that in the event that less than 70 days' notice or prior public disclosure of the date of the annual meeting is given or made, notice by the stockholder must be received not later than the close of business on the 10th day following the date on which such notice of the date of the meeting was mailed or such public disclosure was made, whichever occurs first. The notice to our Corporate Secretary must include the information specified in our bylaws, including the following: (a) as to each proposed nominee (i) the name, age, business address and, if known, residence address of each such nominee, (ii) the principal occupation or employment of each such nominee, (iii) the number of our shares which are beneficially owned by each such nominee, and (iv) any other information concerning the nominee that must be disclosed as to nominees in proxy solicitations pursuant to Regulation 14A under the Exchange Act (including such person's written consent to be named as a nominee and to serve as a director if elected); and (b) as to the stockholder giving the notice (i) the name and address, as they appear on our books, of such stockholder and (ii) the class and number of our shares which are beneficially owned by such stockholder. We may require any proposed nominee to furnish such other information as may be reasonably required by the Nominating and Governance Committee to determine the eligibility of such proposed nominee to serve as a member of the Board.

Communication with the Board of Directors

Our stockholders may communicate directly with the Board. All communications should be in written form and directed to Joseph J. Traficanti, Corporate Secretary, United Natural Foods, Inc., 313 Iron Horse Way, Providence, RI 02908. Communications should be enclosed in a sealed envelope that prominently indicates that it is intended for the Board. Each communication intended for the Board and received by the corporate secretary that is related to our operation and is relevant to a specific director's service on the Board will be forwarded to the specified party following its clearance through normal review and appropriate security procedures.

Table of Contents

DIRECTOR COMPENSATION

The Board and the Compensation Committee review and determine compensation for our non-employee directors, in part, based on a review of the annual Director Compensation Survey prepared by the National Association of Corporate Directors. The Compensation Committee and the Board believe that we should fairly compensate non-employee directors for work required in a company of our size and scope and that compensation should align the non-employee directors' interests with the long-term interest of our stockholders. Our non-employee director stock ownership guidelines, which are discussed in greater detail below, are also designed to align the interests of our non-employee directors with those of our stockholders. Mr. Spinner, our President and Chief Executive Officer, does not receive compensation for his service on the Board. Mr. Funk does not receive cash compensation for his service as a director and our Chair of the Board. He receives equity-based compensation for his service as Chair of the Board and cash compensation for his service as an executive advisor.

Compensation of our Non-Employee Directors

The components of our non-employee director compensation are cash fees and awards of stock options and restricted stock units. Each non-employee director is also reimbursed for direct expenses incurred in connection with his or her attendance at meetings of the Board and its committees.

During fiscal 2012, each non-employee director received the following compensation (as applicable):

Annual cash retainer of:

\$75,000 for serving as the Vice Chair and Lead Independent Director;

\$30,000 for serving as a director;

\$15,000 for serving as the chair of the Audit Committee; and

\$8,000 for serving as chair of the Compensation Committee or Nominating and Governance Committee.

Meeting attendance fees of:

\$2,200 for each in-person meeting of the Board;

\$1,100 for each telephonic meeting of the Board;

\$1,700 for each meeting of the Audit Committee; and

\$1,100 for each meeting of the Compensation Committee and Nominating and Governance Committee

Annual equity grants consisting of:

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Options to purchase 2,660 shares of common stock and 3,192 restricted stock units for serving as a director;

Options to purchase 2,660 shares of common stock and 3,592 restricted stock units for serving as chair of the Compensation Committee or Chair of the Audit Committee; and

Options to purchase 3,500 shares of common stock and 6,000 restricted stock units for serving as Vice Chair and Lead Independent Director (and therefore chair of the Nominating and Governance Committee).

With respect to all equity awards to non-employee directors in fiscal 2012, one-third of the annual grants vested immediately, and the remaining two-thirds vest in equal annual installments beginning on

Table of Contents

the first anniversary of the date of grant. The stock options have an exercise price equal to the closing price of our common stock on the NASDAQ Global Select Market on the date of grant and expire ten years from the date of grant.

Fiscal 2013 Changes to Compensation of Our Non-Employee Directors

In September 2012, the Board modified the compensation to be received by non-employee directors effective for fiscal 2013. These modifications include the reduction of the cash retainer for serving as the Lead Independent Director from \$75,000 to \$60,000 and the elimination of the \$8,000 cash retainer for serving as the Chair of the Nominating and Governance Committee. In addition, all non-employee directors, as well as Mr. Funk, will no longer receive stock options as a portion of their compensation. Furthermore, the Lead Independent Director will now receive a grant of 5,000 restricted stock units rather than 6,000 restricted stock units, and the Compensation Committee Chair will now receive a grant of 3,192 restricted stock units rather than 3,592 restricted stock units.

Compensation of Mr. Funk

Mr. Funk, our current Chair of the Board and our former President and Chief Executive Officer, serves as an executive advisor to us and makes himself generally available to our executive officers. We pay him a base salary and provide him with the health and welfare benefits and other employee benefits generally available to our executives. Mr. Funk's base salary during fiscal 2012 was \$125,000. Mr. Funk does not receive fees for attending meetings of the Board or its committees. During fiscal 2012, Mr. Funk received an award of options to purchase 3,500 shares of common stock and 6,000 restricted stock units, each of which vested immediately with respect to one-third of the awards and the remainder of which will vest in two equal annual installments beginning on the first anniversary of the date of grant. The stock options have an exercise price equal to the closing price of our common stock on the NASDAQ Global Select Market on the date of grant and expire ten years from the date of grant.

We are currently a party to a severance agreement with Mr. Funk. The severance agreement includes confidentiality, non-competition and intellectual property assignment provisions. For a period of one year following either his termination for a reason other than Cause, death or disability, or his resignation for Good Reason, the agreement requires us to pay to Mr. Funk his base salary in effect as of the termination date of his employment and provide certain medical benefits. In the event of either Mr. Funk's termination for a reason other than Cause, death or disability or his resignation for Good Reason within one year of a Change in Control, he will be entitled to the severance payments and medical benefits provided in the previous sentence, acceleration and full vesting of all unvested stock options, restricted stock units, and the full vesting of his account under the ESOP. When used in regard to Mr. Funk's severance arrangement, the terms "Cause", "Good Reason" and "Change in Control" have the meanings described below in *EXECUTIVE COMPENSATION Compensation Discussion and Analysis Other Programs, Policies and Considerations Severance Agreements and Change in Control Agreements*.

Deferred Compensation

Our non-employee directors are eligible to participate in the United Natural Foods, Inc. Deferred Compensation Plan (the "Deferred Compensation Plan") and the United Natural Foods, Inc. Deferred Stock Plan (the "Deferred Stock Plan", collectively, the "Deferral Plans"). For a description of the Deferral Plans, please see *EXECUTIVE COMPENSATION TABLES Nonqualified Deferred Compensation Fiscal 2012*.

Table of Contents**Director Compensation Table Fiscal 2012**

The following table summarizes compensation provided to our Chair of the Board and each individual who served as a non-employee director during fiscal 2012.

DIRECTOR COMPENSATION

Name	Fees Earned or Paid in Cash \$(1)	Stock Awards \$(2)	Option Awards \$(3)	Change in Pension Value and Nonqualified Deferred	All Other Compensation \$(5)	Total (\$)
				Earnings \$(4)		
Gordon D. Barker	104,700	226,920	35,953			367,573
Mary E. Burton	65,600	135,849	27,324			228,773
Joseph M. Cianciolo	51,700	120,721	27,324			199,745
Michael Funk		226,920	35,953		125,000	387,873
Gail A. Graham	43,200	120,721	27,324			191,245
James P. Heffernan	59,700	135,849	27,324			222,873
Peter Roy	45,400	120,721	27,324			193,445
Richard J. Schnieders	19,500	149,290	27,665			196,455

(1) This column shows the amount of cash compensation earned in fiscal 2012 for service on the Board and its committees.

(2) The amounts contained in this column represent the grant date fair value for the restricted stock units (including those which are not yet vested) granted in fiscal 2012 calculated in accordance with Financial Accounting Standards Board Accounting Standards Codification 718, *Stock Compensation* ("ASC 718"). The grant date fair value for restricted stock units is calculated using the intrinsic value method based on the closing price of our common stock on the NASDAQ Global Select Market on the date of grant. At July 28, 2012, the directors had restricted stock units representing the right to acquire the following number of shares of common stock: Mr. Barker 6,000 shares; Ms. Burton 3,459 shares; Mr. Cianciolo 3,192 shares; Mr. Funk 12,750 shares; Ms. Graham 3,192 shares; Mr. Heffernan 3,593 shares; Mr. Roy 3,192 shares; and Mr. Schnieders 2,128 shares.

(3) The amounts contained in this column represent the grant date fair value of awards of stock options granted in fiscal 2012 calculated in accordance with ASC 718. Refer to footnote 3 to the consolidated financial statements in our Annual Report on Form 10-K for the fiscal year ended July 28, 2012 for a discussion of the relevant assumptions used to determine the grant date fair value of these awards. At July 28, 2012, the directors had options (including those which are not yet vested) to purchase the following number of shares of common stock: Mr. Barker 4,667 shares; Ms. Burton 5,320 shares; Mr. Cianciolo 7,980 shares; Mr. Funk 27,625 shares; Ms. Graham 3,547 shares; Mr. Heffernan 33,250 shares; Mr. Roy 18,630 shares; and Mr. Schnieders 2,660 shares.

(4) As of July 28, 2012, four of our non-employee directors have elected to defer restricted stock units under the Deferred Compensation Plan. Deferred shares are valued at the current market price of our common stock, and therefore have no above market or preferential earnings. As of July 28, 2012, there are no directors who defer a portion of their director fees paid in cash under the Deferred Compensation Plan.

Table of Contents

(5)

The amount in this column represents the amount of cash compensation that Mr. Funk earned in fiscal 2012 in his capacity as our executive advisor. Mr. Funk does not receive fees for attending meetings of the Board or its committees.

Stock Ownership Requirement

All non-employee directors are required to hold shares of our stock in an amount that is determined in accordance with a formula based upon the compensation expense recorded by us in connection with annual equity grants to our non-employee directors. The minimum share ownership level for each non-employee director is equal to 50% of the number of shares that would have been covered by a stock option grant having an equal compensation expense to that of the director's combined equity grants for the prior fiscal year. Our corporate governance principles recommend that non-employee directors who are elected or appointed to the Board are required to attain this level of stock ownership within four years following their election or appointment to the Board. Once attained, each non-employee director is required to maintain this level of stock ownership for as long as the director serves on the Board. All our directors with more than one full year of service own our stock.

Compensation Committee Interlocks and Insider Participation

The current members of the Compensation Committee are Ms. Graham and Messrs. Cianciolo, Heffernan and Roy. All members of the Compensation Committee are independent within the meaning of the NASDAQ listing standards and no member is an employee or former employee of the Company. During fiscal 2012, no member of the Compensation Committee had any relationship requiring disclosure under *Certain Relationships and Related Party Transactions*. During fiscal 2012, none of our executive officers served as a director or a member of the compensation committee (or other committee serving an equivalent function) of any other entity, one of whose executive officers served as a director on the Board or as a member of the Compensation Committee.

Certain Relationships and Related Transactions

Review and Approval of Related Person Transactions

We review all relationships and transactions in which the Company and our directors, nominees for director, executive officers, greater than 5% beneficial owners or any of their immediate family members are participants (or any entity in which they have an interest is a participant), to determine whether such persons have a direct or indirect material interest in the relationships or transactions. Our legal department, in conjunction with the corporate finance department and outside legal counsel, is primarily responsible for the development and implementation of processes and controls to obtain information from these "*related persons*" regarding such transactions and relationships and for determining, based on the facts and circumstances and SEC regulations, whether we or a related person has a direct or indirect material interest in the transaction. The Nominating and Governance Committee also reviews this information. Our policies and procedures for the review, approval or ratification of transactions that are required by SEC rules to be reported under *Transactions with Related Persons* are not in writing, rather, they fall under the general responsibilities of our corporate finance department and Nominating and Governance Committee. We require any related party transactions to be on terms no less favorable to the Company than could be obtained from unaffiliated third parties. As required under SEC regulations, transactions between us and any related person in which the amount involved exceeds \$120,000 and a related person has a direct or indirect material interest are disclosed in this proxy statement.

Each of our executive officers, directors and nominees for director is required to complete and deliver to us an annual questionnaire that includes, among other things, a request for information relating to any transactions in which both the executive officer, director, nominee, beneficial owner or

Table of Contents

any of their respective immediate family members, on the one hand, and the Company, on the other hand, participates, and in which the executive officer, director, nominee, beneficial owner or immediate family member, has a material interest. We review the responses to these questionnaires as part of our process for determining whether disclosure is required to be made under the SEC's related person disclosure rules.

Transactions with Related Persons

One of our non-employee directors, Ms. Graham, has been the General Manager of one of our customers, Mississippi Market Natural Foods Cooperative, a consumer owned and controlled cooperative in St. Paul, Minnesota since October 1999. Mississippi Market Natural Foods Cooperative purchased approximately \$6.6 million of products from us during fiscal 2012. Ms. Graham had no financial interest in those transactions. Terms provided to this customer are the same as other customers with similar volumes and purchasing patterns.

Table of Contents

AUDIT COMMITTEE REPORT

The Audit Committee of the Board is comprised solely of independent directors, as defined by NASDAQ listing standards and Section 10A of the Exchange Act and SEC rules thereunder, and it operates under a written charter adopted by the Board. The composition of the Audit Committee, the attributes of its members and its responsibilities, as reflected in its charter, are intended to be in accordance with applicable requirements for corporate audit committees. The Audit Committee reviews and assesses the adequacy of its charter on an annual basis. A copy of the Audit Committee's current charter can be found in the Investor Overview section of our website, www.unfi.com. The Board has made a determination that the Audit Committee has at least one member, Ms. Burton, the Chair of the Audit Committee, who qualifies as an "audit committee financial expert" within the meaning of SEC regulations, and that she has accounting and related financial management expertise in accordance with NASDAQ listing standards. All members of the Audit Committee are financially literate.

The Audit Committee has prepared the following report on its activities with respect to our audited consolidated financial statements for the fiscal year ended July 28, 2012 (for purposes of this report, the "*audited financial statements*").

As part of its specific duties, the Audit Committee reviews our financial reporting process on behalf of the Board; reviews the financial information issued to stockholders and others, including a discussion of the quality, and not only the acceptability, of our accounting principles, the reasonableness of significant judgments, and the clarity of discussions in the financial statements; and monitors our systems of internal control over financial reporting and the audit process. Management is responsible for the preparation, presentation and integrity of our financial statements, accounting and financial reporting principles, and disclosure controls and procedures designed to ensure compliance with accounting standards and applicable laws and regulations. Management also is responsible for objectively reviewing and evaluating the adequacy, effectiveness and quality of our own systems of internal control over financial reporting. Our independent registered public accounting firm, KPMG LLP, is responsible for performing an independent integrated audit of the consolidated financial statements and the effectiveness of internal control over financial reporting and expressing an opinion as to whether the consolidated financial statements conform with accounting principles generally accepted in the United States of America and as to whether we maintained effective internal control over financial reporting.

The Audit Committee has met and held discussions with management and our independent registered public accounting firm. In our discussions, management has represented to the Audit Committee that the audited financial statements were prepared in conformity with accounting principles generally accepted in the United States. The Audit Committee has reviewed and discussed the consolidated financial statements with management and KPMG LLP, our independent registered public accounting firm. The Audit Committee meets with our internal auditors and independent registered public accounting firm, with and without management present, to discuss the results of their examinations, the evaluations of our internal controls and the overall quality of our financial reporting.

The Audit Committee held four formal meetings in fiscal 2012. These meetings included quarterly pre-earnings release telephone conference calls. The Audit Committee discussed with the independent registered public accounting firm all matters required to be discussed in accordance with auditing standards, including the statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1 AU section 380) as adopted by the Public Company Accounting Oversight Board in Rule 3200T.

Our independent registered public accounting firm has also provided to the Audit Committee the written disclosures and the letter required by the Public Company Accounting Oversight Board regarding the independent accountant's communications with the Audit Committee concerning independence, and the Audit Committee has considered and discussed with KPMG LLP the firm's

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Table of Contents

independence and the compatibility of any non-audit services provided by the firm with its independence.

Based on the Audit Committee's review of the audited financial statements and the review and discussions noted above, the Audit Committee recommended that the Board include the audited financial statements in our Annual Report on Form 10-K for the fiscal year ended July 28, 2012, for filing with the SEC. The Board has approved this recommendation.

Mary E. Burton, Chair
Gordon D. Barker
Joseph M. Cianciolo
James P. Heffernan

The foregoing Audit Committee Report shall not be deemed "filed" for any purpose, including for the purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that Section. The Audit Committee Report does not constitute soliciting material and shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended (the "*Securities Act*"), or under the Exchange Act, regardless of any general incorporation language in such filing.

Table of Contents

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Overview

In this section, we describe the principles, policies and practices that formed the basis for our executive compensation program in fiscal 2012 and explain how they were applied to the Named Executive Officers. This Compensation Discussion and Analysis presents historical and current information and analysis related to the compensation programs for the Named Executive Officers and is not necessarily indicative of the compensation that the Named Executive Officers will receive from us in the future. For purposes of this Compensation Discussion and Analysis, the following individuals were our Named Executive Officers for fiscal 2012:

President and Chief Executive Officer (Steven L. Spinner);

Senior Vice President, Chief Financial Officer and Treasurer (Mark E. Shamber);

Senior Vice President, General Counsel and Chief Compliance Officer (Joseph J. Traficanti);

Senior Vice President, Group President (Sean F. Griffin); and

President of East Region (Craig H. Smith).

Executive Compensation Program Highlights

Our executive compensation program incorporates the following best practices:

Approximately 75% of total target compensation for our President and Chief Executive Officer and approximately 30-40% of total target compensation for the other Named Executive Officers is performance-based and can be earned only upon the achievement of challenging corporate and divisional or individual goals selected to motivate executives to achieve our corporate objectives and enhance stockholder value.

The compensation of our executives differs based on individual experience, role and responsibility and performance.

Portions of Named Executive Officers' incentive compensation are earned over different and overlapping time periods, ensuring that performance is not maximized during one period at the expense of other periods.

A significant portion of each Named Executive Officer's compensation is at risk of forfeiture in the event of conduct detrimental to us, termination of employment prior to vesting or a material negative restatement of our financial condition or operating results.

We have a recoupment (clawback) policy applicable to our executive officers, including the Named Executive Officers, which provides that if we restate all or a portion of our financial statements within two years of filing the financial statements all or a portion of any bonus or incentive compensation paid or granted after May 28, 2009 may be recouped by us in the sole discretion of the Board.

We have stock ownership guidelines for Named Executive Officers and our other executive officers.

Our Named Executive Officers participate in the same retirement, health, welfare and other benefits programs as all of our other executive officers. There are no supplemental executive retirement plans or other special benefits or material perquisites established exclusively for the benefit of the Named Executive Officers.

Table of Contents

We conduct periodic reviews and assessments of potential compensation-related risks in our programs. Based on these assessments, we have concluded that our executive compensation program as it is currently designed does not encourage behaviors that would create risks reasonably likely to have a material adverse effect on us.

We have not repriced equity awards.

The Compensation Committee is comprised solely of independent directors.

The Compensation Committee was advised by Steven Hall & Partners, an independent compensation consultant in fiscal 2012. The consultant was retained directly by the Compensation Committee and performed no other consulting or other services for us.

2012 Developments

Our executive compensation program for fiscal 2012 was modified from fiscal 2011, principally to add a two-year performance-based vesting restricted stock unit award to our long-term equity-based incentive program. We also instituted company-level threshold conditions to the payout of our annual performance-based cash incentive compensation as described in *Components of our Executive Compensation Program Minimum Performance Hurdle* and *Components of our Executive Compensation Program Performance Multiplier*.

Fiscal 2011 Stockholder Advisory Votes on Executive Compensation

At our fiscal 2011 annual meeting of stockholders, we submitted two proposals to our stockholders regarding our executive compensation program. The first proposal was an advisory vote on the compensation of our fiscal 2011 named executive officers. Our stockholders approved, on a non-binding advisory basis, the fiscal 2011 compensation of our named executive officers with approximately 91% of the votes cast in favor of the proposal.

The second proposal was a vote on the frequency of future advisory votes on the compensation of our named executive officers. In light of an annual frequency receiving approximately 88% of the votes cast, the Board has determined to hold an advisory vote on the compensation of our named executive officers every year, until the next required advisory vote on the frequency of future advisory votes on the compensation of our named executive officers.

When discussing our executive compensation program, the Compensation Committee considered the positive outcome of the advisory vote on compensation of our fiscal 2011 named executive officers and viewed the stockholders' vote as a signal that our stockholders are generally supportive of our compensation approach. As a result of these discussions, the Compensation Committee reaffirmed for the most part our executive compensation program philosophy described below with the above-described modifications. We value the opinions of our stockholders and will continue to consider the outcome of future advisory votes on the compensation of our named executive officers when making compensation decisions for our named executive officers.

Executive Compensation Program Philosophy

Our executive compensation program is designed to:

Attract individuals with the skills necessary for us to achieve our business plan;

Motivate our executive talent;

Reward our executives fairly over time for performance that enhances stockholder value; and

Retain those individuals who continue to perform at or above the levels that are deemed necessary to ensure our success.

Table of Contents

Our executive compensation program is also designed to reinforce a sense of ownership in the Company, urgency with respect to meeting deadlines and overall entrepreneurial spirit. The program links rewards, including both short- and long-term awards, as well as cash and non-cash awards, to measurable corporate and individual performance metrics established by the Compensation Committee.

In applying these principles, we seek to integrate compensation with our short- and long-term strategic plans and to align the interests of our executives with the long-term interests of our stockholders through equity-based opportunities.

The program is designed to provide executives with financial and strategic goals which seek to drive performance in specific areas of concentration. These goals meet the requirements of our short- and long-term business strategies and are aligned with the interests of our stockholders. In addition, our executive compensation program is designed to balance our growth strategies with a managed approach to risk.

How We Make Decisions Regarding Executive Pay

The Compensation Committee, management and the Compensation Committee's independent compensation consultant each play a role in designing our executive compensation program and determining performance levels and associated payouts. The roles of the Compensation Committee, management and the independent compensation consultant are carefully determined to reflect best corporate governance practices.

Role of the Compensation Committee

The Compensation Committee is responsible for establishing, implementing and monitoring our executive compensation program and its adherence to the compensation philosophy. The Compensation Committee approves the minimum performance thresholds as well as the targets included within the performance multiplier as described in *Components of our Executive Compensation Program Minimum Performance Hurdle* and *Components of our Executive Compensation Program Performance Multiplier*. The Compensation Committee also evaluates actual corporate and individual performance against the established goals and determines appropriate levels of compensation for our executives. The Compensation Committee makes all decisions with respect to the compensation of our Chief Executive Officer and other executive officers.

As part of the compensation approval process for our executive officers, other than our Chief Executive Officer, the Compensation Committee considers the views and recommendations of management, and in setting the compensation for all of our executive officers the Compensation Committee considered the recommendation of its independent compensation consultant as described in greater detail below.

Role of Management

Our President and Chief Executive Officer, Chief Human Resources and Sustainability Officer and Chief Financial Officer provide the Compensation Committee with an assessment of our corporate performance and the performance of other executive officers, and make recommendations for the compensation of other executive officers based on this assessment. Additionally, our President and Chief Executive Officer, Chief Human Resources and Sustainability Officer, and Chief Financial Officer discuss with the Compensation Committee management's internal projections with respect to a variety of performance metrics and operations goals for future fiscal years on which performance-based compensation will be based. Other members of management assist the Compensation Committee on an as needed basis.

Table of Contents

No executive officer makes any decision on any element of his or her own compensation, and our Chief Executive Officer does not participate in deliberations regarding his compensation.

Role of Independent Compensation Consultant

The Compensation Committee retained Steven Hall & Partners ("*Steven Hall*") as its compensation consultant during fiscal 2012 to provide independent, third-party advice and expertise on all aspects of executive compensation and related corporate governance matters, including designing and establishing our executive compensation program for fiscal 2012 and fiscal 2013. Steven Hall provided the Compensation Committee with an overview of comparative market data and also provided the Compensation Committee with advice throughout fiscal 2012 on new issues and developments regarding executive compensation and related disclosures. The Compensation Committee recently retained Semler Brossy Consulting Group ("*Semler Brossy*") as its compensation consultant for the remainder of fiscal 2013. Neither Steven Hall nor Semler Brossy provides any other services to us. In the future, the Compensation Committee may retain other similar consultants.

Competitive Marketplace Assessment

In making compensation decisions, the Compensation Committee periodically reviews the compensation packages for officers in like positions with similar responsibilities at organizations similar to ours. In setting the Named Executive Officers' compensation for fiscal 2012, at the request of the Compensation Committee, Steven Hall conducted a review of the comparator group referenced by the Compensation Committee when evaluating pay levels. In selecting appropriate comparators, the Compensation Committee considered a number of factors, including similarities in industry, size, and operating margins.

Following an extensive review, the following thirteen companies were selected by the Compensation Committee as appropriate comparators: Core-Mark Holding Company, Inc., Dean Foods Company, Del Monte Foods Company, Green Mountain Coffee Roasters, Inc., The Hain Celestial Group, Inc., Nash Finch Company, Perrigo Company, Ruddick Corporation, The J.M. Smucker Company, Spartan Stores, Inc., United Stationers, Inc., Watsco, Inc. and Whole Foods Market, Inc. In addition to compensation levels, the Compensation Committee also reviewed program designs for these companies, including an assessment of pay vehicles and performance metrics.

We do not benchmark compensation in the traditional manner, although base salaries for our Named Executive Officers are generally targeted in the second quartile (26th to 50th percentiles) of our comparator group identified above. In general, the Compensation Committee references the median of the competitive compensation marketplace, but market data is only one factor among many considered by the Compensation Committee when making determinations regarding executive compensation. Other factors considered include individual performance, scope of responsibilities, tenure, criticality of the position, retention concerns and the need to recruit new officers.

Components of our Executive Compensation Program

Our executive compensation philosophy is reflected in the principal elements of our executive compensation program. The four key components of our executive compensation program in fiscal 2012 were:

Base salary;

Performance-based annual cash incentives;

Long-term equity-based incentive awards in the form of stock options, time-based vesting restricted stock units, performance-based vesting restricted stock units, which we sometimes refer

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Table of Contents

to as performance units, and performance-based vesting shares of restricted stock, which we sometimes refer to as performance shares; and

Other compensation and benefits including minimal perquisites and participation in the Deferral Plans (as described in EXECUTIVE COMPENSATION TABLES Nonqualified Deferred Compensation Fiscal 2012 below) as well as participation in benefit plans generally available to all of our employees, such as participation in the 401(k) Plan and ESOP.

Pay Mix

When setting targeted total compensation for fiscal 2012, the Compensation Committee determined that target cash compensation should comprise approximately 50% of each Named Executive Officer's total target compensation, with base salary contributing approximately 60-65% and performance-based cash incentives contributing approximately 35-40% to targeted cash compensation. The Compensation Committee believes that equity-based compensation should also comprise a significant portion of the Named Executive Officers' compensation to more closely align our Named Executive Officers' interests with those of our stockholders.

Base Salary

As described above, the Compensation Committee is responsible for setting base salaries for our Named Executive Officers. Base salaries provide a fixed rate of pay designed to compensate executives for day-to-day responsibilities and are established based on the scope of their respective responsibilities, competitive market conditions, individual performance and tenure.

Base salaries are generally reviewed annually in the first quarter of each fiscal year, but may be adjusted from time to time to realign salaries with market levels, taking into account the Named Executive Officers' responsibilities, performance, experience and proven capability. Base salaries are generally targeted in the second quartile (26th to 50th percentile) of our comparator group identified above, which all of our Named Executive Officers were within for fiscal 2012.

The table below reflects the fiscal 2011 and fiscal 2012 base salaries for the Named Executive Officers, and the percentage change in base salaries between those two periods:

Named Executive Officer	Fiscal 2011 Base Salary(1)	Fiscal 2012 Base Salary(2)	Percentage Change
Steven L. Spinner	\$ 798,250	\$ 822,200	3.0%
Mark E. Shamber	\$ 360,500	\$ 371,315	3.0%
Joseph J. Traficanti	\$ 336,000	\$ 346,080	3.0%
Sean F. Griffin	\$ 345,050	\$ 415,000	20.0%(3)
Craig H. Smith	\$ 335,000	\$ 345,050	3.0%

(1) For each Named Executive Officer, fiscal 2011 base salaries were effective as of August 1, 2010.

(2) For each Named Executive Officer, fiscal 2012 Base Salaries were effective as of July 31, 2011.

(3) Mr. Griffin's base salary was increased 20% over his fiscal 2011 base salary in response to the Compensation Committee determining, based on the findings of Steven Hall, that his base salary was below our targeted second quartile levels in light of his unique role.

Performance-Based Annual Cash Incentive Compensation

The Compensation Committee is responsible for setting the minimum thresholds and targets for the performance multiplier of our performance-based annual cash incentive compensation discussed

Table of Contents

below. Receipt of this compensation is contingent upon satisfaction of these Company-wide metrics established by the Compensation Committee together with specific Company-wide, division-level or individual financial or operational performance goals as determined by the Compensation Committee in the case of our President and Chief Executive Officer and as recommended by our President and Chief Executive Officer, Chief Human Resources and Sustainability Officer and Chief Financial Officer and approved by the Compensation Committee in the case of the other Named Executive Officers. The factors considered in setting this target compensation vary depending on the individual executive, but generally relate to strategic projects or financial factors such as net sales, gross margin, operating income, return on invested capital and other measures of our profitability.

Minimum Performance Hurdle. For fiscal 2012, as a condition for paying out annual cash incentive compensation to any of the Named Executive Officers, we required that we maintain a ratio of total debt to earnings before interest, taxes and depreciation not to exceed 3.0x and compliance with our debt covenants under our credit facilities. If these thresholds were not met, our employees and executive officers, including the Named Executive Officers, would not have been eligible to receive annual performance-based cash incentive payouts, regardless of their individual respective achievements.

Performance Multiplier. In addition, for fiscal 2012, we required three Company-level metrics to be met as a condition to paying out a weighted percentage of the annual cash incentive compensation to our employees and executive officers, including the Named Executive Officers. The three metrics – consolidated net sales, consolidated earnings per diluted share, and working capital as