

WEIS MARKETS INC  
Form DEF 14A  
March 11, 2016  
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 14A

(RULE 14a-101)

SCHEDULE 14A INFORMATION

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

Exchange Act of 1934 (Amendment No. )

Filed by the Registrant  [X]

Filed by a Party other than the Registrant  [ ]

Check the appropriate box:

[ ] Preliminary Proxy Statement

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[X] Definitive Proxy Statement

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[ ] Soliciting Material Pursuant to Section 240.14a-12

WEIS MARKETS, 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.

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(1) Amount Previously paid:

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

(3) Filing Party:

(4) Date Filed:

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Notice of Annual Meeting of Shareholders of

WEIS MARKETS, INC.

To Be Held On

APRIL 21, 2016

TO OUR SHAREHOLDERS:

NOTICE IS HEREBY GIVEN that the 2016 Annual Meeting of the Shareholders (the "Annual Meeting") of Weis Markets, Inc. (the "Company"), will be held on Thursday, April 21, 2016, at 10:00 a.m., Eastern Daylight Time, at the principal executive offices of the Company, 1000 South Second Street, Sunbury, Pennsylvania 17801, for the following purposes:

1. Election of Directors: To elect five directors to serve, subject to provisions of the by-laws, until the next Annual Meeting of Shareholders or until their respective successors have qualified;
2. Ratification of Appointment of the Independent Registered Public Accounting Firm: To approve the appointment of the independent registered public accounting firm for the fiscal year ending December 31, 2016;
3. Other Business: To act upon such other business as may properly come before such meeting, or any adjournments or postponements thereof.

The Board of Directors has fixed the close of business on March 4, 2016, as the record date for the Annual Meeting. Only holders of shares of Common Stock of record at that time will be entitled to receive notice and vote at the Annual Meeting, and may vote by proxy (i) on the Internet, (ii) by telephone or (iii) by signing and dating a proxy card and returning it to the Company.

This summary is qualified in its entirety by the detailed information contained within the Proxy Statement.

Important Notice Regarding Availability of Proxy Materials for Weis Markets, Inc.

Annual Meeting of Shareholders to be Held on April 21, 2016

This Proxy Statement, the form of proxy card, the Notice and the Company's Annual Report on Form 10-K are available at <http://www.weismarkets.com/financial.html>.

By Order of the Board of Directors,

Harold G. Graber

Secretary

March 10, 2016

Sunbury, Pennsylvania

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WEIS MARKETS, INC.

PROXY STATEMENT

## ANNUAL MEETING OF SHAREHOLDERS

This Proxy Statement is being furnished to all shareholders of record as of March 4, 2016, the record date of the Company, in connection with the solicitation of proxies by the Board of Directors (the "Board") for use at the 2016 Annual Meeting. The Annual Meeting will be held on Thursday, April 21, 2016, at 10:00 a.m. Eastern Daylight Time, at the principal executive offices of the Company, 1000 South Second Street, Sunbury, Pennsylvania 17801.

## INFORMATION CONCERNING THE SOLICITATION

The Company is sending an "Important Notice of Availability of Proxy Materials for the Annual Meeting of Shareholders of Weis Markets, Inc." (the "Notice") to its shareholders on or about March 10, 2016. The Company is providing access to its proxy materials over the Internet under rules adopted by the Securities and Exchange Commission (the "SEC"). All shareholders have the ability to access the proxy materials on the website identified in the Notice or to request a printed copy of proxy materials. The Notice provides instructions on how to access the proxy materials over the Internet, and how to request a printed copy of the proxy materials. This Proxy Statement, the form of proxy card, the Notice and the Company's Annual Report on Form 10-K are available at <http://www.weismarkets.com/financial.html>.

Subject to the conditions hereinafter set forth, the shares represented by each proxy executed will be voted at the Annual Meeting, or any adjournments or postponements thereof, in accordance with the specifications therein made. Where there is no contrary choice specified, the proxy will be voted "FOR" each of the proposals as therein specified.

An executed proxy may be revoked by the person signing the same at any time before the authority thereby granted is exercised. The revocation may be exercised at any time before the Annual Meeting by indicating the revocation in writing. This revocation should be directed to the Judge of Elections, Weis Markets, Inc., 1000 South Second Street, Sunbury, Pennsylvania 17801. The proxy may also be revoked by voting in person at the Annual Meeting or by submitting a new proxy with a later date including a proxy given over the Internet or by telephone.

The Company has adopted a procedure called "householding," which the SEC has approved. Under this procedure, the Company is delivering a single copy of the Notice and, if applicable, this Proxy Statement and the Annual Report on Form 10-K to multiple shareholders who share the same address unless the Company has received contrary instructions from one or more of the shareholders. This procedure reduces the Company's printing costs, mailing costs and fees. Shareholders who participate in householding will continue to be able to access and receive separate proxy cards. Upon written or oral request, the Company will deliver promptly a separate copy of the Notice and, if applicable, this Proxy Statement and the Annual Report on Form 10-K to any shareholder at a shared address to which the Company delivered a single copy of any of these documents. To receive a separate copy of the Notice and, if

applicable, this Proxy Statement or the Annual Report on Form 10-K, shareholders may write the Company at its address set forth on page 1, by telephoning 1-866-999-WEIS (9347), or via email at [financial\\_reports@weismarkets.com](mailto:financial_reports@weismarkets.com).

#### VOTING SECURITIES, RECORD DATE AND VOTING RIGHTS

As of March 4, 2016, the record date for the Annual Meeting, the number of outstanding shares of Common Stock was 26,898,443. The presence, in person or by proxy, of at least 13,449,222 shares will constitute a quorum.

Only holders of Common Stock of the Company of record at the close of business on March 4, 2016 will be entitled to notice of and to vote on all matters at the Annual Meeting and at any adjournment thereof. Each holder of Common Stock will be entitled to one vote for each share of stock so held and to cumulative voting rights in the election of directors. Under cumulative voting, a shareholder, or the shareholder's proxies, may vote the number of shares of stock owned by the shareholder multiplied by the number of directors to be elected, and the shareholder may cast all of such votes for a single director nominee or distribute them among two or more director nominees. If you wish to cumulate your votes, you must vote by using a proxy card rather than voting by telephone or the Internet.

Directors are elected by a plurality vote of all votes cast at the Annual Meeting. The ratification of the appointment of the independent registered public accounting firm (“independent auditors”) requires the affirmative vote of a majority of all votes cast at the Annual Meeting. Abstentions and broker “non-votes” will be treated as present for purposes of determining a quorum, but will not affect the election of directors or other matters submitted to the vote of shareholders. A broker “non-vote” occurs when a shareholder has not provided voting instructions to its broker for a non-routine item because the New York Stock Exchange (“NYSE”) precludes brokers from giving a proxy to vote on a non-routine item. The election of directors (Proposal No. 1) is a non-routine item under the NYSE rules. The ratification of the independent auditors (Proposal No. 2) is a routine matter.

The Company’s by-laws specify that notice of any matter to be brought before an annual meeting by a shareholder must be received at the principal executive offices of the Company no later than the notice deadline described under the caption “Shareholders’ Proposals for Next Annual Meeting.” Management does not intend to bring any other matters before the Annual Meeting, and does not know of any other matter that is eligible for action at the Annual Meeting.

## PROPOSAL NO. 1

### ELECTION OF DIRECTORS

The Company believes that the proposed nominees for election as directors are willing to be elected as such, and it is intended that the persons named in the accompanying form of proxy or their substitutes will vote for the election of these nominees, unless specifically instructed to the contrary on the form of proxy. However, if any nominee, at the time of the election, is unable or unwilling to serve, or is otherwise unavailable for election, and in consequence other nominees are designated, the persons named in the proxy or their substitutes shall have discretion or authority to vote or refrain from voting in accordance with their judgment on the other nominees.

The Company requires its directors to possess the experience and skills necessary to oversee the management of the Company in the interest of the Company and its shareholders. The Board will consider for nomination a candidate who:

- has the highest personal and professional ethics, integrity and values;
- consistently exercises sound and objective business judgment;
  - has significant appropriate senior management and leadership experience;
- is able and willing to devote the required amount of time to the Company’s affairs, including attendance at Board meetings, Board committee meetings and annual shareholder meetings; and
- will be committed to building sound, long-term Company growth.

When considering a person to be recommended for re-nomination as a director, the Board will consider, among other factors, the attendance, preparedness, participation and candor of the individual as well as the individual’s satisfaction of the above-mentioned criteria. The Board believes the current Board members meet these criteria to effectively serve the Company. The description of each nominee set forth below includes biographical information, on a director by director basis, which highlights the specific experience, background and education of each nominee that led the Board to conclude each director should serve on the Board.



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The Board recommends a vote “FOR” the election of the nominees named below, each of whom has consented to be named as a nominee and to serve if elected. With the exception of Mr. Dennis G. Hatchell, who was elected by the Board to be a director on July 9, 2015, all of the nominees were elected to the Board at the 2015 Annual Meeting. Mr. Hatchell was recommended to the Board for election as a director by Mr. Jonathan H. Weis, the Chairman. The following table and accompanying footnotes set forth information about each Board nominee as of March 4, 2016:

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Name	Principal Occupation and any Position with the Company; Other Reporting Company Directorships	Age	Director Since
Jonathan H. Weis	(1) Chairman, President and Chief Executive Officer	48	1996
Harold G. Graber	(2) Senior Vice President of Real Estate and Development and Secretary	60	2011
Dennis G. Hatchell	(3) Founder and Manager Hatchellco, LLC	66	2015
Edward J. Lauth III	(4) Chief Executive Officer Shaner Capital, L.P.	61	2012
Gerrald B. Silverman	(5) President and Chief Executive Officer The Jewish Federations of North America	57	2010

(1) Jonathan H. Weis. The Company has employed Mr. Weis since 1989. Mr. Weis served the Company as Vice President of Property Management and Development from 1996 until April 2002, at which time he was appointed as Vice President and Secretary. In January of 2004, the Board appointed Mr. Weis as Vice Chairman and Secretary. Mr. Weis became the Company's interim President and Chief Executive Officer in September 2013 and was appointed as President and Chief Executive Officer in February 2014. The Board elected Mr. Weis as Chairman of the Board in April 2015.

Mr. Weis has been employed by the Company for more than 25 years. Throughout his employment, he has diverse and extensive experience with the Company in the areas of real estate, property management, procurement, merchandising and store operations. This experience provides him with a vision for the Company's future as well as in-depth knowledge of the operational risks facing the Company. His position as CEO also allows him to provide essential insight and guidance to the Board from an inside perspective of the day-to-day operations.

(2) Harold G. Graber. Mr. Graber joined the Company in 1989 as its Director of Real Estate, after spending 12 years in real estate/store development with a Mid-West retailer. Mr. Graber has served the Company as Vice President for Real Estate since 1996 and in February 2010, was promoted to Senior Vice President of Real Estate and Development. In February 2014, Mr. Graber also became Secretary of the Company.

Mr. Graber currently oversees the Company's real estate, property management and maintenance, and lease administration. Mr. Graber is also in charge of store planning, engineering, architecture, construction, "Not For Resale" procurement and utilities. The Company's legal activities and sustainability initiatives are also part of Mr. Graber's management responsibilities. Mr. Graber's intimate experience with the Company's store development and planning objectives provides important information to the Board.

(3) Dennis G. Hatchell. Mr. Hatchell founded Hatchellco, LLC (a consulting firm specializing in corporate strategy and merger monitoring) in 2015 and serves as the Manager of such company. Mr. Hatchell served as President and Chief Operating Officer and a director of The Pantry Inc (a chain of convenience stores) from March 2012 until March 2015. Previously, he was Vice Chairman of Alex Lee Inc. (a food retail and distribution company) headquartered in Hickory, North Carolina, which is a holding company of Lowe's Food Stores, Merchants Distributors, Inc. and Institution Food House. He served as President and Chief Operating Officer of Alex Lee Inc from 1995 to 2011; President of Lowes Food Stores, Inc., a division of Alex Lee Inc, from 1989 to 1995; Group Vice President of Merchandising and Store Operations from 1986 to 1989 for H.E. Butt Grocery Company in San Antonio, Texas; and President of Merchants Distributors, Inc., from 1980 to 1986. Mr. Hatchell was with Western

Grocers (Super Valu) in Denver, Colorado from 1972 to 1980 serving in several positions rising to Vice President, General Manager. He served as Chairman of the Board of Directors at the National Association of Wholesaler-Distributors (NAW). Mr. Hatchell is also a member of the Wake Forest University Schools of Business Board.

Mr. Hatchell's extensive operational experience related to grocery and convenience store retailing, logistics, as well as his direct financial oversight of The Pantry Inc and Alex Lee Inc give him insight into the specific challenges and risks faced by the grocery industry, which provides an important perspective as well as industry experience that is vital to the Board.

(4) Edward J. Lauth III. Mr. Lauth has served as Chief Executive Officer of Shaner Capital, L.P. since 2011. Shaner has interests in energy parks and real estate development in Pennsylvania. In addition, Mr. Lauth is the CEO of Hydro Recovery (frac water treatment) in Blossburg, Pennsylvania. Since 2004 Mr. Lauth has also served as Managing General Partner of Governor's Harbour Resort & Marina, Ltd., which was formed by Mr. Lauth in 2004 to develop 270 acres on the island of Eleuthera in the Bahamas. As an entrepreneur and businessman, Mr. Lauth founded AquaPenn Spring Water Company in 1988, which went public (APN:NYSE) in 1998 and was later acquired by Group Danone in 1999. Mr. Lauth was the developer of Baby's Burgers and Shakes, a landmark 1950's diner, and two hi-rise residential and student condominium projects in State College, Pennsylvania. Mr. Lauth's community service commitments include his positions as past Chairperson of the Center County United Way and past Chairman of the Suzanne Pohland Paterno Student Faith Center at Penn State University. Mr. Lauth has had an extensive career in sales, marketing and real estate development. This combined experience along with Mr. Lauth's entrepreneurial skills provides the Board with a valuable perspective.

(5) Gerrald B. Silverman. Mr. Silverman has served as President and Chief Executive Officer of The Jewish Federations of North America, an organization representing 151 Jewish Federations and 300 independent Jewish communities, since 2009. Before joining The Jewish Federations, Mr. Silverman served as President of the Foundation for Jewish Camp, the only non-profit national organization dedicated to raising awareness and support of non-profit Jewish resident camps. For a decade before that, Mr. Silverman held a range of executive positions at the Stride Rite Corp. of Boston, including President of its International Division; President, Stride Rite Children's Group; and President, Keds Corp. Between 1979 and 1994 Mr. Silverman held several senior executive positions at Levi Strauss & Co. in San Francisco, CA. Mr. Silverman also serves as a Director on the Board of the University of Maryland Hillel.

Mr. Silverman is a highly experienced leader in the North American Jewish community and longtime corporate executive, with over 25 years of experience. Mr. Silverman's extensive executive level management background within other retail industries is a valuable resource for the Board.

On March 1, 2009, the Company hired Kurt A. Schertle as its Vice President of Sales and Merchandising, which included the responsibility of overseeing the Marketing Department. In February 2010, Mr. Schertle was promoted to Senior Vice President of Sales and Merchandising. In July 2012, Mr. Schertle was promoted to Executive Vice President of Sales and Merchandising at which time, he assumed the additional responsibility of overseeing the Company's Supply Chain. In September 2013, Mr. Schertle assumed the additional responsibility of overseeing Store Operations and Mr. Schertle was promoted to Chief Operating Officer in March 2014. Prior to being hired by the Company, Mr. Schertle was President and Chief Operating Officer of Tree Top Kids, Inc., a specialty toy retailer. One year and four months after Mr. Schertle left that company, on March 11, 2010, an involuntary petition of bankruptcy was filed against Tree Top Kids, Inc.

#### Independence of Directors

The Board has determined that Directors Hatchell, Lauth and Silverman are independent within the meaning of the listing standards of the NYSE. An independent director is defined as a director who has no material relationship with the Company, either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company.

Companies listed on the NYSE must comply with certain standards regarding corporate governance, as codified in Section 303A of the Listed Company Manual of the NYSE, with some exceptions. A company of which more than

50% of the voting power is held by an individual, a group or another company is not required by the NYSE to comply with the requirements of Sections 303A.01 Independent Directors, 303A.04 Nominating/Corporate Governance Committee or 303A.05 Compensation Committee. The Weis family, consisting of Jonathan H. Weis, Chairman, President and Chief Executive Officer, Patricia G. Ross Weis, Jennifer Weis, Colleen Ross Weis, Ellen W. P. Wasserman, Kathryn J. Zox, Thomas H. Platz, James A. Platz and EKTJ Management LLC, control approximately 64.8% of the voting power. They have agreed to act together for the purpose of voting their shares of Common Stock and thus constitute a group within the meaning of these rules.

The Company has a majority of independent directors. As of March 10, 2016, the Company's Audit Committee and Compensation Committee are comprised of all independent directors.

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## Board Committees and Meeting Attendance

Board of Directors. The Company's Board held four regular meetings and one special meeting during fiscal 2015. No director attended fewer than 75% of the aggregate meetings of the Board and all Board committees on which the director served, except for former director Dr. Glenn D. Steele. All directors, except Dr. Steele, attended the 2015 Annual Meeting. Dr. Steele resigned from the Board and all committees effective July 9, 2015. In the discussion below, the Company has indicated the committees on which Dr. Steele served. At the Board meeting held on July 9, 2015, Mr. Hatchell was elected to the Board, effective at such meeting.

Under the policies of the Board, directors are expected to attend regular Board meetings, Board committee meetings, the Annual Meeting and any special meetings of the shareholders. Participation is permissible by means of conference telephone or similar communications equipment.

Audit Committee. The Audit Committee is comprised of three independent non-employee directors, as required by the NYSE listing standards. The Audit Committee acts independently to review the scope and engagement results of the independent auditors and the adequacy of the Company's internal and financial controls. Information regarding the functions performed by the Audit Committee is set forth in the "Audit Committee Report" included in this Proxy Statement. The Audit Committee is governed by a written charter approved by the Board. A copy of this charter is available on the Company's corporate governance website at <http://www.weismarkets.com/about-weis/corporate-information/governance> or by request to the Corporate Secretary at the Company's address set forth in "Shareholder or Interested Parties Communications."

The 2015 Audit Committee was comprised of Directors Lauth, Silverman, Steele and Hatchell. As discussed above, Dr. Steele resigned as a director effective July 9, 2015 and ceased to serve on the Audit Committee, and Mr. Hatchell was appointed to the committee to replace him at that time. Mr. Lauth served as Chairman of the Audit Committee. The Audit Committee held three regular meetings and four special meetings during fiscal 2015.

The Board has determined that all Audit Committee members are financially literate under the listing standards of the NYSE. The Board also determined that all Audit Committee members were "audit committee financial experts" in fiscal 2015 and all Audit Committee members are "audit committee financial experts" in fiscal 2016, as defined in Item 401(h) of Regulation S-K, and all members of the Audit Committee are "independent" for purposes of Section 10A(m)(3) of the Securities Exchange Act of 1934 and the listing standards of the NYSE.

Compensation Committee. The Compensation Committee is currently comprised of three independent non-employee directors. The Compensation Committee is responsible for developing policies and programs, and making recommendations about compensation arrangements for senior management to the Board. The Compensation Committee is governed by a written charter approved by the Board, which is available on the Company's corporate governance website at <http://www.weismarkets.com/about-weis/corporate-information/governance> or by request to the Corporate Secretary at the Company's address set forth in "Shareholder or Interested Parties Communications."

The 2015 Compensation Committee was comprised of Directors Lauth, Silverman, Steele and Hatchell. As discussed above, Dr. Steele resigned as a director effective July 9, 2015 and ceased to serve on the Compensation Committee, and Mr. Hatchell was appointed to the committee to replace him at that time. Mr. Silverman served as Chairman of the Compensation Committee. The Compensation Committee held three meetings during fiscal 2015. The Company's Chairman, President and Chief Executive Officer is not a member of the Compensation Committee; however, the Compensation Committee seeks input from him regarding the performance of the other executive officers. The Compensation Committee has in the past sought assistance from consulting firms specializing in compensation and benefits and may do so in the future. Any such consulting firm that is hired will be independent under applicable NYSE rules.

## Corporate Governance Matters

The Company has adopted Corporate Governance Guidelines which are available on the Company's corporate governance website at <http://www.weismarkets.com/about-weis/corporate-information/governance> or by request to the Corporate Secretary at the Company's address set forth in "Shareholder or Interested Parties Communications."

**Board Leadership Structure.** Prior to April 2015, the Company separated the roles of Chairman and CEO. The Board periodically reviews its leadership structure and did so when then Chairman Robert F. Weis left the Board in April 2015. The Board decided to elect the then Vice Chairman of the Board and the Company's President and CEO to be the new Chairman. The Board believes that Jonathan H. Weis is presently best positioned to serve as Chairman given his familiarity with the Company's business, the retail grocery industry, and the oversight and execution of the Company's corporate strategy. The Board also presently believes that this structure allows for one person to speak for and to lead the Company and the Board. The Board has separated the roles in the past and may choose to do so again in the future. The decision by the Board on whether to combine or separate the roles is based upon the needs of the Company and Board at a given time. As discussed below, to augment its corporate governance practices, the non-management independent directors of the Company also meet in scheduled executive sessions without management.

Article V Section 5.5 of the Company's by-laws states that the Chairman shall preside at all meetings of the shareholders and the Board. The by-laws also state that the CEO shall have the general charge and supervision of the business of the Company and shall exercise or perform all the powers and duties usually incident to the office of CEO. The CEO is responsible for the day-to-day leadership and performance of the Company.

**Non-Management Independent Directors.** To empower non-management independent directors to serve as a more effective check on management, the non-management independent directors of the Company have met at regularly scheduled executive sessions without management. The 2015 non-management independent directors were Directors Lauth, Silverman, Steele and Hatchell. During fiscal 2015, four meetings were held. Dr. Steele presided over two meetings, Mr. Silverman presided over one meeting and Mr. Hatchell presided over one meeting. Shareholders or interested parties wishing to communicate directly with the non-management independent directors as a group may do so as set forth in "Shareholder or Interested Parties Communications."

**The Board's Role in Risk Oversight.** The Board oversees the management of risks inherent in the operation of the Company's business. It is management's responsibility to manage risk and bring to the Board's attention the most material risks to the Company. The Board has oversight responsibility of the processes established to monitor systems for material risks applicable to the Company. Each of the Board's Committees also oversees the management of Company risks that fall within the Committees' areas of responsibility. In performing this function, each Committee has full access to management, as well as the ability to engage advisors. As part of its responsibilities as set forth in its charter, the Audit Committee is responsible for discussing with management the Company's major financial risk exposures and the steps management has taken to monitor and control those exposures. The Audit Committee gives updates to the Board at its regular meetings, including financial and information technology risks. In connection with its risk management role, the Audit Committee also meets privately with the Company's independent auditors, the Chief Internal Auditor and the Chief Financial Officer quarterly. As part of its responsibilities as set forth in its charter, the Compensation Committee reviews the impact of the Company's executive compensation program and the



associated incentives to determine whether they present a significant risk to the Company. Based on this review, the Compensation Committee concluded its compensation policies and procedures are not reasonably likely to have a material adverse effect on the Company.

Code of Business Conduct and Ethics. The Company has adopted a “Code of Business Conduct and Ethics” that applies to all of its directors, officers and employees. Separately, the Company also adopted a “Code of Ethics for CEO and CFO” specific to its chief executive officer, chief financial officer, corporate controller and any person performing similar functions. The Company has made both documents available on its corporate governance website at <http://www.weismarkets.com/about-weis/corporate-information/governance> or by request to the Corporate Secretary at the Company’s address set forth in “Shareholder or Interested Parties Communications.”

Board Nominations. Based upon the stock ownership of the principal shareholders, the Company determined it would be better served by having the full Board review nominating and corporate governance issues rather than establishing separate committees. Therefore, there is no nominating committee charter.

If the Board determines there is a need to add or replace a director, the following criteria are considered for each recommended candidate. The candidate (a) has the highest personal and professional ethics, integrity and values; (b) consistently exercises sound and objective business judgment; (c) has significant appropriate senior management and leadership experience; (d) is able and willing to devote the required amount of time to the Company's affairs, including attendance at Board meetings, Board committee meetings and annual shareholder meetings and (e) will be committed to building sound, long-term Company growth.

The Company does not have a formal policy with respect to considering diversity. However, its Corporate Governance Guidelines state that the Board seeks members from diverse professional and personal backgrounds who combine a broad spectrum of experience and expertise. This assessment will include an individual's qualification as independent, as well as consideration of diversity, age, skills and experience in the context of the needs of the Board. Chosen candidates are extended invitations to join the Board. If a candidate accepts, he or she is formally nominated.

The Board will consider nominees brought to the attention of the Board by an eligible shareholder, a non-management independent director, the CEO, any other executive officer or other appropriate sources. The Company's by-laws require that any shareholder intending to nominate a candidate for election as a director must give written notice, containing specified information, to the Corporate Secretary at the Company's address set forth in "Shareholder or Interested Parties Communications," not later than the notice deadline specified in the by-laws, which is 120 calendar days before the anniversary of the date that the Company's Proxy Statement was released to shareholders in connection with the previous year's Annual Meeting. The notice should include the name and address of both the eligible shareholder and the candidate and the qualifications of the candidate being recommended. A copy of the by-law provision concerning shareholder nominations will be furnished to any shareholder upon written request to the Corporate Secretary at the Company's address set forth in "Shareholder or Interested Parties Communications."

The Board does not have a formal process for identifying and evaluating candidates for director. It is not anticipated that the process for evaluating a nominee would differ based on whether the nominee is recommended by an eligible shareholder.

#### Board Recommendation and Vote Required

As stated in each nominee's biography above, the five candidates possess all of the experience, qualifications, attributes and skills appropriate for functioning as a board. No notices from shareholders intending to nominate a candidate for election as a director were received with respect to the 2016 Annual Meeting. Therefore, only the five nominees named above, or a substitute nominee of the Board, will be eligible for election at the Annual Meeting. The five candidates receiving the highest numbers of votes cast by the holders of Common Stock voting in person or by proxy will be elected as directors. The Board of Directors recommends a vote "FOR" the election of the five nominees named above.



## EXECUTIVE COMPENSATION

### COMPENSATION DISCUSSION AND ANALYSIS

Throughout this Proxy Statement, the individuals who served as the Company's CEO and CFO at the end of fiscal 2015, as well as the other individuals included in the "Summary Compensation Table," are referred to as the "Named Officers."

#### Compensation Philosophy and Objectives

The primary objective of the Company's executive compensation program is to attract and retain qualified executives, which is critical to the ongoing success of the Company. This primary objective is achieved by providing a combination of base salary, annual cash incentives, health and welfare benefits, retirement benefits and perquisites that overall provide a complete compensation package that is competitive with executives at companies of comparable size and position in the retail business, while keeping compensation in line with the financial objectives of the Company. The Compensation Committee does not believe that equity-based incentives are a valuable incentive for employees of the Company, which is a "controlled company" under the rules of the New York Stock Exchange (that is, it is a company in which more than 50% of the voting power is held by members of the Weis family). As is common with controlled companies, the Company has a low trading volume. Due to such low trading volume and for other reasons, historically the Company's stock price has not been driven by financial results but rather by general market fluctuations and dividend return.

#### Compensation Committee Discretion

The Compensation Committee has broad discretion to set the compensation paid to the Company's Named Officers, subject to Board approval, as it may determine is in the best interest of the Company and its shareholders. The exercise of discretion is an important feature of the Compensation Committee's philosophy and provides the Compensation Committee with sufficient flexibility to respond to specific circumstances facing the Company. To provide additional flexibility, the Compensation Committee does not have a policy to guide the allocation of total compensation among the various elements and forms of awards.

#### Use of Comparable Data in Setting Executive Compensation Levels

The Company is engaged in a highly competitive industry. As a result, the Compensation Committee annually examines compensation levels and trends in the labor market as part of its process in establishing compensation for the Company's Named Officers.

The executive management team and the Compensation Committee regularly review publicly available survey data and proxy statements related to general industry executive compensation and peer company compensation programs. Periodically, the Compensation Committee engages consulting firms specializing in compensation and benefits to assist in evaluating the compensation package that the Company provides to its Named Officers. In connection with its consideration of 2014 compensation, the Compensation Committee decided to hire Towers Watson as a compensation consultant, and reviewed the services provided by Towers Watson with respect to

executive compensation.

Towers Watson utilized its 2013 Compensation Data Bank (CDB) Retail/Wholesale Executive Compensation Survey to benchmark the total compensation for the Chairman and Vice Chairman. Given the unique nature of the Chairman and the Vice Chairman roles, the survey for such officers was expanded to include data for these two positions from companies with revenues between one and ten billion dollars, with a median of two billion dollars, across all industries within Towers Watson's public company database. A list of the companies included in the survey is attached as Appendix 1 to the Company's 2015 proxy statement.

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Towers Watson also assessed the competitiveness of the Company's executive compensation program by developing a peer group of 14 public companies of similar size and business profiles to the Company, to benchmark total compensation for the Chief Executive Officer, the Chief Operating Officer, the Executive Vice President of Sales and Merchandising, the Senior Vice President, Chief Financial Officer & Treasurer, and the Senior Vice President of Real Estate and Development. The following companies were included in the Peer Group:

Big Lots Inc.	Ingles Markets, Incorporated	Sprouts Farmers Market, Inc.
Casey's General Stores, Inc.	PetSmart, Inc.	The Fresh Market Inc.
Dollar Tree, Inc.	Roundy's Inc.	The Pantry, Inc.
Fred's, Inc.	Spartan Stores Inc.	Village Super Market, Inc.
Harris Teeter Supermarkets, Inc.	Susser Holdings Corporation	

Towers Watson provided a briefing on current trends within the retail industry with respect to types of long-term incentives offered and eligibility for such programs, and typical practices with respect to the number and relative mix of vehicles (stock options, restricted stock, performance shares, and/or cash-based long-term incentives).

Towers Watson concluded, with respect to Company compensation at the beginning of 2014, that on average, the Company executives' base salaries were competitive with (within 15% of) market median, except the Chief Financial Officer, who was 24% below median, at the 25th percentile. The Company's long-term incentive opportunities were below the market median and the program structures of its incentive compensation programs were not similar to market. In general, the Company's total executive compensation program fell below the market median. The Committee considered the Tower Watson reports in its compensation determinations for salaries and incentive awards, and in its modification of certain incentive programs in 2014 as discussed below.

The Company competes with many larger companies for top executive-level talent. It generally sets compensation for Named Officers at the 75th percentile of compensation paid to similarly situated executives. Variations to the base salary component may occur because of the individual's experience level, job responsibilities and market factors. The Compensation Committee also realizes that a primary difference between the Company's executive compensation program and some of its peers' compensation programs is the absence of an equity-based incentive plan. This fact is strongly considered when evaluating discretionary contributions to the Supplemental Executive Retirement Plan ("SERP") for the Named Officers.

In 2015, the Compensation Committee again assessed the data provided by Towers Watson as discussed above, and made certain adjustments to such data to update it to 2015, including increasing the competitive market data by 3%.

#### 2015 Executive Compensation Components

The Compensation Committee annually evaluates the performance of executive officers with the Chairman and CEO. In performing its evaluations, the Compensation Committee relies upon written and verbal evaluations of each

officer's performance for the most recent fiscal year. The CEO meets with the executive officers to discuss their efforts and accomplishments throughout the period from information deemed relevant both internally and in light of the competitive position of the Company in the industry. These evaluations include qualitative factors such as the individual's decision-making responsibilities, the professional experience required to perform given tasks, and their leadership and team-building skills. Although executive compensation is not specifically related to corporate performance, the overall performance of the Company is a consideration in determining executive compensation.

Compensation for Named Officers is comprised of the following:

- Base Salary
- Non-Equity Incentive Plan
- Retirement Plans
- Chief Executive Officer Incentive Award Plan
- Long Term Incentive Plan
- Perquisites

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**Base Salary:** The base salary component of the executive compensation program provides the foundation for a fair and competitive compensation package. Although the Compensation Committee generally intends to set compensation for Named Officers at the 75th percentile of compensation paid to similarly situated executives, the Compensation Committee has the discretion to deviate from the 75th percentile of the compensation surveys as it may determine in its discretion. The determination of base salaries is generally independent of the decisions regarding other elements of compensation, but some of the other elements of the compensation program are dependent on base salary, to the extent they are expressed as percentages of base salary. In setting base salaries, the Compensation Committee considers each Named Officers' job responsibilities, value-added contributions to the Company and tenure.

Based on consideration of the criteria discussed above and the overall financial and operational success of the Company in 2015, the Compensation Committee made the decision to provide a salary merit increase, ranging from 3% to 6%, to the Named Executive Officers. The Compensation Committee approved a 4.1% increase in base salary for the Chairman, President and Chief Executive Officer, Mr. Jonathan H. Weis in fiscal 2015. The Chairman, President and Chief Executive Officer base salary was at 99.2% of the 75% base salary quartile for similarly situated executives while he held the position of Vice Chairman, President and Chief Executive Officer. Upon his appointment to Chairman of the Board, his base salary was at 86.7% of the 75% base salary quartile for similarly situated executives. The Compensation Committee approved a 5.5% increase in base salary for the Chief Operating Officer, Mr. Kurt A. Schertle in fiscal 2015. The base salary of the Chief Operating Officer is at 78.8% of the 75% base salary quartile for similarly situated executives. The Compensation Committee approved a 2.7%, 4.6% and 3.9% increase in base salary for the Senior Vice President, Chief Financial Officer and Treasurer, Mr. Scott F. Frost, Senior Vice President of Operations, Mr. David W. Gose II, and the Senior Vice President of Real Estate and Development, Mr. Harold G. Graber, respectively, in fiscal 2015. The base salaries of Messrs. Frost, Gose and Graber were at 75.9%, 50.8% and 70.6%, respectively, of the 75% base salary quartile for similarly situated executives.

**Non-Equity Incentive Plan:** Since 2002, the Company's executive compensation program includes an annual non-equity incentive plan designed to reward certain key employees, including the Named Officers, for meeting specific financial objectives. The Compensation Committee administers the non-equity incentive plan for management to provide the short-term incentive compensation element of the executive compensation program. This short-term incentive is a cash-based performance incentive program designed to motivate and reward key employees for their contributions to factors and business goals that the Company believes drive its earnings and create shareholder value. Incentive payout targets are established by job level within the Company as a percentage of base salary, and actual payouts are based on achievement of budgeted sales and operating income targets as approved by the Board annually. Prior to implementation of this non-equity incentive plan in 2002, the Compensation Committee hired an independent compensation consulting firm to provide guidance on the basic plan structure. In 2014, Towers Watson was utilized to evaluate the competitiveness of the current non-equity incentive plan as compared to the market place and recommended changes to the plan, which the Board approved. The changes to the plan included (i) adjusting the financial test percentages from 40% based upon budgeted sales and 60% based upon budgeted operating income to 30% and 70%, respectively, (ii) adjusting the applicable percentages for threshold, target and maximum metric hurdles, (iii) using interpolation rather than cliff vesting and (iv) adjusting the target and maximum percentages that the Named Officers can earn under the plan. The Compensation Committee decided in 2015 to continue the plan as modified in 2014. Actual non-equity incentive plan compensation amounts earned by the Named Officers are reflected in the "Summary Compensation Table" for the year earned. The amounts which each Named Officer could have earned for fiscal 2015 based on performance at the threshold, target and maximum levels are shown in the "Grants of Plan-Based Awards" table below.



Mr. Weis, Mr. Schertle, Mr. Frost, Mr. Gose and Mr. Graber can earn up to 180%, 112.5%, 60%, 75% and 60%, respectively, of their base salary in the non-equity incentive plan. The incentive targets for Mr. Weis, Mr. Schertle, Mr. Frost, Mr. Gose and Mr. Graber are 120%, 75%, 40%, 50% and 40%, respectively, of their base salary. For fiscal 2015, 30% of the incentive award was based upon achievement of the budgeted total Company sales and 70% of the incentive award was based upon achievement of the budgeted total Company operating income for the Named Officers. Company operating income was defined as U.S. GAAP "Operating Income." Threshold, target and maximum hurdles were established for the budgeted sales category, which allowed each Named Officer to earn 0%, 100% and 150%, respectively, of his total incentive award for achieving the specified results within the sales category. Threshold, target and maximum hurdles were established for the operating income category, which allowed each Named Officer to earn 0%, 100% and 150%, respectively, of his total incentive award for achieving the specified results within the operating income category. For achieving 97% through 103% of the budgeted sales target, the Named Officers can earn 0% to 150% of the sales incentive award. For achieving 95% through 110% of the budgeted operating income, the Named Officers can earn 0% to 150% of the operating income incentive award. The threshold, target and maximum hurdles for sales in fiscal 2015 were equal to a sales result of \$2.7 billion, \$2.8 billion and \$2.9 billion, respectively. The threshold, target and maximum hurdles for the operating income in fiscal 2015 were equal to an operating income result of \$79.0

million, \$83.1 million and \$91.4 million, respectively. The Company achieved 101.64% of the total budgeted sales earning the Named Officers 38.19% of their incentive targets (30% sales multiplied by 127.3% achieved). The Company achieved 109.29% of total budgeted operating income, earning the Named Officers 102.5% of their incentive targets (70% operating income multiplied by 146.43% achieved). The Named Officers earned 140.69% of their total incentive targets in fiscal 2015 (38.19% sales plus 102.5% operating income) based upon total Company performance; as compared to the 72.47% of the total incentive targets earned in fiscal 2014 by the Named Officers.

**Retirement Plans:** The Company has a contributory retirement savings plan, the Weis Markets, Inc. Retirement Savings Plan, covering substantially all full-time associates. The Company had a noncontributory profit-sharing plan, the Weis Markets, Inc. Profit Sharing Plan, covering eligible associates which included certain salaried associates, store management and administrative support personnel. Effective December 1, 2009, the Weis Markets, Inc. Profit Sharing Plan was merged into the Weis Markets, Inc. Retirement Savings Plan. Both plans are qualified defined contribution plans. The Named Officers along with other highly compensated employees have limited participation in the 401(k) portion of the plan and are excluded from receiving contributions in the profit sharing portion of the plan once their annual earnings exceed the limitations imposed by the Internal Revenue Code and the Regulations implemented by the Internal Revenue Service for highly compensated employees. A few of the Named Officers continue to possess an investment account in the profit sharing portion of the plan, resulting from their tenure with the Company prior to becoming a highly compensated employee.

**Supplemental Executive Retirement Plan:** Company contributions normally made to the qualified plans for the Named Officers are credited instead to the SERP, an unfunded, nonqualified deferred compensation plan. The SERP account for each Named Officer is credited annually with the amount, if any, that would have been allocated to the participant's qualified plans if he had not been excluded from participation in these qualified plans. Although the SERP is primarily a replacement retirement plan, the Compensation Committee may at any time recommend to the Board discretionary amounts to be credited to the account(s) of one or more SERP participants. Substantial risk of benefit forfeiture does exist for participants in the SERP. The SERP provides the participant with the ability to direct his or her investments into one or more of the investment options made available through the plan.

Contributions to the SERP are determined in the same manner as contributions to participants in the Company's qualified plans except for discretionary contributions. Contribution allocations and earnings for the three components of the SERP are computed as follows:

- a. **401(k) Portion of the Plan:** The allocation of the employer 401(k) contribution is equal to 25% of the participant's contribution for the allocation period, up to 6% of the participant's compensation. If a participant is age 50 or older during the calendar year, the participant may make additional contributions called "Catch-up" contributions. The total Catch-up contributions for a calendar year may not exceed the Catch-up dollar limit set by law. The limit was \$6,000 in 2015 and will continue to be \$6,000 in 2016. This limit will be indexed upward under federal law. Base salary is the only element of compensation that is used in determining the amount of contributions permitted under the Plan. By law, compensation in excess of \$265,000 in 2015 and 2016 (as indexed upward under federal law) cannot be counted. SERP participants can defer up to 50% of their base salary in the SERP. Each amount credited to a participant's SERP account for replacement of Company contributions normally made for 401(k) deferrals are invested by the participant in one or more of the investment options made available through the SERP, except that amounts are only credited to the SERP account annually rather than quarterly as in the qualified plan.

- b. Profit Sharing Portion of the Plan: The allocation of the employer's contribution to the SERP for each eligible participant is credited based on both flat dollar amounts and in relationship to the participant's compensation for the plan year. By law, compensation in excess of \$265,000 in 2015 and 2016 (as indexed upward under federal law) cannot be counted. Each amount credited to a participant's SERP account for replacement of Company contributions normally made to the profit sharing plan is invested by the participant in one or more of the investment options made available through the plan.

Discretionary: The Compensation Committee may at any time recommend to the Board discretionary amounts to be credited to the account(s) of one or more SERP participants. Amounts credited to a participant's SERP account for discretionary Company contributions are invested by the participant in one or more of the investment options made available through the plan.

The investment funds made available to the participants are managed by independent investment advisors. For more information regarding the Company's retirement plans, please refer to the "Nonqualified Deferred Compensation" table below and Note 6 to the Consolidated Financial Statements in the 2015 Annual Report on Form 10-K.

Vice Chairman Incentive Award Plan: On November 3, 2011, the Compensation Committee adopted the Company's Vice Chairman Incentive Award Plan, with retroactive effect to July 1, 2011. The Vice Chairman Incentive Award Plan was implemented in connection with the new Employment Agreement the Company entered into with Jonathan H. Weis, Vice Chairman of the Company, on November 3, 2011, with retroactive effect to July 1, 2011. The purposes of the Vice Chairman Incentive Award Plan are to provide a strong financial incentive each year for performance of the Company's Vice Chairman by making a significant percentage of the Vice Chairman's total cash compensation dependent upon the level of corporate performance attained yearly, and to encourage Vice Chairman retention. Mr. Weis may earn a supplemental cash incentive under the Company's Vice Chairman Incentive Award Plan. The Vice Chairman Incentive Award consists of a retention award equal to Mr. Weis's base salary for the fiscal year (although in 2011 (and only 2011), the amount of the retention award was \$334,750) and a profit performance award equal to the base salary for the fiscal year if the "Net Income" of the Company increases by 5% or more from the "Net Income" of the previous fiscal year (although in 2011 (and only 2011) the amount of the profit performance award was \$334,750). "Net Income" is the net income as set forth in the Company's Consolidated Statements of Income, as contained in the audited financial statements of the Company in the Forms 10-K filed by the Company, but in comparing the Net Income for a particular fiscal year (the "Current Year") to the Net Income of the prior fiscal year (the "Prior Year"), the Compensation Committee may take into account, in an objectively determinable manner, certain changes that occur between years, including in particular, changes that are due to the addition or disposition of stores. The maximum amount of the Vice Chairman Incentive Award payable under the Plan in any fiscal year is limited to \$1,339,000 (although in 2011 (and only 2011) the maximum amount of the Incentive Award was limited to \$669,500). Although the right to receive awards under the plan are measured and determined on an annual basis, the payment of the award is contingent upon Mr. Weis's continued employment with the Company, except in the case of a termination without cause or death. Any awards under the plan were not scheduled to be paid until after December 31, 2016.

In connection with appointment of the Vice Chairman Jonathan H. Weis as President and Chief Executive Officer on February 11, 2014, the Vice Chairman Incentive Award Plan for Mr. Weis was terminated and replaced with the new Chief Executive Officer Incentive Award Plan described below, and the Compensation Committee approved a payout of any previously earned awards through December 31, 2013 under the Vice Chairman Incentive Award Plan for Mr. Weis.

CEO Incentive Award Plan: The Chief Executive Officer Incentive Award Plan was implemented in connection with the Amended and Restated Employment Agreement the Company entered into with Jonathan H. Weis, who served as Vice Chairman of the Company since 2004 and currently serves as Chairman, President and Chief Executive Officer. The Amended and Restated Employment Agreement commenced on January 1, 2014 and continues through December 31, 2016. The purposes of the Chief Executive Officer Incentive Award Plan are to provide a strong

financial incentive each year for performance of the Company's Chief Executive Officer by making a significant percentage of the Chief Executive Officer's total cash compensation dependent upon the level of corporate performance attained yearly, and to encourage Chief Executive Officer retention.

Mr. Weis may earn a supplemental cash incentive for each fiscal year under the Company's Chief Executive Officer Incentive Award Plan consisting of a retention award and a performance award. The retention award is equal to Mr. Weis's annual base salary in effect as of the end of the fiscal year, multiplied by 1.375.

The performance award is equal to Mr. Weis's annual base salary in effect as of the end of the fiscal year, contingent upon the achievement of specified performance requirements. One-half of the performance award is based on the ratio of the Company's net sales in comparison to a net sales target for a plan year. The net sales ratio has a "threshold" which must be met in order to qualify for such performance award, a "target" which is the net sales target, and a "maximum" net sales ratio upon which a performance award may be made. For fiscal 2015, the threshold is 97% of the net sales target and the maximum is 103% of the net sales target, with 0% performance achieved at threshold, 100% performance achieved at target and 150% performance achieved at maximum, and with interpolation used to determine the performance achieved between the threshold, target and maximum levels.

The other one-half of the performance award is based on the ratio of the Company's Modified Return On Invested Capital (the "MROIC") in comparison to the MROIC target for a plan year. MROIC is computed from the Company's audited financial statements by determining the earnings (net income) before interest, taxes, depreciation, amortization and annual rent expense (EBITAR), and dividing it by total assets plus a capital lease equivalent for operating leases. In the above formula, "annual rent expense" is the amount paid by the Company each year under operating leases for its stores. The amount used in the formula is approximately the amount set forth as "minimum annual rentals" in "Note 5 Lease Commitments" of the Company's audited financial statements. The "total assets" is the sum of the current and long term assets of the Company, as set forth in the Company's audited financial statements. The "capital lease equivalent for operating leases" is a calculation to reflect the amount of future operating lease commitments that the Company has invested in its store operations. It is determined by taking the annual rent expense for the Company for a plan year, as described above, and multiplying it by 20. The MROIC ratio has a "threshold" which must be met in order to qualify for such performance award, a "target" which is the MROIC target, and a "maximum" MROIC ratio upon which a performance award may be made. For fiscal 2015, the threshold is 98% of the MROIC target and the maximum is 105% of the MROIC target, with 0% performance achievement at threshold, 100% performance achieved at target and 150% performance achieved at maximum, and with interpolation used to determine the performance achieved between the threshold, target and maximum levels.

The Compensation Committee retains the right to include or exclude extraordinary items from the above stated tests, and to adjust the target and related threshold and maximum levels at any time in their sole discretion. Actual Chief Executive Officer Incentive Award Plan compensation earned by Mr. Weis for 2015 is reflected in the "Summary Compensation Table" for the year earned. The amounts Mr. Weis could have earned for fiscal 2015 based on performance at the threshold, target and maximum levels are shown in the "Grants of Plan-Based Awards" table below. Although the right to receive awards under the Chief Executive Officer Incentive Award Plan are measured and determined on an annual basis, except in the case of a termination without cause or death, no plan award will be paid to the participant until after December 31, 2016, provided that the participant remains employed as such from January 1, 2014 through December 31, 2016.

Mr. Weis can earn up to 343.8% of his annual base salary at the end of the fiscal year in the Chief Executive Officer Incentive Award Plan. The incentive target for Mr. Weis is 275% of his annual base salary at the end of the fiscal year, being comprised of a retention target of 137.5% and a performance target of 137.5% (68.75% based on net sales and 68.75% based on MROIC). The threshold, target and maximum hurdles for net sales in fiscal 2015 were equal to a net sales result of \$2.7 billion, \$2.8 billion and \$2.9 billion, respectively. The threshold, target and maximum hurdles for MROIC in fiscal 2015 were equal to a result of 9.39%, 9.59% and 10.07%, respectively. The Company achieved 101.64% of the total budgeted net sales earning Mr. Weis 87.52% of his performance incentive target (68.75% net sales multiplied by 127.3% achieved). The Company achieved 106.03% of total budgeted MROIC, earning Mr. Weis 103.13% of his performance incentive target (68.75% MROIC multiplied by 150% achieved). Mr.

Weis earned 328.15% of his total incentive targets in fiscal 2015 (137.50% retention plus 87.52% net sales plus 103.13% MROIC).

Recoupment Policy: On July 14, 2014, with retroactive effect to January 1, 2014, the Company entered into an Amended and Restated Employment Agreement with Jonathan H. Weis. The Employment Agreement contains a recoupment policy (commonly referred to as a clawback policy), which provides that if the Board determines that Mr. Weis has been incompetent or negligent in the performance of his duties or has engaged in fraud or willful misconduct in a manner that caused or contributed to the need for a material restatement of the Company's financial results, the Board will review all performance-based compensation awarded to or earned by Mr. Weis on the basis of performance during fiscal periods affected by the restatement. If the performance-based compensation would have been lower if it had been based on the restated results, the Board and the Company will, to the extent permitted by law, seek recoupment from Mr. Weis of any portion of such performance-based compensation deemed appropriate.

Long Term Incentive Plan: The Company's Long Term Incentive Plan was adopted by the Compensation Committee in 2014, effective for fiscal 2014, and continues until December 31, 2016. The purposes of the Long Term Incentive Plan are to reward incentive eligible associates for their contribution in providing consistent management, growing sales and increasing return on investment while providing the highest level of customer service.

Messrs. Schertle, Frost, Gose and Graber are entitled to receive a supplemental cash incentive award for each fiscal year under the plan consisting of a retention award and a performance award. The retention award is equal to the participant's base salary, in effect as of the end of the fiscal year, multiplied by the retention incentive target.

The performance award is calculated as a percentage of the participant's annual base salary in effect as of the end of the fiscal year, contingent upon the achievement of the specified performance requirements as approved by the Board annually. One-half of the performance award is based on the ratio of the Company's net sales in comparison to a net sales target for a plan year. The net sales ratio has a "threshold" which must be met in order to qualify for such performance award, a "target" which is the net sales target, and a "maximum" net sales ratio upon which a performance award may be made. For fiscal 2015, the threshold is 97% of the net sales target and the maximum is 103% of the net sales target, with 0% performance achieved at threshold, 100% performance achieved at target and 150% performance achieved at maximum, and with interpolation used to determine the performance achieved between the threshold, target and maximum levels.

The other one-half of the performance award is based on the ratio of the Company's Modified Return On Invested Capital (the "MROIC") in comparison to the MROIC target for a plan year. MROIC is computed from the Company's audited financial statements by determining the earnings (net income) before interest, taxes, depreciation, amortization and annual rent expense (EBITAR), and dividing it by total assets plus a capital lease equivalent for operating leases. In the above formula, "annual rent expense" is the amount paid by the Company each year under operating leases for its stores. The amount used in the formula is approximately the amount set forth as "minimum annual rentals" in "Note 5 Lease Commitments" of the Company's audited financial statements. The "total assets" is the sum of the current and long term assets of the Company, as set forth in the Company's audited financial statements. The "capital lease equivalent for operating leases" is a calculation to reflect the amount of future operating lease commitments that the Company has invested in its store operations. It is determined by taking the annual rent expense for the Company for a plan year, as described above, and multiplying it by 20. The MROIC ratio has a "threshold" which must be met in order to qualify for such performance award, a "target" which is the MROIC target, and a "maximum" MROIC ratio upon which a performance award may be made. For fiscal 2015, the threshold is 95% of the MROIC target and the maximum is 110% of the MROIC target, with 0% performance achievement at threshold, 100% performance achieved at target and 150% performance achieved at maximum, and with interpolation used to determine the performance achieved between the threshold, target and maximum levels.

The Compensation Committee retains the right to include or exclude extraordinary items from the above stated tests, and to adjust the target and related threshold and maximum levels at any time in their sole discretion. Actual Long Term Incentive Plan compensation amounts earned by the Named Officers are reflected in the "Summary Compensation Table" for the year earned. The amounts which each Named Officer could have earned for fiscal 2015 based on performance at the threshold, target and maximum levels are shown in the "Grants of Plan-Based Awards" table below. Although the right to receive awards under the plan are measured and determined on an annual basis, the payment of the award is contingent upon the participant's continued employment with the Company in an employment



position eligible under the Plan for the entire term of the plan and no plan award will be paid until after December 31, 2016, except in the case of death or reduction in work force, in which case the participant is entitled to any earned but unpaid incentive.

Mr. Schertle can earn up to 103.1% and Mr. Frost, Mr. Gose and Mr. Graber can each earn up to 68.8% of their annual base salary at the end of the fiscal year in the Long Term Incentive Plan. The incentive target for Mr. Schertle is 75% of his annual base salary at the end of the fiscal year, being comprised of a retention target of 18.75% and a performance target of 56.25% (28.125% based on net sales and 28.125% based on MROIC). The incentive target for Mr. Frost, Mr. Gose and Mr. Graber is 50% of their annual base salary at the end of the fiscal year, being comprised of a retention target of 12.5% and a performance target of 37.5% (18.75% based on net sales and 18.75% based on MROIC). The threshold, target and maximum hurdles for net sales in fiscal 2015 were equal to a net sales result of \$2.7 billion, \$2.8 billion and \$2.9 billion, respectively. The threshold, target and maximum hurdles for MROIC in fiscal 2015 were equal to a result of 9.11%, 9.59% and 10.55%, respectively. The Company achieved 101.64% of the total budgeted net sales earning Mr. Schertle 35.8% of his performance incentive target (28.125% net sales multiplied by 127.3% achieved) and earning Mr. Frost, Mr. Gose and Mr. Graber 23.87% of their performance incentive target (18.75% net sales multiplied by 127.3% achieved). The Company achieved 106.03% of total budgeted MROIC, earning Mr. Schertle 36.6% of his performance incentive target (28.125% MROIC multiplied by 130.15% achieved) and earning Mr. Frost, Mr. Gose and Mr. Graber 24.4% of their performance incentive target (18.75% MROIC multiplied by 130.15% achieved). Mr. Schertle earned 91.15% of his total incentive targets in fiscal 2015 (18.75% retention plus 35.8% net sales plus 36.6% MROIC). Mr. Frost, Mr. Gose and Mr. Graber earned 60.77% of their total incentive targets in fiscal 2015 (12.5% retention plus 23.87% net sales plus 24.4% MROIC).

**Perquisites:** The Company provides the Named Officers with perquisites that the Compensation Committee believes are reasonable and consistent with its overall executive compensation program. The Named Officers are provided use of Company automobiles. For security purposes, Named Officers may use the Company aircraft for business and for limited personal travel. The cost to the Company of the use of Company automobiles and the Company aircraft is calculated as prescribed by the Internal Revenue Service and is treated as taxable income to the Named Officers. Please refer to Footnote 2 of the “Summary Compensation Table” for details concerning these and other perquisites.

#### Management of Compensation – Related Risk

The Company’s Board of Directors has considered and determined that risks arising from the Company’s compensation policies and practices for its employees are not reasonably likely to have a material adverse effect on the Company.

#### COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed the “Compensation Discussion and Analysis” and has discussed it with the executive management team. Based upon its review and those discussions, the Compensation Committee recommended to the Board that the “Compensation Discussion and Analysis” be included in this Proxy Statement, which will be incorporated by reference in the Company’s 2015 Annual Report on Form 10-K.

Gerrald B. Silverman, Chairman

Dennis G. Hatchell

Edward J. Lauth III



## COMPENSATION TABLES

## Summary Compensation Table

The following table shows the compensation of the Company's principal executive officer, the principal financial officer and three other officers with the highest total compensation paid or earned for fiscal 2015, 2014 and 2013 (the "Named Officers"). The Company has an employment agreement with the Chairman, President and Chief Executive Officer. The material terms of the agreement are discussed under "Potential Payments upon Termination of Employment or Change in Control" below.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Non-Equity		Total (\$)
				Incentive Plan Compensation (\$) (1)	All Other Compensation (\$) (2)	
Jonathan H. Weis Chairman, President and Chief Executive Officer	2015	883,833	--	4,399,517	139,607	5,422,957
	2014	848,678	--	3,068,889	123,968	4,041,535
	2013	721,810	--	721,810	118,973	1,562,593
Kurt A. Schertle Chief Operating Officer	2015	497,648	--	980,902	230,335	1,708,885
	2014	467,613	--	600,332	230,253	1,298,198
	2013	408,632	--	--	206,343	614,975
Scott F. Frost Senior Vice President, Chief Financial Officer and Treasurer	2015	397,349	--	465,487	25,335	888,171
	2014	386,965	--	303,041	25,253	715,259
	2013	350,393	--	--	26,344	376,737
David W. Gose II Senior Vice President of Operations	2015	313,750	--	412,142	182,018	907,910
Harold G. Graber Senior Vice President of Real Estate and Development	2015	349,125	--	409,178	25,335	783,638
	2014	336,158	--	263,520	25,253	624,931
	2013	298,424	--	--	26,344	324,768

(1) Represents the amount earned under the annual non-equity incentive plan described in "Compensation Discussion and Analysis," plus any additional amounts under the applicable plans described below. For Mr. Weis, such amounts include \$2,907,351, \$2,330,830 and \$721,810 for 2015, 2014 and 2013, respectively, earned under the Vice Chairman Incentive Award Plan (for 2013) and the Chief Executive Officer Incentive Award Plan (for 2014 and 2015) described in "Compensation Discussion and Analysis." The payment of such amounts earned in 2015 and 2014 is deferred under the plan until after December 31, 2016, except in the case of a termination without cause or death. The plan provides that if prior to the end of the term, the officer's employment is terminated without cause, the officer will be entitled to receive a payment based upon the date of the termination. Refer to the "Potential Payments upon Termination of Employment or Change in Control" for Mr. Weis, for possible step downs of payments. In 2015, for Mr. Schertle, Mr. Frost, Mr. Gose and Mr. Graber, such amounts include \$455,793, \$241,874, \$191,433 and \$212,703, respectively, and in 2014, for Mr. Schertle, Mr. Frost and Mr. Graber, such

amounts include \$346,167, \$190,865 and \$166,072, respectively, earned under the Long Term Incentive Plan described in “Compensation Discussion and Analysis.” The payment of such amounts earned in 2015 and 2014 is deferred under the plan until after December 31, 2016, except in the case of death or reduction in work force, in which case the participant is entitled to any incentive earned under the plan.

- (2) “All Other Compensation” consists of contributions by the Company to the SERP and perquisite costs where applicable. Except for the amounts specified within this footnote for the Named Officers, the amounts shown are for SERP contributions only. Perquisites of \$13,246, \$22,615 and \$16,454 are included in the amount for Mr. Weis in 2015, 2014 and 2013, respectively, and consist of the cost for personal use of a Company car, the Company aircraft and tax and advisory services. For Mr. Schertle a \$100,000 special contribution was made to Mr. Schertle’s SERP account in each of 2015, 2014 and 2013. In addition, a \$25,000 discretionary contribution was made to Mr. Schertle’s SERP account in 2014 upon his promotion to Chief Operating Officer. In 2015, perquisites of \$160,658 are included in the amount for Mr. Gose and consist of the cost for personal use of a Company car, reimbursement for relocation costs, a cell phone stipend and \$150,000 related to benefits lost as a result of termination from his prior employer. The 2015 Company contribution amounts to the SERP were estimated for purposes of this table, and the 2014 and 2013 amounts were adjusted to the actual contribution amounts. Additional information concerning deferrals of earned compensation by the Named Officers to the SERP and other plan details are described under “Nonqualified Deferred Compensation.”

## Grants of Plan-Based Awards

The following table shows the grants of plan-based awards made to the Named Officers for fiscal 2015.

Name	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards		
	Threshold (\$)	Target (\$)	Maximum (\$)
Jonathan H. Weis			
Non-Equity Incentive Plan (1)	--	1,060,600	1,590,900
Chief Executive Officer Incentive Award Plan (2)	--	1,218,250	3,045,625
Kurt A. Schertle			
Non-Equity Incentive Plan (1)	--	373,236	559,854
Long Term Incentive Plan (3)	--	281,250	515,625
Scott F. Frost			
Non-Equity Incentive Plan (1)	--	158,940	238,409
Long Term Incentive Plan (3)	--	149,250	273,625
David W. Gose II			
Non-Equity Incentive Plan (1)	--	156,875	235,313
Long Term Incentive Plan (3)	--	118,125	216,563
Harold G. Graber			
Non-Equity Incentive Plan (1)	--	139,650	209,475
Long Term Incentive Plan (3)	--	131,250	240,625

- (1) Represents the amounts that could have been earned by each of the Named Officers for fiscal 2015 for performance at the threshold, target and maximum levels under the Non-Equity Incentive Plan described in the "Compensation Discussion and Analysis."
- (2) Represents the amounts that could have been earned by Mr. Weis for fiscal 2015 for performance at the threshold, target and maximum levels under the Chief Executive Officer Incentive Award Plan. As described in the "Compensation Discussion and Analysis," Mr. Weis would be entitled to (i) his annual base salary of \$886,000 as of the end of the fiscal year multiplied by 137.5% if he remains employed for the entire fiscal year (which is not included as part of the "threshold" or a "target" award) and (ii) the same amount of his annual base salary as of the end of the fiscal year multiplied by the respective net sales and MROIC performance targets, as more particularly set forth in the plan description in the "Compensation Discussion and Analysis."
- (3) Represents the amounts that could have been earned by each of Mr. Schertle, Mr. Frost, Mr. Gose and Mr. Graber for fiscal 2015 for performance at the threshold, target and maximum levels under the Long Term Incentive Plan. As described in the "Compensation Discussion and Analysis," (i) Mr. Schertle would be entitled to 18.75% of his base salary (as in effect at the end of the fiscal year) of \$500,000, Mr. Frost would be entitled to 12.5% of his base salary (as in effect at the end of the fiscal year) of \$398,000, Mr. Gose would be entitled to 12.5% of his base salary (as in effect at the end of the fiscal year) of \$315,000 and Mr. Graber would be entitled to 12.5% of his base salary (as in effect at the end of the fiscal year) of \$350,000 if the participants remain employed for the entire fiscal year (these amounts are not included as part of the "threshold" or a "target" awards) and (ii) the same amount of their respective annual base salaries as in effect at the end of the fiscal year multiplied by the respective net sales

and MROIC performance targets, as more particularly set forth in the plan description in the “Compensation Discussion and Analysis.”

## Nonqualified Deferred Compensation

The Company maintains a SERP for certain of its associates. The SERP is designed to provide retirement benefits and salary deferral opportunities because of limitations imposed by the Internal Revenue Code and the Regulations implemented by the Internal Revenue Service for highly compensated employees. The plan is unfunded and accounted for on an accrual basis. Participants in the plan have limited participation in the 401(k) portion of the Retirement Savings Plan and are excluded from receiving contributions in the qualified profit sharing portion of the Retirement Savings Plan once their annual earnings exceed the IRS limitations. Based upon recommendation from the Compensation Committee, the Board annually determines the amount of the allocation to the SERP.

The allocation among the various plan participants is made in both flat dollar amounts and in relationship to their compensation. Plan participants are 100% vested in their accounts after six years of service with the Company. In accordance with the lump-sum or installment election made by the Named Officer prior to the deferral of compensation, benefits are distributed to the participant during the calendar year following the calendar year in which the participant's termination of service occurs. Substantial risk of benefit forfeiture does exist for participants in the plan. The present value of accumulated benefits is included under "Postretirement benefit obligations" in the Consolidated Balance Sheets within the 2015 Annual Report on Form 10-K.

The following table provides information concerning deferrals by the Named Officers of their earned compensation under the Company's SERP.

Name	Executive Contributions in 2015 (\$ (1))	Company Contributions in 2015 (\$ (2))	Aggregate Earnings in 2015 (\$ (3))	Aggregate Withdrawals/ Distributions (\$)	2014 Proxy Adjustments (\$ (4))	Aggregate Balance at 12/31/2015 (\$)
Jonathan H. Weis	--	126,360	21,327	--	(1,167)	1,371,223
Kurt A. Schertle	49,765	230,335	(27,506)	--	(1,167)	1,329,863
Scott F. Frost	79,470	25,335	(8,137)	--	(1,167)	499,373
David W. Gose	--	21,360	(765)	--	--	40,595
Harold G. Graber	38,753	25,335	14,953	--	(1,167)	744,188

(1) These amounts are reported in the "Summary Compensation Table" as "Salary."

(2) These amounts are reported in the "Summary Compensation Table" under "All Other Compensation."

(3) Earnings on deferred compensation under the Company's SERP are not above market or preferential, and thus are not included in the "Summary Compensation Table."

(4) These amounts represent adjustments to the aggregate earnings estimates made in the 2014 Proxy Statement.

## Potential Payments upon Termination of Employment or Change in Control



On July 14, 2014, with retroactive effect to January 1, 2014, the Company entered into an Amended and Restated Employment Agreement with Jonathan H. Weis, who served as Vice Chairman of the Company since 2004 and currently serves as Chairman, President and Chief Executive Officer. The Amended and Restated Employment Agreement commenced on January 1, 2014 and continues through December 31, 2016. This agreement provides for certain benefits for involuntary termination of employment other than for cause, but does not contain a change in control provision.

Mr. Weis' Employment Agreement provides that if prior to the end of the term, the officer's employment is terminated without cause or the officer terminates his employment for good reason, the officer will be entitled to receive (1) continuation of base salary payments through the end of the term at the rate then in effect and (2) an incentive bonus for the year of termination and any subsequent remaining year of the term equal to the highest incentive bonus received by the officer for any of the two years preceding termination. If prior to the end of the term the officer's employment terminates due to death or disability, the officer (or his spouse or estate) is entitled to receive (1) continuation of base salary payments through the end of the term at 50% of the rate then in effect and (2) in the case of disability, a prorated bonus for the year of termination only in the amount the Company in good faith determines the officer would have received had his employment continued. All salary continuation and incentive bonus payments would be made at the same time as if employment had continued.

Mr. Weis' Chief Executive Officer Incentive Award Plan provides that if prior to the end of the term, the officer's employment is terminated without cause, the officer will be entitled to receive a payment based upon the date of the termination, as follows:

If the Without Cause Termination occurs on or between the following dates:	Amount to be Paid (\$)
January 1, 2014 to December 31, 2014	2,500,000
January 1, 2015 to December 31, 2015	3,000,000
January 1, 2016 to December 31, 2016	3,500,000

The amount will be paid in a lump sum cash payment within 2 ½ months from the end of the calendar year in which the termination occurs; provided, however, in the event an amount is conditioned upon a separation from service and not compensation the officer could receive without separating from service, then payment shall be made to the officer who is a "specified employee" under Section 409A of the Code on the first day following the six-month anniversary of the officer's separation from service. Furthermore, the Chief Executive Officer Incentive Award Plan provides that if prior to the end of the term, the officer's employment terminates due to death, the officer's spouse or estate is entitled to receive \$1,000,000, payable within sixty days of the date of death of the officer.

According to the terms of Mr. Weis' Employment Agreement, the officer agrees (1) to at all times maintain the confidentiality of information pertaining to the Company's business, and (2) until four years after termination of employment, not to (A) hire any Company employee or solicit or induce any employee, consultant, vendor or supplier of the Company to terminate or reduce its relationship with the Company or (B) except in the case of a termination by the Company without cause or by the officer for good reason, engage in any business which competes with the Company in the retail grocery business (or in any other business which accounted for more than 2% of the Company's consolidated revenues) in any county in which the Company operates or any contiguous county. The Company's obligations to make payments or provide benefits to the officer under the Employment Agreement would cease upon any violation of these covenants.

The following table shows the benefits Mr. Weis would have received under the Employment Agreement if his employment had terminated for the reasons specified as of December 31, 2015.

Executive Benefits and Payments	Salary Continuation (\$)	Non-Equity Incentive Compensation Plan (\$)	Chief Executive Officer Incentive Award Plan (\$)
By Covered Circumstance	(1)	(2)	
Without Cause or Good Reason	886,000	2,230,226	3,000,000
Disability	443,000	1,492,166	--
Death	443,000	1,492,166	1,000,000

(1) Represents continuation of salary payments through the end of the Employment Agreement term at the rate of 100% in the case of a termination without cause or for good reason and 50% in the case of termination due to

disability or death.

- (2) In the case of a termination without cause or for good reason, the amount represents the incentive bonus for 2016 in an amount equal to the highest incentive bonus received for any of the two years preceding 2015 and the amount earned in 2015 and payable in 2016. In the case of disability or death, the amount shown is the incentive bonus earned in 2015 and payable in 2016.

OTHER INFORMATION CONCERNING THE BOARD OF DIRECTORS

Compensation of Directors

The following table shows the compensation earned by the Company's non-management independent directors for services during fiscal 2015.

DIRECTOR COMPENSATION

Name	Fees Earned or	
	Paid in Cash (\$)	Total (\$)
Dennis G. Hatchell (1)	22,500	22,500
Edward J. Lauth III	96,000	96,000
Gerrald B. Silverman	90,000	90,000
Glenn D. Steele Jr. (2)	67,500	67,500

(1) Director Hatchell commenced service as a director in July 2015.

(2) Director Steele ceased service as a director in July 2015.

Directors who are not officers of the Company or any of its subsidiaries receive an annual retainer of \$90,000 paid in quarterly installments during the year. The Chairman of the Audit Committee receives an additional \$6,000 annual retainer fee paid in quarterly installments during the year.

In addition, each non-management independent director is entitled to reimbursement for out-of-pocket expenses to attend meetings. There is no additional remuneration for services rendered by directors serving on committees or for participation in the non-management independent director meetings.

Compensation Committee Interlocks and Insider Participation

Directors Hatchell, Lauth, Silverman and Steele were not officers or employees of the Company, nor have they had any relationship with the Company requiring disclosure under the SEC regulations. None of the Company's Named Officers have served on the board of directors or compensation committee of any other entity, which has or had one or more executive officers who served as a member of the Company's Board or Compensation Committee during fiscal 2015.

Review and Approval of Related Party Transactions

The Company has adopted written "Conflicts of Interest" policies in its Code of Business Conduct and Ethics and in its Code of Ethics for CEO and CFO. According to these policies, a conflict of interest occurs when an individual's private interest interferes, or appears to interfere, in any way with the interests of the Company. In other words, a conflict situation can arise when an employee takes actions or has interests that may make it difficult to perform his

work effectively. Conflicts of interest also arise when an employee, officer or director, or a member of his family, receives improper personal benefits as a result of his position in the Company. Loans to or guarantees of obligations of such persons are likely to pose conflicts of interest, as are transactions of any kind between the Company and any other organization in which such person or any member of their family have an interest.

Under these policies, activities that could give rise to conflicts of interest are prohibited unless specifically approved in advance by the Audit Committee. Because it is not always easy to determine whether a conflict of interest exists, any potential conflicts of interest must be reported immediately to the Executive Committee of the Board. If a member of the Executive Committee of the Board is informed of any potential conflict of interest he must report it immediately to the Audit Committee. The Audit Committee Charter specifically grants the Audit Committee the authority to review and approve all related party transactions. These policies cover all Company officers, directors (or nominee), 5%-or-greater shareholders and immediate family members of these persons.

The Company's Related Party Transaction policy includes the standards included in Section 404(b) of Regulation S-K as well as any other applicable standards under the NYSE rules and regulations. The Related Party Transaction policy provides for pre-approval of certain transactions involving the Company's directors, executives, nominees, beneficial owners of more than 5% of the Company's voting securities and their family members, or an entity in which any of the foregoing persons has more than a 5% beneficial ownership. The policies define "family member" to mean a child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, or any other person living with the individual (except tenants and employees).

The policy defines “Related Person Transactions” as a transaction, arrangement or relationship (or series of transactions, arrangements or relationships) since the beginning of the Company’s last fiscal year in which the Company (including its subsidiaries) was, or is a participant and the amount exceeded \$120,000, and in which any Related Person had, has or will have a direct or indirect material interest (other than solely as the result of being a director or a less than 10% beneficial owner of another entity).

Certain transactions are deemed to be pre-approved even if the amount exceeds \$120,000:

- transactions in the ordinary course of business involving payment of no more than \$1,000,000 or 2% of the Company’s annual consolidated gross revenues to another company at which the related person is an employee, director or beneficial owner of less than 10% of Common Stock;
- certain charitable contributions that do not exceed \$250,000 (or 5% of the charitable organization’s annual consolidated gross revenues) to an organization in which the related person is an employee or director;
- transactions where the related interest arises solely from the ownership of Weis Markets, Inc. Common Stock and all holders of the common stock receive the same benefits on a pro rata basis;
- compensation to an executive officer or director which has to be reported in the proxy statement or compensation to an executive officer which is not an immediate family member of a related person or the compensation committee; and
- any transaction involving a Related Person where the rates or charges involved are determined by competitive bids; rendering of services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or governmental authority; or involving services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture or similar services.

Transactions that are not pre-approved must be presented to the Audit Committee for approval. If the related person transaction is on-going, the Committee may establish guidelines for management for the relationship which must be reassessed on an annual basis. Transactions will be approved if they are in the best interest of the Company and its shareholders.

No Director will participate in the discussion or approval of a transaction for which he or a family member is a related party, other than to provide material information.

All related person transactions will be disclosed in the Company’s applicable filings as required by applicable laws.

Currently, the Company does not have any related party transactions to report under “Review and Approval of Related Party Transactions.” If the Company encounters related party transactions, they will be reviewed and approved by the Audit Committee in accordance with the Company’s Code of Business Conduct and Ethics, the Code of Ethics for CEO and CFO, the Audit Committee Charter and the Company’s Related Party Transaction policy.

Shareholder or Interested Parties Communications

Weis Markets, Inc. shareholders or interested parties may communicate with the Board by sending a letter to: Weis Markets, Inc. Board of Directors, c/o Corporate Secretary, 1000 South Second Street, Sunbury, PA 17801-0471. The Board has instructed the Secretary to review all communications received, and to exercise his discretion not to forward to the Board correspondence that is inappropriate such as business solicitations, frivolous communications and advertising, routine business matters (i.e. business inquiries, complaints or suggestions) and personal grievances. However, any director may at any time request the Secretary to forward any and all communications received by the Secretary but not forwarded to the directors.

Shareholders or interested parties wishing to communicate directly with the non-management independent directors as a group may do so by sending a letter to Weis Markets, Inc., c/o Non-Management Independent Directors, 1000 South Second Street, Sunbury, PA 17801-0471 or via their email address at [nonmanagement@weismarkets.com](mailto:nonmanagement@weismarkets.com).

Shareholders or interested parties who have concerns regarding accounting, improper use of Company assets, or ethical improprieties may report these concerns to the Audit Committee by sending a letter to Weis Markets, Inc., c/o Audit Committee Chairman, 1000 South Second Street, Sunbury, PA 17801-0471 or via its email address at [audit@weismarkets.com](mailto:audit@weismarkets.com).

Submissions to the non-management independent directors or the Audit Committee will remain confidential and can be made anonymously without fear of reprisal.

## AUDIT COMMITTEE REPORT

The Audit Committee oversees the Company's financial reporting process on behalf of the Board. Management has the primary responsibility for the financial statements and the reporting process including the systems of internal controls. Management represented to the Audit Committee that the Company's consolidated financial statements were prepared in conformity with accounting principles generally accepted in the United States and the SEC disclosure requirements. In fulfilling its oversight responsibilities, the Audit Committee reviewed the audited financial statements in the 2015 Annual Report on Form 10-K with management including a discussion of the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements.

The Audit Committee reviewed with Ernst & Young LLP, its independent auditors for fiscal 2015, who are responsible for expressing an opinion on the conformity of those audited financial statements with accounting principles generally accepted in the United States, their judgments as to the quality, not just the acceptability, of the Company's accounting principles and such other matters as are required to be discussed with the Committee in accordance with the standards of the Public Company Accounting Oversight Board (United States). The Audit Committee has received from the independent auditors written disclosures pursuant to Statement on Auditing Standards No. 16, Communication with Audit Committees, and has discussed those matters with the independent auditors. The Audit Committee has also received the written disclosure and the letter from the independent auditors required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent auditors' communications with the Audit Committee concerning independence, and has discussed with the independent auditors their independence.

The Audit Committee discussed with the Company's Chief Internal Auditor and the independent auditors the overall scope and plans for their respective audits. The Audit Committee meets with the Chief Internal Auditor and the independent auditors, with and without management present, to discuss the results of their examinations, their evaluations of the Company's internal controls and the overall quality of the Company's financial reporting. In performance of its oversight function, the Audit Committee also monitored Company management's compliance with the Sarbanes-Oxley Act of 2002 by discussing with management, the Chief Internal Auditor and the independent auditors management's assessment of the effectiveness of the Company's internal control over financial reporting as of December 26, 2015.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board (and the Board has approved) that the audited financial statements be included in the 2015 Annual Report on Form 10-K for filing with the SEC. The Audit Committee recommended to the Board, the appointment of Ernst & Young LLP as the Company's independent auditors for fiscal 2016, subject to shareholder ratification.

Edward J. Lauth III, Committee Chairman



Dennis G. Hatchell

Gerrald B. Silverman

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## STOCK OWNERSHIP

Under regulations of the SEC, a person is considered the “beneficial owner” of a security if the person has or shares with others the power to vote the security (voting power), the power to dispose of the security (investment power) or the ability to acquire the security within 60 days. In the tables below, “beneficial ownership” of the Company’s Common Stock is determined in accordance with these regulations and does not necessarily indicate that the person listed as a “beneficial owner” has an economic interest in the shares indicated as “beneficially owned.”

## Beneficial Ownership of Directors and Management

The following table sets forth information regarding the amount and nature of beneficial ownership of the Company’s Common Stock as of March 4, 2016 by each director, each nominee, each Named Officer listed in the “Summary Compensation Table,” and for all executive officers and directors as a group. Except as otherwise indicated in the footnotes to the table, each person named or a member of the group has sole voting and investment power with respect to the shares listed. No shares have been pledged as security by the directors or Named Officers.

Name of	Amount and	Percent
Directors and	Nature	
Management	of Beneficial	of
	Ownership	Class (1)
Jonathan H. Weis	7,241,253 (2)	26.9
Kurt A. Schertle	---	*
Scott F. Frost	470	*
David W. Gose II	---	*
Harold G. Graber	1,796	*
Dennis G. Hatchell	2,500	*
Edward J. Lauth III	---	*
Gerrald B. Silverman	---	*
All executive officers and directors as a group (10 persons)	7,246,019	26.9

\*Owns less than 1% of class.

(1) Based on 26,898,443 shares outstanding on March 4, 2016.

(2) Jonathan H. Weis has sole voting and dispositive power as to all 7,241,253 shares listed. This amount includes 5,973,129 shares held in trust under the Will of Robert F. Weis (the deceased father of Jonathan H. Weis) for the benefit of Patricia G. Ross Weis, the mother of Jonathan H. Weis.



## 5% Beneficial Owners

The following table sets forth information about shareholders who are known by the Company to be the beneficial owners of more than 5% of its Common Stock, which is its only class of voting securities, on March 4, 2016. Information contained in the table and footnotes below was derived from filings made with the SEC by the beneficial owners.

Name and Address of 5% Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class (1)
Jonathan H. Weis c/o Weis Markets, Inc. 1000 South Second Street Sunbury, PA 17801	7,241,253 (2) (4)	26.9
Ellen W. P. Wasserman c/o Weis Markets, Inc. 1000 South Second Street Sunbury, PA 17801	3,324,544 (3) (4)	12.4
Royce & Associates, LLC 745 Fifth Avenue New York, NY 10151	1,556,638 (5)	5.8
EKTJ Management LLC c/o George Cox Gross, Mendelsohn & Associates 36 South Charles Street 18th Floor Baltimore, MD 21201	1,400,000 (4) (6)	5.2

(1) Based on 26,898,443 shares outstanding on March 4, 2016.

(2) Jonathan H. Weis has sole voting and dispositive power as to all 7,241,253 shares listed. This amount includes 5,973,129 shares held in trust under the Will of Robert F. Weis (the deceased father of Jonathan H. Weis) for the benefit of Patricia G. Ross Weis, the mother of Jonathan H. Weis.

(3) Ellen W. P. Wasserman has sole voting and investment power as to all 3,324,544 shares listed, which are held in trust under the Will of Harry Weis.

(4) Jonathan H. Weis, Ellen W. P. Wasserman and EKTJ Management LLC have agreed to act together for the purpose of voting their shares of Common Stock and thus constitute a group holding voting power over the sum of the shares listed for each of them individually in the table.

(5) Royce & Associates, LLC has sole voting and dispositive power as to all 1,556,638 shares listed.

(6) EKTJ Management LLC has sole voting and dispositive power as to all 1,400,000 shares listed. The Class A members of EKTJ Management LLC have the exclusive authority to manage and control the business and affairs of EKTJ Management LLC. The three Class A Members, Kathryn J. Zox, Thomas H. Platz and James A. Platz, are the children of Ellen W. P. Wasserman.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires that directors and officers of the Company and beneficial owners of more than 10% of its Common Stock file reports with the SEC with respect to changes in their beneficial ownership of equity securities of the Company. Based solely upon a review of the copies of such reports furnished to the Company and written representations by certain persons that reports on Form 5 were not required, the Company believes that its directors, officers and greater-than-10% beneficial owners complied with all applicable 2015 Section 16(a) filing requirements.

## PROPOSAL NO. 2

## RATIFICATION OF APPOINTMENT OF

## INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Ernst & Young LLP has served as the independent auditors for the Company since 2014. The Audit Committee appointed Ernst & Young LLP as the independent auditors of the Company with respect to its operations for fiscal 2016, subject to ratification by the holders of Common Stock of the Company. In deciding to engage Ernst & Young LLP, the Audit Committee reviewed auditor independence and existing commercial relationships and concluded that Ernst & Young LLP has no commercial relationships with the Company that would impair its independence. The Board and its Audit Committee recommend that shareholders approve the selection of Ernst & Young LLP as the Company's independent registered public accounting firm for fiscal year ending December 31, 2016 by voting "FOR" proposal number two. If the shareholders do not approve the ratification of Ernst & Young LLP, the selection of such firm as independent auditors for the Company will be reconsidered by the Audit Committee. Even if the selection is ratified, the Audit Committee in its discretion may direct the appointment of a different independent auditor at any time during the year if it determines that such a change would be in the best interest of the Company and its shareholders.

Representatives of Ernst & Young LLP are expected to be present at the Annual Meeting with the opportunity to make a statement, if they so desire, and to be available to respond to appropriate questions.

According to its Charter, the Audit Committee, comprised of independent members of the Board, is responsible for approving all audit engagement fees, terms and non-audit engagements with the independent auditors on behalf of the Company. The Audit Committee considered the possible effect of non-audit services on the auditors' independence and approved the type of non-audit services that were rendered. The Company has not adopted a written policy for Audit Committee pre-approval of audit services and non-audit services performed by the independent auditors. In fiscal 2015, all audit and tax fees associated with the independent auditors' services were approved by the Audit Committee.

The following table sets forth Ernst & Young LLP fees billed to the Company for professional services related to fiscal 2015 and 2014:

	2015	2014
Services Provided	(\$)	(\$)
Audit (1)	691,831	525,000
Out of Pocket Expenses	32,882	27,661
Total	724,713	552,661

(1) Represents the fees charged to the Company by Ernst & Young LLP for professional services provided in conjunction with the audit of the Company's 2015 and 2014 financial statements, review of the Company's quarterly financial statements and attestation services normally provided in connection with statutory and regulatory filings and engagements.

The following table sets forth the fees of the Company's previous auditor Grant Thornton LLP billed to the Company for professional services related to fiscal 2015 and 2014:

Services Provided	2015 (\$)	2014 (\$)
Audit (1)	75,000	127,625
Tax (2)	20,345	65,000
Out of Pocket Expenses	--	2,184
Total	95,345	194,809

- (1) Represents the fees charged to the Company by Grant Thornton LLP for professional services provided in conjunction with the audit of the Company's 2013 financial statements, review of the Company's quarterly financial statements and attestation services normally provided in connection with statutory and regulatory filings and engagements.
- (2) Represents the fees charged to the Company by Grant Thornton LLP for services performed in connection with tax services other than those directly related to the audit of the income tax accrual, as part of the audit of the Company's financial statements. These tax services and related fees were approved by the Audit Committee after determination by the Audit Committee that such services would not compromise the independence of the auditors.

## OTHER MATTERS

As of the date of this Proxy Statement, the Board is not informed of any matters, other than those stated above, that may be brought before the meeting. The person named in the enclosed form of proxy or his substitute will vote with respect to any other matters brought before the Annual Meeting in accordance with his best judgment.

## ANNUAL REPORT ON FORM 10-K

The Company will provide, without charge, on written request from security holders, copies of the Company's Annual Report on Form 10-K. Written requests should be sent to the Corporate Secretary at the Company's address set forth in "Shareholder or Interested Parties Communications," by telephoning 1-866-999-WEIS (9347), or via email at [financial\\_reports@weismarkets.com](mailto:financial_reports@weismarkets.com). The 2015 Annual Report on Form 10-K is also available for viewing or printing from the Company's website at <http://www.weismarkets.com/financial.html>.

## SHAREHOLDERS' PROPOSALS FOR NEXT ANNUAL MEETING

The Company's by-laws require that any shareholder intending to present a proposal for action at an Annual Meeting must give written notice of the proposal, containing specified information, so that it is received by the Company not later than the notice deadline under the by-laws. This notice deadline will not be less than 120 calendar days before the date of the Company's Proxy Statement released to shareholders in connection with the previous year's Annual Meeting, or November 10, 2016 for the Company's Annual Meeting in 2017.

The by law described above does not affect the right of a shareholder to request inclusion of a shareholder proposal in the Company's Proxy Statement pursuant to SEC Rule 14a-8 or to present for action at an Annual Meeting any proposal so included. Rule 14a-8 requires that written notice of a shareholder proposal requested to be included in the Company's proxy materials pursuant to the Rule must also be received by the Company not less than 120 calendar days before the date of the Company's Proxy Statement released to shareholders in connection with the previous year's Annual Meeting. For the Company's Annual Meeting in 2017, this deadline would also be November 10, 2016.

The notices of shareholder proposals described under this caption must be given to the Corporate Secretary at the Company's address set forth in "Shareholder or Interested Parties Communications." A copy of the by law provision described above will be furnished to any shareholder upon written request to the Secretary at the same address.

## EXPENSES OF SOLICITATION

All expenses related to the solicitation of the proxies by the Board will be paid by the Company. If proxies are not promptly received, officers, directors and regular employees of the Company may solicit proxies personally by telephone or otherwise, for which they will not receive additional compensation. The Company may reimburse charges of banks, brokers, other custodians, nominees and fiduciaries to send proxy material to the beneficial owners and to secure their voting instructions, if necessary. It is estimated that such costs will be nominal.



By Order of the Board of Directors,

Harold G. Graber

Secretary

Dated: March 10, 2016

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