SANFILIPPO JOHN B & SON INC
Form DEF 14A
September 15, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

(Amendment No.   )

Filed by the Registrant x

Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material pursuant to § 240.14a-12

JOHN B. SANFILIPPO & SON, INC.

(Name of Registrant as Specified in Its Charter)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

JOHN B. SANFILIPPO & SON, INC.

1703 N. Randall Road

Elgin, Illinois 60123

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

to be held

October 29, 2014

TO THE STOCKHOLDERS:

The Annual Meeting of stockholders of John B. Sanfilippo & Son, Inc. will be held on Wednesday, October 29, 2014, at 10:00 A.M., Central Time, at 1707 N. Randall Road, Elgin, Illinois 60123, for the following purposes:

1. **Election of directors;**

2. **Ratification of the Audit Committee s appointment of PricewaterhouseCoopers LLP as our Independent Registered Public Accounting Firm for the 2015 fiscal year;**

3. **Conduct an advisory vote to approve executive compensation;**

4. **Approval of the John B. Sanfilippo & Son, Inc. 2014 Omnibus Incentive Plan; and**

5. **To transact such other business as may properly be brought before the Annual Meeting or any adjournment or postponement thereof.**

The Annual Meeting may be postponed or adjourned from time to time without any notice other than announcement at the meeting and any and all business for which notice is hereby given may be transacted at any such postponed or adjourned meeting.

The Board of Directors has fixed the close of business on September 2, 2014, as the record date for determination of stockholders entitled to notice of and to vote at the Annual Meeting. A list of these stockholders will be available for inspection for 10 days preceding the meeting at 1707 N. Randall Road, Elgin, Illinois 60123 and will also be available for inspection at the Annual Meeting.

A Notice of Internet Availability of Proxy Materials (the Internet Notice) will be mailed to stockholders who were not mailed the printed proxy materials. The Internet Notice provides details regarding the availability of our full proxy materials, including this Proxy Statement and Annual Report, at the website address http://www.proxydocs.com/JBSS. All stockholders were either mailed the Internet Notice or mailed the printed proxy materials which include a proxy card. If a stockholder wishes to vote electronically or by telephone, the stockholder should follow the instructions on how to vote electronically or by telephone that are included on the stockholder s proxy card or Internet Notice. The internet availability of our proxy materials gives our stockholders fast and convenient access to our proxy materials, reduces the impact on the environment and reduces printing and mailing costs.

Whether or not a stockholder plans to attend the Annual Meeting and vote in person, we request that the stockholder read our proxy materials and submit the stockholder s proxy vote. A stockholder submitting a proxy vote will not affect the stockholder s right to attend the Annual Meeting and vote in person.

By Order of the Board of Directors

MICHAEL J. VALENTINE

Secretary

Elgin, Illinois

September 15, 2014

John B. Sanfilippo & Son, Inc.

PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS

October 29, 2014

This Proxy Statement is furnished in connection with the solicitation by the Board of Directors of John B. Sanfilippo & Son, Inc., a Delaware corporation, of proxies for use at the annual meeting of our stockholders to be held on Wednesday, October 29, 2014, at 10:00 A.M., Central Time, at 1707 N. Randall Road, Elgin, Illinois 60123-7820, and at any postponement or adjournment thereof (the Annual Meeting). All shares of our Common Stock, $.01 par value (the Common Stock) and our Class A Common Stock, $.01 par value (the Class A Stock) entitled to vote at the Annual Meeting which are represented by properly submitted proxies will, unless such proxies have been revoked, be voted in accordance with the instructions given in such proxies.

Any stockholder who has submitted a proxy may revoke it by: (a) delivering a written notice of revocation to our Secretary prior to the exercise of the proxy at the Annual Meeting; (b) duly submitting a subsequent properly executed proxy (by Internet, telephone or mail) so that it is received by 5:00 P.M. Eastern Time on October 28, 2014 or (c) attending the Annual Meeting and voting in person. Any written notice of revocation should be received by our Secretary at 1703 N. Randall Road, Elgin, Illinois 60123-7820, Attention: Secretary, or hand delivered to the Secretary, before the closing of the polls at the Annual Meeting.

Unless the context otherwise requires, references herein to we , us , our , the company or our company refer to John B. Sanfilippo & Son, Inc. mailing address of our principal executive offices is 1703 N. Randall Road, Elgin, Illinois 60123-7820.

A Notice of Internet Availability of Proxy Materials (the Internet Notice) will be mailed to stockholders who were not mailed the printed proxy materials. The Internet Notice provides details regarding the availability of our full proxy materials, including this Proxy Statement and our annual report, at the Internet website address http://www.proxydocs.com/JBSS . All stockholders holding shares of Common Stock on the record date were either mailed the Internet Notice, or mailed the printed proxy materials which include a proxy card. If a stockholder wishes to vote electronically or by telephone, the stockholder should follow the instructions on how to vote electronically or by telephone that are included on the stockholder s proxy card or Internet Notice.

This Proxy Statement was filed with the Securities and Exchange Commission (the SEC or the Commission) on September 15, 2014, and we expect to first send the Internet Notice to stockholders on or around September 17, 2014.

Record Date and Shares Outstanding

We had outstanding on September 2, 2014, the record date for determination of stockholders entitled to notice of and to vote at the Annual Meeting, 8,452,205 shares of Common Stock (excluding 117,900 treasury shares, which are neither outstanding nor entitled to vote) and 2,597,426 shares of Class A Stock. The Common Stock is traded on the Nasdaq Global Select Market under the ticker JBSS . There is no established public trading market for the Class A Stock.

Voting and Quorum

Pursuant to our Restated Certificate of Incorporation (as amended, the Restated Certificate), so long as the total number of shares of Class A Stock outstanding is greater than or equal to $12^1/_2$ % of the total number of shares of Class A Stock and Common Stock outstanding, the holders of Common Stock voting as a class are entitled to elect such number (rounded to the next highest number in the case of a fraction) of directors as equals 25% of the total number of directors constituting the full Board of Directors. The holders of Class A Stock voting as a class are entitled to elect the remaining directors. With respect to all matters other than the election of directors or any matters for which class voting is required by law, the holders of Common Stock and the holders of Class A Stock will vote together as a single class, and the holders of Common Stock will be entitled to one vote per share of Common Stock and the holders of Class A Stock will be entitled to 10 votes per share of Class A Stock.

Our Restated Certificate does not entitle holders of Common Stock to cumulative voting. However, solely with respect to the election of directors, the Restated Certificate entitles, but does not require, each holder of Class A Stock, in person or by proxy, to either (a) vote the number of shares of Class A Stock owned by such holder for as many persons as there are directors to be elected by holders of Class A Stock (Class A Directors), or (b) cumulate said votes (by multiplying the number of shares of Class A Stock owned by such holder by the number of candidates for election as a Class A Director) and either (i) give one candidate all of the cumulated votes, or (ii) distribute the cumulated votes among such candidates as the holder sees fit.

The holders of Common Stock representing a majority of the votes entitled to be cast by stockholders entitled to vote at the Annual Meeting, present in person or represented by proxy, shall constitute a quorum for such meeting in order to transact any business. Where a separate vote by a class is required, a majority of the outstanding shares of such class, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to that vote on that matter.

Proposals to be Voted Upon and the Board of Directors Recommendations

Four proposals are scheduled for stockholder consideration at the Annual Meeting, each of which is described more fully herein:

- Election of directors (Proposal 1);
- Ratification of the Audit Committee s appointment of PricewaterhouseCoopers LLP as our Independent Registered Public Accounting Firm for the 2015 fiscal year (Proposal 2);
- Advisory vote to approve executive compensation (Proposal 3); and
- Approval of the John B. Sanfilippo & Son, Inc. 2014 Omnibus Incentive Plan (Proposal 4).

The vote required and related matters for each of these proposals is as follows:

Proposal 1: Election of Directors

At the Annual Meeting, the holders of Common Stock voting as a class will be entitled to elect three of the nine directors. The holders of Class A Stock voting as a class will be entitled to elect the remaining six directors. Directors elected by holders of both Common Stock and Class A Stock are elected by a plurality of the votes cast for each such class.

The Board of Directors recommends a FOR vote for all of the director nominees listed herein. **If a properly submitted, unrevoked proxy does not specifically direct the voting of the shares covered by such proxy, the proxy will be voted FOR the election of all director nominees to be elected by holders of the class of shares covered by such proxy as listed herein.**

If any nominee is unable to act as director because of an unexpected occurrence, the proxy holders may vote the proxies for another person or the Board of Directors may reduce the number of directors to be elected.

Proposal 2: Ratification of the Audit Committee s appointment of PricewaterhouseCoopers LLP as our Independent Registered Public Accounting Firm for the 2015 Fiscal Year

Approval of the ratification of the Audit Committee s appointment of PricewaterhouseCoopers LLP as the company s Independent Registered Public Accounting Firm for the 2015 fiscal year requires the affirmative vote of the holders of shares representing a majority of the votes present or represented by proxy and entitled to vote by the holders of Common Stock and Class A Stock, voting together as one class.

The Board of Directors recommends a FOR vote for the ratification of the Audit Committee s appointment of PricewaterhouseCoopers LLP as our Independent Registered Public Accounting Firm for the 2015 fiscal year. If a properly submitted, unrevoked proxy does not specifically direct the voting of the shares covered by such proxy, the proxy will be voted FOR Proposal 2.

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Proposal 3: Advisory Vote to Approve Executive Compensation

Pursuant to SEC rules, we are providing our stockholders with an advisory, nonbinding vote to approve the compensation paid to our named executive officers, as described in the Compensation Discussion and Analysis and Summary Compensation Table of this Proxy Statement.

The Board of Directors recommends a FOR vote for the advisory vote to approve executive compensation. If a properly submitted, unrevoked proxy does not specifically direct the voting of the shares covered by such proxy, the proxy will be voted FOR Proposal 3.

Proposal 4: Approval of the John B. Sanfilippo & Son, Inc. 2014 Omnibus Incentive Plan

Approval of the John B. Sanfilippo & Son, Inc. 2014 Omnibus Incentive Plan requires the affirmative vote of the holders of shares representing a majority of the votes present or represented by proxy and entitled to vote by the holders of Common Stock and Class A Stock, voting together as one class.

The Board of Directors recommends a FOR vote for the approval of the John B. Sanfilippo & Son, Inc. 2014 Omnibus Incentive Plan. If a properly submitted, unrevoked proxy does not specifically direct the voting of the shares covered by such proxy, the proxy will be voted FOR Proposal 4.

Effect of Abstentions

While the Board of Directors recommends that our stockholders vote in accordance with the recommendations set forth above, we also recognize that abstain votes are an option for proposals 2, 3, and 4. Please note, however, that any shares voting abstain are treated as shares present or represented and voting. Therefore, an abstain vote for proposal 2, 3, or 4 has the same effect as a vote against each respective proposal. For purposes of determining whether a quorum exists, abstentions will be counted as present.

Effect of Broker Non-Votes

Under applicable stock exchange rules, brokers and banks have discretionary authority to vote shares without instructions from beneficial owners only on matters considered routine , such as the vote to ratify the appointment of the Independent Registered Public Accounting Firm (Proposal 2). On non-routine matters, such as the election of directors (Proposal 1), the advisory vote to approve executive compensation (Proposal 3) and the approval of the John B. Sanfilippo & Son, Inc. 2014 Omnibus Incentive Plan (Proposal 4), these brokers and banks do not have discretion to vote uninstructed shares and thus are not entitled to vote on such proposals, resulting in a broker non-vote for those shares. Broker non-votes will not be counted for determining whether stockholders have approved a specific proposal; however, they will be counted as present for purposes of determining whether a quorum exists. **We encourage all stockholders that hold shares through a broker or bank to provide voting instructions to such parties to ensure that their shares are voted at the Annual Meeting**.

Other Proposals

If other matters are properly presented for a vote at the Annual Meeting, the persons named as proxies will vote on such matters in accordance with their best judgment. We have not received notice of other matters that may be properly presented for a vote at the Annual Meeting.

PROPOSAL 1: ELECTION OF DIRECTORS

Nine directors are to be elected to serve until the next annual meeting of stockholders and until their respective successors shall be elected and qualified. Three directors are to be elected by the holders of Common Stock voting as a class and the remaining six directors are to be elected by the holders of Class A Stock voting as a class. While the Board of Directors does not contemplate that any nominee for election as a director will not be able to serve, if any of the nominees for election shall be unable or shall fail to serve as a director, the holders of proxies shall vote such proxies for such other person or persons as shall be determined by such holders in their discretion or, so long as such action does not conflict with the provisions of our Restated Certificate relating to the proportion of directors to be elected by the holders of Common Stock, the Board of Directors may, in its discretion, reduce the number of directors to be elected.

The Board of Directors recommends that the stockholders vote FOR each of the nominees listed herein.

We believe that each nominee listed below has the qualifications, skills and experience that are consistent with our requirements for the selection of directors and that, as a group, the Board of Directors functions collegially, constructively and effectively together in overseeing our business. Below in each nominee s individual biography we identify and describe some of the specific qualifications, skills and experience that each nominee provides to the Board of Directors. However, the fact that we do not list a particular qualification, skill or experience for a nominee does not mean that the nominee does not possess that particular qualification, skill or experience.

NOMINEES FOR ELECTION BY THE HOLDERS OF COMMON STOCK

The name of and certain information regarding each nominee for election to our Board of Directors by the holders of Common Stock, as reported to us, is set forth below.

Governor Jim Edgar, Director, age 68 Gov. Edgar served as a Distinguished Fellow at the University of Illinois Institute of Government and Public Affairs where he lectured from January 1999 to June 2014. He was also a Resident Fellow at the John F. Kennedy School of Government at Harvard University during the 1999 fall semester. Gov. Edgar served as Governor of the State of Illinois from January 14, 1991 through January 11, 1999. Prior to his election, Gov. Edgar served as the Illinois Secretary of State from 1981 to 1991. Gov. Edgar s retirement from public office marked 30 years of state government service. Gov. Edgar currently serves on the board of directors of Horizon Group Properties, Inc. (since 2000), and previously served on the board of directors of Youbet.com, Inc. (from 2002 until June 2010) and Alberto Culver Company (from 2002 to 2011). Gov. Edgar has been a member of our Board of Directors since October 1999 and is a member of our Audit Committee and our Compensation Committee and is the Chairperson of our Corporate Governance Committee (the Governance Committee).

The Board of Directors has concluded that Gov. Edgar should serve as a director as a result of his demonstrated leadership and management skills as the former Governor of Illinois. In addition, as a result of his current and past service as a director on the boards of other companies, including a company that manufactures and markets consumer products, Gov. Edgar also provides our Board of Directors with significant expertise in the oversight of consumer-oriented companies and corporate governance procedures and practices.

Ellen C. Taaffe, Director, age 52 Ms. Taaffe is the President of Smith-Dahmer Associates LLC, a research and brand strategy consulting firm established in 1991. Ms. Taaffe joined Smith-Dahmer Associates LLC following her resignation as Vice President of Brand Marketing and Corporate Officer of Whirlpool Corporation in 2009. Prior to Whirlpool Corporation, Ms. Taaffe served as Senior Vice President of Marketing and Corporate Officer at Royal Caribbean Cruises Ltd. from 2005 to 2007. Previously, Ms. Taaffe served as Vice President of Health and Wellness Strategy and Programming at PepsiCo from 2003 to 2005. She was Vice President of Marketing for the Convenience Foods Division of Frito-Lay, following PepsiCo s acquisition of the Quaker Oats Company in 2001, where she was Vice President of Marketing for Quaker Snacks and Side Dishes. At Quaker, Ms. Taaffe held numerous positions in Brand Management and Sales Management from 1984 to 2001. Ms. Taaffe was appointed to our Board of Directors in January 2011 and is a member of our Compensation Committee, our Governance Committee and our Audit Committee.

The Board of Directors has concluded that Ms. Taaffe should serve as a director because of her extensive and diverse background in sales and marketing. Specifically, Ms. Taaffe s experience in brand strategy for international consumer products companies provides us with a valuable resource as we continue to execute our corporate strategies and seek to expand the sales of our products.

Daniel M. Wright, Director, age 76 Mr. Wright previously worked for Arthur Andersen LLP for 37 years as an auditor, where his clients consisted of privately-held and registered public companies. Mr. Wright was a Partner with Arthur Andersen LLP from 1973 through August 1998, and became a certified public accountant in 1968. Mr. Wright served on the board of directors of RC2 Corporation from 2003 until May 2010, where he was a member of its Audit Committee. Throughout his career, and since his retirement in 1998, Mr. Wright has been active in numerous civic and philanthropic organizations. Mr. Wright has been a member of our Board of Directors since October 2005 and is a member of our Compensation Committee and our Governance Committee and is the Chairperson of our Audit Committee.

The Board of Directors has concluded that Mr. Wright should serve as a director because of the extensive accounting and financial experience that he gained while serving as an auditor for over three decades. Mr. Wright s in-depth knowledge of the audit and financial reporting requirements of public companies allows Mr. Wright to provide our company with a valuable perspective in accounting and other related matters.

NOMINEES FOR ELECTION BY THE HOLDERS OF CLASS A STOCK

The name of and certain information regarding each nominee for election to our Board of Directors by the holders of Class A Stock, as reported to us, is set forth below.

Jasper B. Sanfilippo, Jr., Chief Operating Officer, President, Assistant Secretary and Director, age 46 Mr. Sanfilippo was appointed as a member of the Board of Directors in December 2003 upon the recommendation of our senior management and the unanimous approval of the Board of Directors. Mr. Sanfilippo has been employed by us since 1991 and in 2001 was named Executive Vice President Operations, retaining his position as Assistant Secretary, which he assumed in December 1995. He became our Senior Vice President Operations in August 1999 and served as Vice President Operations between December 1995 and August 1999. Prior to that, Mr. Sanfilippo was the General Manager of our Gustine, California facility beginning in October 1995, and from June 1992 to October 1995 he served as Assistant Treasurer and worked in our Financial Relations department. On May 8, 2006 our Board of Directors approved a succession plan finalized and adopted at the Board of Directors meeting held on November 6, 2006. Pursuant to the succession plan, Mr. Sanfilippo was elected as our Chief Operating Officer and President and he has since then continued to hold such positions. In May 2007, Mr. Sanfilippo was named as our Treasurer and held that position until January 2009. Mr. Sanfilippo has previously served on the Board of Directors of the National Pecan Shellers Association, an industry association of which our company is a member. Mr. Sanfilippo is the nephew of Mathias A. Valentine, a director of our company, the brother of Jeffrey T. Sanfilippo, an executive officer and director of the company, the brother of James J. Sanfilippo, a director of our company and the cousin of Michael J. Valentine, an executive officer and director of our company, and James A. Valentine, an executive officer of our company. Mr. Sanfilippo is also a first cousin by marriage of Timothy R. Donovan, a director of our company.

The Board of Directors has concluded that Mr. Sanfilippo should serve as a director as a result of his extensive knowledge of the nut industry, his operational and management experience and his leadership abilities. In addition, Mr. Sanfilippo brings to our Board of Directors an in-depth knowledge of our company due to his service as an employee since 1992 and his demonstrated leadership in managing the capital expenditures and increasing operational efficiencies of the company. Moreover, Mr. Sanfilippo is well-suited to serve as a director due to his continued engagement in new product development and branding efforts to provide our consumers with innovative product choices.

Jeffrey T. Sanfilippo, Chief Executive Officer and Chairman of the Board of Directors, age 51 Mr. Sanfilippo has been employed by us since 1991 and was named our Executive Vice President Sales and Marketing in January 2001. Mr. Sanfilippo became a director of our company in August 1999 and was elected as our Chairman of the Board of Directors on October 30, 2008. He served as Senior Vice President Sales and Marketing from August 1999 to January 2001 and as General Manager West Coast Operations from September 1991 to September 1993. He served as Vice President West Coast Operations and Sales from October 1993 to September 1995. He served as Vice President Sales and Marketing from October 1995 to August 1999. On May 8, 2006 our Board of Directors approved a succession plan finalized and adopted at the Board of Directors meeting held on November 6, 2006. Pursuant to the succession plan, Mr. Sanfilippo was elected as our Chief Executive Officer and he has since then continued to hold such position. Mr. Sanfilippo is the nephew of Mathias A. Valentine, a director of our company, the brother of Jasper B. Sanfilippo, Jr., an executive officer and director of our company, the brother of James J. Sanfilippo, a director of our company, and the cousin of Michael J. Valentine, an executive officer and director of our company, and James A. Valentine, an executive officer of our company. Mr. Sanfilippo is also a first cousin by marriage of Timothy R. Donovan, a director of our company. Mr. Sanfilippo earned his Masters of Business Administration through a classroom executive evening program and is an active member of the Chicago chapter of the Young Presidents Organization.

The Board of Directors has concluded that Mr. Sanfilippo should serve as a director because, as our Chairman and Chief Executive Officer, he has demonstrated a deep understanding of our company, its operations and how to position the company for long-term growth through, among other things, the development and implementation of a comprehensive Strategic Plan. In addition, as Chairman and Chief Executive Officer of our company, Mr. Sanfilippo has significant leadership, marketing, product development and financial experience and is well-suited to provide the company with effective guidance in managing our company s business.

James J. Sanfilippo, **Director**, age 52 Mr. Sanfilippo is the President and CEO of Clear Lam Packaging, Inc. (Clear Lam), a commercial manufacturer of packaging for the food and medical industries. Mr. Sanfilippo became a director our company in October 2013. He has served in the role of President and CEO since 1999. Before Clear Lam, Mr. Sanfilippo served as the founder of MAP Systems LLC, a thermoforming packaging business. From 1995 to 1999, Mr. Sanfilippo served as a Vice President and Treasurer of our company where he was responsible for our Illinois operations and contract manufacturing. From 1992 to 1994, Mr. Sanfilippo served as Director of Contract Manufacturing for our company and from 1985 to 1991 served as a Product Manager for our company. Mr. Sanfilippo is the nephew of Mathias A. Valentine, a director of our company, the brother of Jeffrey T. Sanfilippo and Jasper B. Sanfilippo, Jr., both executive officers and directors of our company, the cousin of Michael J. Valentine, an executive officer and director of our company, and James A. Valentine, an executive officer of our company. Mr. Sanfilippo is also a first cousin by marriage of Timothy R. Donovan, a director of our company. Mr. Sanfilippo is an active member of the Chicago chapter of the Young Presidents Organization and has been responsible for a number of patents in the packaging industry.

The Board of Directors has determined that Mr. Sanfilippo should serve as a director because of his leadership and management experience as the President and CEO of a major packaging company servicing the food and medical industries. Mr. Sanfilippo also provides our Board with important experience in the contract packaging area and with insight into product offerings and presentations in order to execute our Strategic Plan. In addition, Mr. Sanfilippo offers our Board significant operational and supply chain expertise as well as an appreciation for our company s operations over the last 25 years.

Mathias A. Valentine, Director, age 81 Mr. Valentine was employed by us from 1960 until his retirement in January 2006. He was named our President in December 1995. He served as our Secretary from 1969 to December 1995, as our Executive Vice President from 1987 to October 1991 and as our Senior Executive Vice President and Treasurer from October 1991 to December 1995. He has been a member of our Board of Directors since 1969. Mr. Valentine was also a member of our Compensation Committee until April 28, 2004 and was a member of the Stock Option Committee until February 27, 1997 (when that Committee was disbanded). Mr. Valentine retired from our company on January 3, 2006. Mr. Valentine is the father of Michael J. Valentine, a director and an executive officer of our company, and James A. Valentine, an executive officer of our company. Mr. Valentine is the uncle of Jasper B. Sanfilippo, Jr. and Jeffrey T. Sanfilippo, both of whom are executive officers and directors of our company and James J. Sanfilippo, a director of our company. Mr. Valentine is also the uncle by marriage of Timothy R. Donovan, a director of our company.

The Board of Directors has concluded that Mr. Valentine should serve as a director as a result of his in-depth knowledge of our company and the nut industry and deep appreciation of our company s values and mission due to his service as an employee from 1960 until 2006, including as our former President. The Board of Directors believes that he provides a unique perspective regarding our company s history and operations and is well-suited to provide guidance to the company as to the best methods to build our brands and provide long-term stockholder value.

Michael J. Valentine, Chief Financial Officer, Group President, Secretary and Director, age 55 Mr. Valentine has been employed by us since 1987 and in January 2001 was named Executive Vice President Finance, Chief Financial Officer and Secretary. Mr. Valentine was elected as a director of our company in April 1997. Mr. Valentine served as our Senior Vice President and Secretary from August 1999 to January 2001. He served as Vice President and Secretary from December 1995 to August 1999. He served as our Assistant Secretary and General Manager of External Operations from June 1987 and 1990, respectively, to December 1995. On May 8, 2006 our Board of Directors approved a succession plan, which was finalized and adopted at the Board of Directors meeting held on November 6, 2006. Pursuant to the succession plan, Mr. Valentine was elected as our company s Chief Financial Officer and Group President and he has since then continued to hold such positions. In February 2007, Mr. Valentine was appointed as Secretary of our company. Since 1999 and 2009 Mr. Valentine has served on the Board of Directors of the Peanut and Tree Nut Processors Association and the Board of Directors of the American Peanut Council, respectively, both of which are nut industry associations of which our company is a member. Mr. Valentine is the son of Mathias A. Valentine, a director of our company, the brother of James A. Valentine, an executive officer of our company, and the cousin of Jasper B. Sanfilippo, Jr. and Jeffrey T. Sanfilippo, both of whom are executive officers and directors of our company, and James J. Sanfilippo, a director of our company. Mr. Valentine is also a first cousin by marriage of Timothy R. Donovan, a director of our company.

The Board of Directors has concluded that Mr. Valentine should serve as a director because of his extensive accounting and financial experience demonstrated through, among other things, obtaining two attractive credit facility amendment arrangements for our company in recent years. He also provides our Board of Directors with valuable knowledge of our company from his service as an employee since 1987 and our Chief Financial Officer since 2001, and an in-depth knowledge of our industry from his service as a member of the board of directors of two industry associations related to our core business. In addition, his position as Group President provides the Board of Directors with critical leadership and management experience.

Timothy R. Donovan, Director, age 58 Mr. Donovan is the Executive Vice President, General Counsel and Chief Regulatory and Compliance Officer of Caesars Entertainment Corporation, the world s largest gaming and resort company. Mr. Donovan joined Caesars in April 2009 upon his resignation as Executive Vice President, General Counsel and Corporate Secretary for Republic Services, Inc. which merged with Allied Waste Industries where Mr. Donovan held similar positions since April 2007. Mr. Donovan served in various senior positions with Tenneco Inc. (formerly known as Tenneco Automotive Inc.) from July 1999 until his resignation in February 2007, most recently as Executive Vice President, Strategy and Business Development, and General Counsel. In addition to his duties as General Counsel, Mr. Donovan also served as Managing Director of portions of Tenneco s international operations from May 2001 through July 2005, including Asia (2001 through 2005), Australia (2004 through 2005) and South America (2001 through 2004), as a member of Tenneco s board of directors from March 2004 until February 2007 and as a member of Tenneco s Office of the Chief Executive from July 2006 until January 2007. Mr. Donovan was a partner in the law firm of Jenner & Block LLP from 1989 until his resignation in September 1999, and from approximately 1997 through 1999 served as the Chairman of the firm s Corporate and Securities Department and as a member of its Executive Committee. Mr. Donovan joined Jenner & Block LLP in 1982 after serving as a staff trial attorney at the Chicago District Counsel s Office of the Internal Revenue Service. Mr. Donovan was elected as a member of our Board of Directors in October 1999 and serves as a member of our Audit Committee, a member of our Governance Committee and the Chairperson of our Compensation Committee. Mr. Donovan is a nephew by marriage of Mr. Mathias A. Valentine, a director of our company, and the first cousin by marriage of Jasper B. Sanfilippo, Jr., Jeffrey T. Sanfilippo, Michael J. Valentine and James A. Valentine, each of whom is an executive officer and certain of whom are also directors of our company and James J. Sanfilippo, a director of our company.

The Board of Directors has concluded that Mr. Donovan should serve as a director because of the vast experience he has acquired serving as the general counsel for four publicly traded companies. In addition, Mr. Donovan s experiences while holding executive officer positions for an automobile parts manufacturer have given him numerous insights into manufacturing and supply operations, as well as international operations, that make him an invaluable advisor to our company. Furthermore, as a former senior partner of a national law firm, Mr. Donovan also provides a key perspective as to legal issues facing companies of our size and complexity.

CORPORATE GOVERNANCE

Independence of the Board of Directors

On June 21, 2004, Jasper B. Sanfilippo, his spouse Marian Sanfilippo and their five children (two of whom are directors and executive officers of our company and one of whom is a director of our company) jointly filed a Schedule 13D indicating their intention to act together as a group. Amendments to the Schedule 13D were filed on March 21, 2007, January 16, 2008, September 10, 2009 and April 27, 2012. The Sanfilippo Group (as defined below) beneficially owns shares entitled to cast 51.5% of votes eligible to be cast on matters submitted to stockholders generally (other than the election of directors which are elected as described above). In addition, Mathias A. Valentine and Michael J. Valentine (both directors and current or former executive officers of the company) filed a Schedule 13D on April 27, 2012 restating their intention to continue to act together as a group. The Valentine Group (as defined below) beneficially owns shares entitled to cast 24.1% of votes eligible to be cast on matters submitted to stockholders generally (other than the election of directors which are elected as described above). On account of (a) the share ownership as described above and (b) the oral understanding between the members of the Sanfilippo Group and the Valentine Group not to cumulate their votes for the election of Class A Directors and to vote in a reciprocal manner for each other s nominees, under Nasdaq Listing Rule 5615(c)(1), we qualify as a controlled company. Pursuant to the provisions of the Nasdaq rules applicable to controlled companies, we are not required to have (a) a majority of independent directors on our Board of Directors, (b) a nominations committee comprised solely of independent directors or (c) a compensation committee comprised solely of independent directors. Nevertheless, four of our nominees for election to the Board of Directors are independent, and our Compensation Committee and Governance Committee are comprised solely of independent directors.

Mathias A. Valentine is an uncle by marriage of Timothy R. Donovan and the Management Team (as defined below) members and James A. Valentine are cousins by marriage of Timothy R. Donovan. However, because Timothy R. Donovan is not considered a family member pursuant to the Nasdaq Listing Rules, and, for the reasons discussed below, he qualifies as an independent director pursuant to Nasdaq Listing Rule 5605(a)(2).

Director Independence

The Board of Directors has determined that Timothy R. Donovan, Gov. Jim Edgar, Ellen C. Taaffe and Daniel M. Wright are independent under Nasdaq Listing Rule 5605(a)(2) and that such directors have no material relationships with our company that would compromise their independence. At the Board of Directors meeting held on October 30, 2013, our Board of Directors reviewed the independence of the non-management independent directors in accordance with Nasdaq Listing Rule 5605(a)(2). In carrying out that review, our Board of Directors sought to determine whether there are or have been any relationships which would interfere with Timothy R. Donovan s, Gov. Jim Edgar s, Ellen C. Taaffe s and Daniel M. Wright s exercise of independent judgment in carrying out their responsibilities as directors. Specifically, our Board of Directors focused on their relationships with employees of our company and whether they, their family members or entities in which they have a significant interest, paid or received payments for property or services to or from our company. In particular, our Board of Directors considered Timothy R. Donovan s familial relationships with the members of the Management Team, James A. Valentine, Jasper B. Sanfilippo, James J. Sanfilippo, Mathias A. Valentine and Roseanne Christman (our Director of Creative Services), and unanimously concluded that such relationships did not impact Timothy R. Donovan s independence because, among other reasons, (a) his relationships with the Management Team, James A. Valentine, Jasper B. Sanfilippo, James J. Sanfilippo, Mathias A. Valentine and Roseanne Christman are sufficiently distant due to the fact that such relationships to those individuals are all based upon marriage and (b) in his role and experience as general counsel of multiple public companies, he has a full understanding of his responsibilities with respect to being an independent director.

Independence of the Compensation Committee and the Governance Committee

As a controlled company, under applicable Nasdaq Listing Rules, we are not required to maintain independent committees overseeing our compensation and nominating policies and practices. However, as a matter of good corporate governance, the Board of Directors has nevertheless determined that the best interests of our company and its stockholders are served by adopting such practices.

The Compensation Committee is comprised of Timothy R. Donovan, Chairperson, Gov. Jim Edgar, Ellen C. Taaffe and Daniel M. Wright. The Governance Committee is comprised of Gov. Jim Edgar, Chairperson, Timothy R. Donovan, Ellen C. Taaffe and Daniel M. Wright. Each member of the Compensation Committee and Governance Committee is an independent director as defined in Section 5605(a)(2) of the Nasdaq Listing Rules. In addition, each member of our Compensation Committee qualifies as (a) independent under Rule 10C-1 of the Exchange Act, (b) a non-employee director under Rule 16b-3 of the Exchange Act and (c) an outside director under 162(m) of the Internal Revenue Code (the Code).

Independence of the Audit Committee

The Board of Directors has determined that (a) each member of the Audit Committee is an independent director as defined in Section 5605(a)(2) of the Nasdaq Listing Rules and (b) each member of the Audit Committee is independent for purposes of Section 10A and Rule 10A-3 of the Exchange Act.

Board of Directors Leadership Structure

The Board of Directors believes it is important to retain its flexibility to allocate the responsibilities of the offices of the Chairman of the Board of Directors (Chairman) and the Chief Executive Officer in any way that is in the best interests of our company and stockholders at any given point in time. The Board of Directors believes that the decision as to who should serve as Chairman and as Chief Executive Officer, and whether the offices should be combined or separate, should be assessed periodically by the Board of Directors, and that the Board of Directors should not be constrained by a rigid policy mandating that such positions be separate. The Board of Directors has determined that, in light of the current size of our company, the most efficient leadership structure is to combine the roles of Chairman and Chief Executive Officer and have Jeffrey T. Sanfilippo serve as such. Combining the roles of Chairman and Chief Executive Officer helps the Board of Directors make efficient and expeditious decisions, allows our company to tap fully Mr. Sanfilippo s extensive knowledge of our industry and company and enables him to effectively exercise his proven leadership skills.

Furthermore, we believe that the combined office of the Chairman and the Chief Executive Officer puts an individual in the best position to focus the directors attention on the issues of greatest importance to the company and its stockholders, including issues related to strategy (including implementation of our company s Strategic Plan) and risk management.

The relatively small size of our Board of Directors allows all directors, including the independent directors, to play a very active role in all Board of Directors functions. We have not identified any independent director as the lead independent director. Three out of our four independent directors serve as the chairperson of one of the three committees of the Board of Directors and all four independent directors are the only members on these committees. The independent directors, through their committee meetings, hold regular executive sessions without the attendance of management at which discussions are facilitated by the chairperson of the respective committees regarding the committee s work and responsibilities, as well as any other matters which require further deliberation or consideration. The Board of Directors feels that it is unnecessary to distinguish one of the independent directors as a lead independent director at this time, although the Board of Directors will periodically assess, if appropriate, whether a lead independent director or presiding director should be appointed.

Board of Directors Role in Risk Oversight

Throughout the year, risk management is an integral part of the deliberations of the Board of Directors and its committees. Importantly, the Board of Directors reviews and periodically receives updates on and helps formulate our company s Strategic Plan, taking into account, among other considerations, our company s risk profile and potential exposures. In addition, the Board of Directors receives regular reports from management regarding specific risks that the Board of Directors or management has identified as important for the Board of Directors review and input. The Board of Directors risk oversight function is also implemented through its committees. Although the Board of Directors as a whole has the ultimate responsibility for risk oversight, its committees also help oversee the company s risk profile and exposures relating to matters within the scope of their authority and each committee reports to the Board of Directors about their deliberations and findings.

Specifically, the Compensation Committee reviews risks associated with our compensation programs, to ensure that incentive compensation programs do not encourage inappropriate risk-taking by management or employees. The Compensation Committee determined in fiscal 2014 that the company s compensation programs do not encourage inappropriate risk-taking and the company s compensation programs would be unlikely to have a material adverse effect upon the company. The Governance Committee considers risks related to our company s corporate governance. The Audit Committee considers risks relating to the company s accounting and finance functions, internal controls, related party transactions and disclosure and financial reporting.

The Board of Directors role in risk oversight of our company is consistent with our company s current leadership structure because the combined office of Chairman and Chief Executive Officer enables our current Chairman and Chief Executive Officer, Jeffrey T. Sanfilippo, to more efficiently identify and effectively oversee our company s risks and report his conclusions and recommendations regarding such risks to the full Board of Directors.

In addition, our company has a Risk Assessment Committee, chaired by William R. Pokrajac, Vice President of Risk Management and Investor Relations, and consisting of James A. Valentine, Chief Information Officer, Christopher H. Gardier, Senior Vice President of Consumer Sales, Michael E. Norsen, Operations Manager, Michael J. Finn, Director of Financial Reporting and Taxation, Brenda Cannon, Vice President of Food Safety/Quality, Walter S. Kowal, Internal Audit Manager, Thomas J. Fordonski, Senior Vice President, Human Resources and John A. Accardo, Vice President of International Sales, to aid further the Board of Directors and its committees in reviewing the risks which face our company, including risks related to compensation policies and practices, food safety and quality, cybersecurity and information technology, international operations and general enterprise risks. The Risk Assessment Committee meets quarterly and delivers a report to the Board of Directors about their findings and general discussions. With respect to supply procurement risks, our Senior Vice President of Procurement and Commodity Risk Management, Walter R. Tankersley, provides regular updates to management and, from time to time, provides updates to the Board of Directors and the Audit Committee as appropriate.

Board Meetings and Committees

Board of Directors

It is expected that each member of the Board of Directors will be available to attend all regularly scheduled meetings of the Board of Directors and all regularly scheduled meetings of the committees on which a director serves, as well as our annual meeting of stockholders, after taking into consideration the director s other business and professional commitments. Each director is expected to make his or her best effort to attend all of the special meetings of the Board of Directors and of the committees on which a director serves.

Our Board of Directors held eight meetings during fiscal 2014. All directors attended at least 75% of the meetings of the Board of Directors. All directors attended at least 75% of the meetings of the committees of the Board of Directors on which they served. All directors attended the 2013 annual meeting of stockholders. The separately-designated standing committees of the Board of Directors include the Audit Committee, the Compensation Committee and the Governance Committee. Each committee has adopted a charter which governs its activities. These committee charters are available on our website at *www.jbssinc.com.*

Compensation Committee

The Compensation Committee is comprised of Timothy R. Donovan, Chairperson, Gov. Jim Edgar, Ellen C. Taaffe and Daniel M. Wright. The Compensation Committee held six meetings during fiscal 2014.

The Compensation Committee reviews and makes recommendations to the Board of Directors with respect to the salaries, equity grants, incentive compensation and other compensation of executive officers and non-management directors (management directors are not separately compensated for their service as directors) other than for certain related parties, the review and final ratification of which is handled by the Audit Committee. See Review of Related Party Transactions Compensation Arrangements below. The Compensation Committee may solicit recommendations as to compensation of non-management directors and executive officers from other members of the Board of Directors and executive officers. The Compensation Committee reviews market comparisons of the compensation of the Chief Executive Officer and other executive officers that are prepared by its independent compensation consultant and our company.

In carrying out its purposes, the Compensation Committee is authorized to take all actions that it deems necessary or appropriate, it may draw upon and direct such internal resources of our company as it deems necessary, and it may engage such compensation consultants and other advisors as it deems desirable, at the cost and expense of the company. The Compensation Committee has the sole authority to retain and terminate any such consultant or advisor, including the sole authority to determine fees and terms of retention. The Compensation Committee is also authorized to establish a subcommittee, delegate to it the responsibilities provided for under the Compensation Committee s charter, and grant to it as much authority, including the full authority of the Compensation Committee, as the Compensation Committee deems necessary or appropriate, so long as the member or members of such subcommittee are independent directors as contemplated by the Compensation Committee s charter.

In fiscal 2014, the Compensation Committee directly engaged Meridian Compensation Partners, LLC (Meridian), an independent compensation consultant, to, among other things, review the proposed fiscal 2014 base salaries, conduct certain market analysis with respect to the compensation of executive officers and non-employee directors, review the SVA Plan and its related targets, advise the Compensation Committee regarding the fiscal 2014 equity awards grants pursuant to the 2008 Equity Incentive Plan, as amended (the 2008 Plan) advise the compensation on the terms of the John B. Sanfilippo & Son, Inc. 2014 Omnibus Incentive Plan (as contained in Proposal 4 to this proxy statement) and generally advise the Compensation Committee on the compensation of our executive officers and our non-management directors.

Compensation Committee Interlocks and Insider Participation

During fiscal 2014, Timothy R. Donovan (the Chairperson of the Compensation Committee), Gov. Jim Edgar, Ellen C. Taaffe and Daniel M. Wright served as the sole members of the Compensation Committee. Neither Gov. Jim Edgar, Daniel M. Wright, Ellen C. Taaffe nor Timothy R. Donovan (a) was, during the fiscal year, an officer or employee of the company, (b) was formerly an officer of the company or (c) had any related party transactions with the company other than those disclosed in Review of Related Party Transactions below.

No executive officer of our company served on the board of directors or the compensation committee of another company which had any of its officers or directors serving on our Compensation Committee or on our Board of Directors at any time during fiscal 2014.

Corporate Governance Committee

The Governance Committee was formed in order to, among other things, make director nominee recommendations to the Board of Directors and to assist our company in refining its corporate governance policies and procedures. The Governance Committee is comprised of Gov. Jim Edgar, Chairperson, Timothy R. Donovan, Ellen C. Taaffe and Daniel M. Wright. The Governance Committee held four meetings during fiscal 2014.

The Governance Committee reviews candidates considered for election to the Board of Directors. The Governance Committee reviews and makes recommendations on matters related to the practices, policies and procedures of the Board of Directors and the committees of the Board of Directors. The Governance Committee has the lead role in shaping our overall system of corporate governance. As part of its duties, the Governance Committee assesses the size, structure and composition of the Board of Directors and committees of the Board of Directors, including director qualifications, director tenure and director succession planning, and helps coordinate the performance evaluation of the Board of Directors and the committees of the Board of Directors.

Audit Committee

The Audit Committee provides oversight on matters relating to accounting, financial reporting, internal control, auditing, and regulatory compliance. The Audit Committee also has the sole authority to: (a) retain and terminate the Independent Registered Public Accounting Firm that audits our annual consolidated financial statements, (b) evaluate the independence of the auditors and (c) arrange with the auditors the scope of their audit. Additionally, the Audit Committee reviews our audited financial statements with management and the Independent Registered Public Accounting Firm, recommends whether such audited financial statements should be included in our Annual Report on Form 10-K and prepares a report to stockholders to be included in this Proxy Statement. Further, the Audit Committee reviews related party transactions as more specifically described under Review of Related Party Transactions below.

The Audit Committee is comprised of the independent directors Daniel M. Wright, Chairperson, Timothy R. Donovan, Gov. Jim Edgar and Ellen C. Taaffe. The Audit Committee held five meetings during fiscal 2014.

The Board of Directors has determined that Mr. Wright, the Chairperson of the Audit Committee, and Mr. Donovan, a member of the Audit Committee, are audit committee financial experts as defined by the SEC. With respect to its assessment of whether Messrs. Wright and Donovan are audit committee financial experts , the Board of Directors considered, among other things, Messrs. Wright and Donovan s experience as described under Nominees for Election by the Holders of Common Stock and Nominees for Election by the Holders of Class A Stock , respectively.

Stockholder Communication with Directors

We recognize the importance of providing our stockholders with the ability to communicate with members of the Board of Directors. Accordingly, we have established a policy for stockholder communications with directors. This policy is not intended to cover communications of complaints regarding accounting or auditing matters, or human resources complaints, with respect to which we have established the Anonymous Incident Reporting System for Accounting and Auditing Matters , which is posted on our website at *www.jbssinc.com* . Stockholders wishing to communicate with the Board of Directors as a whole, or with certain directors individually, may do so by sending a written communication to the following address:

John B. Sanfilippo & Son, Inc.

Stockholder Communications with Directors

Attn: Corporate Secretary

1703 N. Randall Road

Elgin, Illinois 60123-7820

Each stockholder communication should include an indication of the submitting stockholder s status as a valid stockholder in order to submit such communication. Each such communication will be received for handling by our Secretary for the sole purpose of determining whether the contents represent a communication to the Board of Directors or to an individual director. The Secretary will maintain originals of each communication received and will provide copies to the addressee(s) and any appropriate committee(s) or director(s) based on the expressed desire of the communicating stockholder. The Board of Directors, the committee(s) or the applicable individual director(s) may elect to respond to the communication as each deems appropriate.

DIRECTOR NOMINATIONS

Director Qualifications

While there is no single set of characteristics required to be possessed by each member of the Board of Directors, the Governance Committee will consider whether to nominate a candidate for director based on a variety of criteria, including, but not limited to: (a) the candidate s personal integrity; (b) whether the candidate has demonstrated achievement in one or more forms of business, professional, governmental, communal, scientific or educational endeavors sufficient to enable the candidate to make a significant and immediate contribution to the Board of Directors discussion and decision-making regarding the array of complex issues facing our company; (c) the candidate s level of familiarity with our business and competitive environment; (d) the candidate s ability to function effectively in an oversight role; (e) the candidate s understanding of the issues affecting a public company of a size and complexity similar to our company; and (f) whether the candidate has, and is prepared to devote, adequate time to the Board of Directors and its committees. Under exceptional and limited circumstances, the Governance Committee may approve the candidacy of a candidate notwithstanding the foregoing criteria if the Governance Committee believes the service of such a nominee is in our best interests and those of our stockholders.

In selecting candidates, the Governance Committee and the Board of Directors take diversity into account, seeking to ensure a representation of varied perspectives and experience, although neither the Governance Committee nor the Board of Directors has prescribed specific standards for diversity or adopted a specific diversity policy.

However, the Governance Committee considers certain items to be minimum requirements for nomination to our Board of Directors. Those requirements are: (a) a commitment to the duties and responsibilities of a director; (b) the ability to contribute meaningfully to the Board of Directors supervisory management of the company and its officers; and (c) an outstanding record of integrity in prior professional activities.

In addition, the Governance Committee ensures that:

- at least three of the directors serving at any time on the Board of Directors are independent, as defined under the rules of the principal stock market on which our common shares are listed for trading;

all members of the Audit Committee satisfy the financial literacy requirements required under the rules of the principal stock market on which our common shares are listed for trading;

at least one of the Audit Committee members qualifies as an audit committee financial expert under the rules of the Commission; and

at least one of the independent directors has experience as a senior executive at a public company or a substantially-large private company.

In selecting a nominee for our Board of Directors, the Governance Committee may receive suggestions from many different groups including, but not limited to, the company s current and former executive officers and directors, and such suggestions may or may not be in response to a request from the Governance Committee. As described below, the Governance Committee will also consider nominations from stockholders. From time to time, the Governance Committee may engage a third party for a fee to assist it in identifying potential director candidates.

After identifying a potential director nominee and deciding to further pursue the potential nominee, the Governance Committee will then evaluate the potential nominee by using information collected from a variety of sources. Those sources include, but are not limited to, publicly available information, information provided by knowledgeable members of the company and information provided by the potential candidate. The Governance Committee may contact the potential nominee to determine his or her interest and willingness to serve as a director and may conduct one or more in-person or telephonic interviews with the potential candidate. The Governance Committee may contact references of the potential candidate or other members of the professional community who may have relevant knowledge of the potential candidate s qualifications and successes. The Governance Committee may compare the potential candidate s information to all such information collected for other potential candidates.

Director Succession Planning

From time to time, the holders of Class A Stock have discussed with the Governance Committee director succession planning and processes with respect to the Class A Directors. In doing so, the holders of Class A Stock have identified potential director candidates, considered their characteristics with the criteria listed in Director Qualifications above and evaluated their specific skills among a number of factors the holders of Class A Stock consider important. As part of these discussions, the holders of Class A Stock determined that it would be in the best interest of stockholders to nominate the slate of Class A Directors as set forth under Proposal 1, which includes Jeffrey T. Sanfilippo, Jasper B. Sanfilippo, Jr., James J. Sanfilippo, Timothy R. Donovan, Mathias A. Valentine and Michael J. Valentine. The Governance Committee intends to continue these discussions and processes with the holders of Class A Stock on an ongoing basis, as necessary.

In addition, the Governance Committee has had discussions, from time to time, regarding director tenure and the overall skills possessed by each member of the Board of Directors to help ensure that the Board of Directors possesses the necessary perspectives to oversee management and effectively monitor the company s operations. Through the evaluation process conducted by the Board of Directors and each committee, each director is afforded the opportunity to provide their view regarding the Board of Directors and each committee s performance.

Nominations of Directors by Stockholders

The Governance Committee does not solicit, but will consider, nominees for director submitted by holders of our Common Stock and Class A Stock. The Governance Committee follows the same process and uses the same criteria for evaluating candidates proposed by stockholders as it uses for all other candidates, although the number of shares held by the proposing stockholder and the length of time such shares have been held may be considered by the Governance Committee.

Stockholders wishing to have the Governance Committee consider a director nominee may do so by sending notice of the nominee s name, biographical information and qualifications to:

Governance Committee

c/o Corporate Secretary

John B. Sanfilippo & Son, Inc.

1703 N. Randall Road, Elgin, Illinois 60123-7820

Under our company s Bylaws and applicable law, all director nominations submitted by our stockholders must provide (a) all information relating to the nominee that is required to be disclosed in a solicitation of proxies for the election of directors in an election contest, or as is otherwise required, pursuant to and in accordance with Regulation 14A under the Exchange Act and (b) the nominee s written consent to being named in the proxy statement as a nominee and to serving as a director, if elected. In addition, such notice of a nominee shall include, among other matters, as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (a) the name and address of such stockholder, as they appear on our company s books, and of such beneficial owner, (b) the class and number of shares of stock of our company which are owned beneficially and of record by such stockholder and such beneficial owner, (c) a representation that the stockholder is a holder of record of the stock of our company entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose the nominee, and (d) a representation of whether the stockholder or the beneficial owner, if any, intends to or is part of a group which intends to (i) deliver a proxy statement and/or form of proxy to holders of at least the percentage of our company s outstanding capital stock required to elect the nominee and/or (ii) otherwise solicit proxies from stockholders in support of the nominee s election. Our company may require any proposed nominee to furnish such other information as it may reasonably require in order to determine the eligibility of such proposed nominee to serve as a director of our company and such other information as contained in our company s Bylaws.

Please see Stockholder Proposals for the 2015 Annual Meeting below for the notice deadlines for stockholder s director nominations to be considered for inclusion in our company s proxy materials and stockholder s director nominations to be presented at the 2015 annual meeting (but not to be included in our company s proxy materials).

PROPOSAL 2: RATIFY THE AUDIT COMMITTEE S APPOINTMENT OF PRICEWATERHOUSECOOPERS

LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE 2015 FISCAL YEAR

The Audit Committee of the Board of Directors has appointed PricewaterhouseCoopers LLP as our Independent Registered Public Accounting Firm to examine our consolidated financial statements for the 2015 fiscal year, and to render other professional services as required, in accordance with our pre-approval policies and procedures described below. The Audit Committee and the Board of Directors, as a matter of company policy, are submitting the appointment of PricewaterhouseCoopers LLP to stockholders for ratification.

If the stockholders do not vote on an advisory basis in favor of the appointment of PricewaterhouseCoopers LLP as our company s Independent Registered Public Accounting Firm, the Audit Committee will reconsider whether to engage PricewaterhouseCoopers LLP but may ultimately determine to engage PricewaterhouseCoopers LLP or another audit firm without re-submitting the matter to stockholders. Even if the stockholders vote in favor of the selection of PricewaterhouseCoopers LLP, the Audit Committee may, in its sole discretion, terminate the engagement of PricewaterhouseCoopers LLP and direct the appointment of another Independent Registered Public Accounting Firm at any time during the year.

Representatives of PricewaterhouseCoopers LLP will be present at the Annual Meeting, will have the opportunity to make a statement if they so desire, and are expected to be available to respond to appropriate questions.

Aggregate fees billed by our Independent Registered Public Accounting Firm, PricewaterhouseCoopers LLP, for audit services related to the most recent two fiscal years, and for other professional services billed in the most recent two fiscal years, were as follows:

Type of Service	2014	2013
Audit Fees(1)	$ 800,000	$ 894,650
Audit Related Fees		
Tax Fees(2)	90,000	15,000
All Other Fees(3)	2,700	2,700
Total(4)	$ 892,700	$ 912,350

(1) Comprised of services for the audit of our annual financial statements, the audit of our internal control over financial reporting, reviewing of our quarterly financial statements, consents and reviewing documents to be filed with the SEC.

(2) Comprised of fees billed for tax advice.

(3) Comprised of the licensing of accounting technical research software.

(4) The actual amount paid by us is different than the total amount as stated here due to the variations in the timing of the billing cycles between our company and PricewaterhouseCoopers LLP.

Reports on our Independent Registered Public Accounting Firm s projects and services are presented to the Audit Committee on a regular basis. The Audit Committee is solely responsible for the engagement of our Independent Registered Public Accounting Firm. The Audit Committee has established pre-approval policies and procedures in order for our Independent Registered Public Accounting Firm to perform all audit services and permitted non-audit services. These pre-approval policies and procedures allow for pre-approval of certain designated services, depending on the type of service. All services not subject to general pre-approval must be specifically pre-approved by the Audit Committee. Under the pre-approval policies and procedures, the Audit Committee may delegate pre-approval responsibilities to its chairperson or any other member or members. All of the fees described above were approved by the Audit Committee pursuant to our pre-approval policies and procedures.

The Board of Directors recommends a vote FOR ratification of the Audit Committee s appointment of PricewaterhouseCoopers LLP as our Independent Registered Public Accounting Firm for the 2015 fiscal year.

AUDIT COMMITTEE REPORT

The Audit Committee has reviewed and discussed with management and PricewaterhouseCoopers LLP, the company s Independent Registered Public Accounting Firm for fiscal 2014, the company s audited financial statements as of and for the year ended June 26, 2014. Management is responsible for the company s financial reporting process, including maintaining a system of internal controls, and is responsible for preparing the consolidated financial statements in accordance with United States generally accepted accounting principles (GAAP). PricewaterhouseCoopers LLP is responsible for auditing those financial statements and for giving an opinion regarding the conformity of the financial statements with GAAP. Additionally, in accordance with Section 404 of the Sarbanes-Oxley Act of 2002, the Audit Committee reviewed and discussed with management, the company s internal auditors and PricewaterhouseCoopers LLP, management s report on the operating effectiveness of internal control over financial reporting, including PricewaterhouseCoopers LLP s related report.

The Audit Committee has also discussed with PricewaterhouseCoopers LLP the matters required by revised Auditing Standard No. 16 *Communications with Audit Committees* and other relevant auditing standards adopted by the PCAOB. In addition, the Audit Committee has received and reviewed the written disclosures and letter from PricewaterhouseCoopers LLP regarding PricewaterhouseCoopers LLP s communications with the Audit Committee concerning independence, as required by Ethics and Independence Rule 3526, *Communication with Audit Committees Concerning Independence*, as adopted by the Public Company Accounting Oversight Board (such Ethics and Independence Rule superseded Independence Standard No. 1, *Independence Discussions with Audit Committees*). Also, the Audit Committee has discussed with PricewaterhouseCoopers LLP the independence of PricewaterhouseCoopers LLP, including whether PricewaterhouseCoopers LLP s independence is compatible with PricewaterhouseCoopers LLP providing non-audit services to the company. Based on the foregoing discussions and reviews, the Audit Committee is satisfied with the independence of PricewaterhouseCoopers LLP.

In reliance on the reviews and discussions described above and the report of PricewaterhouseCoopers LLP, the Audit Committee recommended to the Board of Directors, and the Board of Directors approved, the inclusion of the audited financial statements in the company s Annual Report on Form 10-K for the year ended June 26, 2014, for filing with the Commission.

Respectfully submitted by all of the members of the Audit Committee of the Board of Directors.

Daniel M. Wright, Chairperson

Timothy R. Donovan

Governor Jim Edgar

Ellen C. Taaffe

The information contained in the preceding report shall not be deemed to be soliciting material or to be filed with the Commission, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933, as amended (the Securities Act), or the Exchange Act, except to the extent that we specifically incorporate it by reference in such filing.

PROPOSAL 3: ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION

As required by SEC rules, we are providing our stockholders with an advisory, nonbinding vote to approve the compensation paid to our named executive officers, as we have described it in the Compensation Discussion and Analysis and Summary Compensation Table of this Proxy Statement.

As described in detail in the Compensation Discussion and Analysis section, the Compensation Committee oversees our executive compensation program. The Compensation Committee recommends changes to the executive compensation program and recommends the awards of executive compensation to be paid as appropriate to reflect our performance and to promote the main objectives of the program. These objectives include helping us attract, motivate, reward and retain superior leaders who are capable of creating sustained, lasting value for our stockholders, and to promote a performance-based culture that is intended to align the interests of our executives with those of our stockholders.

Highlights of our program include:

- Our pay for performance orientation. As set forth more fully in the Compensation Discussion and Analysis and related Summary Compensation Table, the company exceeded targeted levels of financial performance and therefore incentive compensation was awarded to our named executive officers to reflect such performance for fiscal 2014;
- Our named executive officers do not have employment agreements;
- Our named executive officers have entered into clawback agreements entitling the company to recover payments made to executives who engage in certain types of misconduct;
- Providing limited perquisites and personal benefits awarded to the executives as set forth in the Summary Compensation Table and related disclosure;
- Awarding restricted stock units to encourage our executives to remain with the company long-term and to align further their interests with the interests of our stockholders; and
- Total direct compensation for the Management Team that currently is below the 50th percentile of a certain peer group of companies as determined by the Compensation Committee s independent compensation consultant.

We are asking our stockholders to indicate their support for the compensation paid to our named executive officers by casting a **FOR** vote on this proposal. We believe that the information we have provided in this Proxy Statement demonstrates that our executive compensation program was designed appropriately in light of our goals and business and is adequately working to ensure that executives interests are aligned with our stockholders interests to support long-term value creation.

You may vote for or against the following resolution, or you may abstain. This vote is not intended to address any specific item or the policies generally regarding executive compensation, but rather the overall compensation paid to our named executive officers.

While this vote is advisory and not binding on our company, the Board of Directors and the Compensation Committee will consider the outcome of the vote, along with other relevant factors, when considering future executive compensation decisions. For information on how our Compensation Committee considered the 2013 advisory vote on executive compensation, see Response to the 2013 Advisory Vote on Executive Compensation as set forth below. If any stockholder wishes to communicate with the Board of Directors regarding executive compensation, the Board of Directors can be contacted using the procedures outlined in Stockholder Communications with Directors as set forth in this Proxy Statement.

The Board of Directors recommends a vote FOR the advisory vote to approve executive compensation.

PROPOSAL 4: APPROVAL OF THE JOHN B. SANFILIPPO & SON, INC. 2014 OMNIBUS INCENTIVE PLAN

On June 19, 2014, the Compensation Committee recommended that the Board of Directors approve the John B. Sanfilippo & Son, Inc. 2014 Omnibus Incentive Plan (the Omnibus Plan). On June 19, 2014, the Board of Directors approved the Omnibus Plan, subject to stockholder approval at the Annual Meeting. If approved by a majority of the votes cast by holders of the shares of Common Stock and Class A Stock, voting as a single class, voting in person or by proxy at the Annual Meeting, the Omnibus Plan will become effective as of October 29, 2014 (the Effective Date).

Purpose of the Omnibus Plan Cash and Equity Compensation

As discussed in the Compensation Discussion and Analysis section of this Proxy Statement, awards of cash and equity both play an important role in our compensation system. Cash and equity awards also help our company remain competitive in attracting and retaining highly qualified employees upon whom, in large measure, the future success of our company depend.

The purpose of the Omnibus Plan is to foster and promote the long-term financial success of the company by (i) motivating superior performance by means of performance-related incentives, (ii) encouraging and providing for the acquisition of an ownership interest in the company by Omnibus Plan participants (including employees, executive officers and nonemployee directors), and (iii) enabling the company to attract and retain qualified and competent persons as employees of the company and to serve as members of the Board of Directors upon whose judgment, interest, and performance are required for the successful operations of the company.

Approving the Omnibus Plan would further these objectives by allowing the company to continue to grant equity compensation for approximately seven to ten years, based on prevailing historical granting practices, and to grant performance-based equity awards and performance-based cash compensation that are designed to meet the requirements of performance-based compensation under Section 162(m) of the Code (Performance Based Compensation). If the Omnibus Plan is not approved, the company does not expect to have sufficient shares to meet its anticipated equity compensation program after the 2015 fiscal year under the company s existing 2008 Plan. See Determination of Number of Shares for the Omnibus Plan below.

Determination of Number of Shares for the Omnibus Plan

If the Omnibus Plan is approved, the aggregate number of shares of Common Stock that will be available for issuance pursuant to awards under the Omnibus Plan will be 1,000,000. In setting the 1,000,000 share limit, the Compensation Committee and the Board of Directors considered the following material factors:

- Shares currently available under the 2008 Plan, and how long the available shares under the 2008 Plan are expected to last.

- Historical equity award granting practices, including the company s three-year average share usage rate (also known as the company s burn rate).

- Expected dilution.

- Previous authorization of shares under the 2008 Plan.

Each of these factors is further discussed below.

Historical Equity Granting Practices and Information on Previous Equity Usage

In setting and recommending to stockholders the number of shares authorized under the Omnibus Plan, the Compensation Committee and the Board of Directors considered the number of equity awards granted under the 2008 Plan in recent years and discussed the number of shares intended to be granted in fiscal 2015 and beyond, assuming different scenarios. In fiscal 2012, 2013 and 2014, the company granted to employees and nonemployee directors approximately 78,000, 69,294, and 68,710, respectively, of the shares authorized under the 2008 Plan.

The Compensation Committee and the Board of Directors also considered the company s three-year average burn rate (2012-2014) of approximately 1.3%, which is lower than the industry thresholds established by certain major proxy advisory firms. Due to the Management Team s significant ownership of Class A Stock, the company has been conservative in the granting of equity in recent years to the CEO, CFO and COO, while reasonable in granting equity to other executive officers and nonemployee directors. In fiscal 2014, we granted equity under the 2008 Plan to 16 employees and 6 nonemployee directors

Based on historical granting practices and the recent trading prices of the Common Stock, the Omnibus Plan is currently expected to cover equity awards for approximately seven to ten years.

If the Omnibus Plan is approved, no further awards will be granted under the 2008 Plan. In addition, per the terms of the Omnibus Plan, all of the existing shares under the 2008 Plan will be subsumed into and as a part of the 1,000,000 authorized shares under the Omnibus Plan (other than shares reflecting awards that are currently outstanding under the 2008 Plan). As a result, 599,705 shares that were authorized for issuance under the 2008 Plan, but not granted to participants, will be transferred to the Omnibus Plan. The Omnibus Plan will contain 400,295 shares, which were not previously authorized for issuance under the 2008 Plan but will be authorized for issuance under the Omnibus Plan.

As of September 2, 2014, 8,452,205 shares of our Common Stock were outstanding. Under the 2008 Plan and the 1998 Plan (the Prior Plans), there are:

- 62,500 options outstanding, with a weighted average exercise price of $14.03 and a weighted average remaining term of 1.82 years; and
- 201,308 RSUs outstanding.

If all 1,000,000 shares of stock were granted, the total dilution would be approximately 12.7%, based on 8,452,205 shares of our Common Stock outstanding.

Summary Description of the Omnibus Plan

The following is a summary of the principal features of the Omnibus Plan. The summary is not a complete description of all the terms of the Omnibus Plan and is qualified in its entirety by reference to the complete text of the Omnibus Plan, which is attached to this Proxy Statement as Annex A. To the extent there is a conflict between this summary and the actual terms of the Omnibus Plan, the terms of the Omnibus Plan will govern.

Eligibility and Award Types

The Omnibus Plan authorizes the following types of awards to be made to employees, officers or nonemployee directors of the company as designated by the Compensation Committee:

- **Restricted stock and restricted stock units,** which represent the right to receive shares of Common Stock in the future, each of which are subject to certain restrictions and conditions set by the Compensation Committee and also as set forth in the Omnibus Plan.

- **Performance shares,** which represent the right to receive shares of Common Stock in the future based on the achievement of one or more performance goals over a specified performance period. The number of performance shares earned over a performance period may vary based on the level of achieved performance. Performance shares may be designed to constitute Performance Based Compensation.

- **Performance units,** which represent the right to receive shares of Common Stock or cash in the future based on the achievement of one or more performance goals over a specified performance period. The ultimate award earned over a performance period may vary based on the level of achieved performance. Performance units may be designed to constitute Performance Based Compensation.

- **Stock options,** which give the holder the right to purchase shares of Common Stock at a specified price during specified time periods. The exercise price of an option granted under the Omnibus Plan may not be less than the fair market value of the Common Stock on the date of grant. Stock options granted under the Omnibus Plan have a maximum term of ten years. Stock options may be in the form of nonqualified stock options or incentive stock options.

- **Stock appreciation rights, or SARs,** which give the holder the right to receive the excess, if any, of the fair market value of one share of Common Stock on the date of exercise, over the grant price of the SAR. The grant price of a SAR may not be less than the fair market value of the Common Stock on the date of grant. SARs granted under the Omnibus Plan have a maximum term of ten years.

- **Other stock-based awards,** in the discretion of the Compensation Committee, including unrestricted stock grants.

- **Cash-based awards,** as established by the Compensation Committee, including awards designed to qualify as performance-based awards under Section 162(m) of the Code.

All awards will be evidenced by a written award agreement between the company and the participant. Dividends and dividend equivalent payments on any award may be granted subject to the terms and conditions set forth under the Omnibus Plan and any applicable award agreement under the Omnibus Plan. However, no dividends or dividend equivalents may be granted on awards of stock options and SARs. In addition, no dividends or dividend equivalents will be paid on performance shares and performance-based restricted stock and RSUs unless the applicable performance goals are satisfied.

Repricing/Cash-Out of Awards Prohibited without Stockholder Approval

The company may not implement any of the following repricing or cash-out programs without obtaining stockholder approval: (i) a reduction in the option price or grant price of any previously granted stock option or SAR, (ii) a cancellation of any previously granted stock option or SAR in exchange for another stock option or SAR with a lower exercise price or grant price, respectively or (iii) a cancellation of any previously granted stock option or SAR in exchange for cash or another award if the option price of the stock option or the grant price of the SAR exceeds the fair market value of a share of Common Stock on the date of such cancellation, in each case other than in connection with a change in control or the capitalization adjustment provisions in the Omnibus Plan.

Share Counting Under the Omnibus Plan

The number of shares of Common Stock reserved for issuance under the Omnibus Plan will be reduced by one share for each share of Common Stock that is subject to a share-based award granted under the Omnibus Plan, subject to certain terms and conditions set forth in more detail in the Omnibus Plan.

Any shares of Common Stock related to an award granted under the 2008 Plan or Omnibus Plan that on or after the Effective Date terminates by expiration, forfeiture, cancellation or otherwise without the issuance of the shares of Common Stock, are settled in cash in lieu of shares, or are exchanged with the Compensation Committee s permission, prior to the issuance of shares, for awards not involving shares of Common Stock shall be available again for grant under the Omnibus Plan.

Any shares of Common Stock tendered (by either actual delivery or attestation) on or after the Effective Date (i) to pay the option price of an option granted under the 2008 Plan or Omnibus Plan or (ii) to satisfy tax withholding obligations associated with an award granted under the 2008 Plan or Omnibus Plan, shall not become available again for grant under the Omnibus Plan.

Any shares of Common Stock that were subject to an SAR granted under the 2008 Plan or Omnibus Plan that were not issued upon the exercise of such SAR on or after the Effective Date shall not become available again for grant under the Omnibus Plan.

Limitation on Awards

So that awards may qualify as performance-based compensation under Section 162(m) of the Code, the Omnibus Plan contains the following limitations and restrictions (Annual Award Limits):

The total number of shares of Common Stock with respect to which options or SARs may be granted in any calendar year to any participant may not exceed 500,000 shares (this limit applies separately with respect to each type of award).

For awards of restricted stock, RSUs, performance shares or other stock-based awards that are intended to qualify as performance-based compensation: (i) the total number of shares of Common Stock that may be granted in any calendar year to any participant may not exceed 250,000 shares (this limit applies separately to each type of award) and (ii) the maximum amount that may be paid to any participant for awards that are payable in cash or property other than Common Stock in any calendar year is $5,000,000.

Administration

Subject to any limitations or delegations as set forth in the Omnibus Plan, the Omnibus Plan will be administered by the Compensation Committee. The Compensation Committee will have the authority to, among other things, make awards; designate participants; determine the types of awards to be granted to each participant and the number, terms and conditions thereof; establish or revise any rules, regulations, guidelines and procedures as it may deem advisable; prescribe forms of award agreements; and make any rules, interpretations, and any and all other decisions and determinations that may be required under the Omnibus Plan.

Applicability of Section 162(m) of the Code

The Omnibus Plan is designed so that any award that is conditioned on the attainment of one or more performance goals may constitute Performance Based Compensation under Section 162(m) of the Code and may be deductible to the extent permitted by applicable law. While the Compensation Committee believes it is important to preserve the deductibility of compensation under Section 162(m) of the Code generally, there is no guarantee that the performance-based compensation exemption would be available in any particular circumstance. Further, the Board of Directors and the Compensation Committee reserve the right to grant or approve awards or compensation that is non-deductible.

The vesting, level of payout, or value of awards that are intended to be Performance Based Compensation will be determined by the attainment of one or more goals based on one or more of the performance measures (Performance Measures) set forth below:

(a) Book value;

(b) Cash flow (including, funds from operations);

(c) Customer Satisfaction;

(d) Earnings (either in aggregate or on a per-share basis);

(e) Earnings before or after either, or any combination of, interest, taxes, depreciation, or amortization (EBITDA);

(f) Economic value added;

(g) Expenses/costs;

(h) Gross or net income;

(i) Gross or net operating margins;

(j) Gross or net profits;

(k) Gross or net revenues;

(l) Margins;

(m) Market share;

(n) Net income;

(o) Operating income;

(p) Operational performance measures;

(q) Pre-tax Income;

(r) Productivity ratios;

(s) Profitability ratios;

(t) Return measures (including return on assets, return on equity, return on investment, return on capital, return on invested capital, gross profit return on investment, gross margin return on investment);

(u) Share price (including growth in share price and total stockholder return);

(v) Stockholder value added which is equal to (i) the net operating profit after tax minus (ii) capital charge; where the capital charge is equal to invested capital multiplied by the weighted average cost of capital;

(w) Strategic business objectives (including objective project milestones);

(x) Transactions relating to acquisitions or divestitures; or

(y) Working capital.

Any Performance Measure(s) may, as the Compensation Committee, in its sole discretion deems appropriate, (i) relate to the performance of the company or any subsidiary as a whole or any business unit or division of the company or any subsidiary or any combination thereof, (ii) be compared to the performance of a group of comparator companies, or published or special index, (iii) be based on change in the Performance Measure over a specified period of time and such change may be measured based on an arithmetic change over the specified period (e.g., cumulative change or average change), or percentage change over the specified period (e.g., cumulative percentage change, average percentage change or compounded percentage change), (iv) relate to or be compared to one or more other Performance Measures, or (v) any combination of the foregoing.

Stockholder approval of the Omnibus Plan will also constitute approval of the material terms of the Performance Measures under the Omnibus Plan for purposes of establishing the specific vesting targets for one or more awards under the Omnibus Plan that are intended to qualify as Performance Based Compensation under Section 162(m) of the Code.

Treatment of Awards on Certain Events

Change in Control

The Compensation Committee shall determine the treatment of outstanding awards prior to a change in control , except that to the extent the Compensation Committee takes no action (and except as otherwise expressly provided for in an award agreement or as required to comply with Section 409A of the Code), then the following shall apply:

- all options and SARs then outstanding shall become immediately vested and fully exercisable, notwithstanding any provision therein for the exercise in installments;

- all restrictions and conditions of all restricted stock then outstanding shall be deemed satisfied as of the date of the change in control; and

- all restricted stock units, dividend equivalent payments and any award subject to performance goals, including performance stock or performance stock units, shall become vested and deemed earned or satisfied at target, notwithstanding that the applicable performance cycle, retention cycle or restriction conditions shall not have been completed or met, and shall be settled pro rata, based on the proportion of the applicable performance period during which the participant was employed, in cash, shares or a combination thereof as provided for under the applicable award agreement or otherwise settled within 30 days of the change in control (except to the extent that payment must be made pursuant to its original schedule in order to comply with Section 409A of the Code).

A change in control will be deemed to occur upon (i) the consummation of a merger or consolidation of the company into another entity or similar transaction; (ii) the sale, transfer or other disposition of all of the company s assets; (iii) certain changes in the composition of our Board of Directors, and (iv) any transaction as a result of which any person or group of related persons acquires, directly or indirectly, at least thirty (30) percent of the voting securities of the company.

However, the Compensation Committee may elect prior to a change in control, that in the event of a change in control, that all or any portion of an award, with no requirement of uniform treatment:

shall be assumed or an equivalent award be substituted by the successor corporation in any change in control transaction, or a parent or subsidiary of such successor corporation;

shall be cancelled or forfeited and settled in cash (except where such action would cause an excise tax to be payable pursuant to Section 409A of the Code); or

with respect to any unexercised portion of an option or SAR, shall be cancelled following the time permitted to exercise the award.

Termination of Service Events

Death or Disability

If a participant s termination of service is due to death or disability then: (i) options and SARs that are not exercisable and as to which such ability to exercise depends solely on the satisfaction of a service obligation by the participant to the company shall immediately become fully exercisable and (ii) the participant s then-outstanding awards (other than options and SARs), that are not vested and as to which vesting depends solely on the satisfaction of a service obligation by the participant to the company shall become fully vested and shall be settled in cash, shares or a combination thereof as soon as practicable following such termination of service but no later than sixty days thereafter.

Retirement

If a participant s termination of service is due to retirement, then: (i) options and SARs that are not exercisable and as to which such ability to exercise depends solely on the satisfaction of a service obligation by the participant to the company shall immediately become fully exercisable and (ii) the participant s other then-outstanding awards (other than options and SARs), that are not vested and as to which vesting depends solely on the satisfaction of a service obligation by the participant to the company shall become fully vested and shall be settled in cash, shares or a combination thereof as soon as practicable following such termination of service but no later than sixty days thereafter.

In order for a participant to be eligible for the benefits described in this Retirement section, the participant must provide notice of his or her intent to retire at least 365 days in advance of the date of retirement and meet the age and service conditions applicable for Retirement as defined in the Omnibus Plan. If the participant does not do so, then the Compensation Committee shall have the discretion to determine the treatment of the participant s awards.

Involuntary or Voluntary Termination of Service, Other than Retirement

If a participant s termination of service is due to voluntary or involuntary termination of service, except in the case of retirement as outlined above in Retirement , then the participant s then-outstanding awards that are not exercisable or vested shall be immediately forfeited.

Termination For Cause

A participant s termination of service for cause shall result in the forfeiture of the participant s outstanding and unexercisable options and SARs and any outstanding and unvested restricted stock, restricted stock units, performance shares, performance units, cash-based awards and other stock-based awards granted to the participant as of the date immediately preceding the participant s termination of service.

Adjustments

In the event of any significant corporate event or transaction detailed in the Omnibus Plan, the Compensation Committee, in order to prevent dilution or enlargement of participants rights under the Omnibus Plan, shall substitute or adjust, as applicable, the number and kind of shares of Common Stock that may be issued under the Omnibus Plan or under particular forms of awards, the number and kind of shares of Common Stock subject to outstanding awards, the option price or grant price applicable to outstanding awards, the Annual Award Limits, and other value determinations applicable to outstanding awards. The Compensation Committee, in its discretion, shall determine the methodology or manner of making such substitution or adjustment. In addition to the adjustments discussed above, the Compensation Committee, in its sole discretion, may make such other adjustments or modifications in the terms of any awards that it deems appropriate to reflect any significant corporate event or transaction.

Forfeiture Events

Awards under the Omnibus Plan will be subject to any compensation clawback policy that the company may adopt from time to time that is applicable to the participant or as required by applicable law.

Termination and Amendment

If the Omnibus Plan is approved at the 2014 Annual Meeting of Stockholders, it will terminate 10 years from the Effective Date.

Subject to the limitations set forth in the Omnibus Plan, the Board of Directors may amend, modify or terminate the Omnibus Plan, however, no amendment of the Omnibus Plan shall be made without stockholder approval if stockholder approval required by applicable law, regulation or the rules of the NASDAQ stock exchange. No termination, amendment, or suspension of the Omnibus Plan may adversely affect in any material way any award previously granted under the Omnibus Plan without the written consent of the award recipient subject to certain exceptions. These exceptions permit the Board of Directors or Compensation Committee to amend outstanding awards to adjust for the occurrence of certain unusual or non-recurring events and to conform to legal requirements with the written consent of the award recipient.

Certain U.S. Tax Effects

The following discussion is limited to a summary of the U.S. federal income tax effects relating to the grant, exercise and vesting of awards under the Omnibus Plan and the subsequent sale of Common Stock acquired under the Omnibus Plan. This discussion does not address all aspects of the United States federal income tax consequences of participating in the Omnibus Plan that may be relevant to participants in light of their personal investment or tax circumstances and does not discuss any state, local or non-United States tax consequences of participating in the Omnibus Plan. The tax consequences of awards may vary depending upon the particular circumstances, and it should be noted that the income tax laws, regulations and interpretations thereof change frequently. Participants should rely upon their own tax advisors for advice concerning the specific tax consequences applicable to them, including the applicability and effect of state, local, and foreign tax laws.

Stock Options

There will be no federal income tax consequences to the optionee or to the company upon the grant of a nonqualified stock option under the Omnibus Plan. When the optionee exercises a nonqualified stock option, however, he or she will recognize ordinary income in an amount equal to the excess of the fair market value of the Common Stock received upon exercise over the exercise price, and the company expects that it will be allowed a corresponding deduction. Any gain that the optionee realizes when he or she later sells or disposes of the nonqualified option shares will be short-term or long-term capital gain, depending on how long the shares were held.

A participant generally will have no taxable income upon exercise of an incentive stock option, except that the alternative minimum tax may apply. Subject to certain statutory restrictions, gain realized upon a disposition of the company s Common Stock received pursuant to the exercise of an incentive stock option will generally be taxed as long-term capital gain if (i) the participant holds the shares for at least two years after the date of grant and one year after the date of exercise and (ii) at all times during the period beginning on the option grant date and ending on the day three months before the option is exercised the participant remains our employee or an employee of our subsidiary (the Holding Period Requirement). The company will not be entitled to a deduction with respect to the exercise of an incentive stock option, except as discussed below. Generally, if the participant has not satisfied the Holding Period Requirement described above, the participant will recognize ordinary income upon the disposition of the Common Stock equal to the excess of the fair market value of the Common Stock at the time the option was exercised over the exercise price (but not in excess of the gain realized on the sale). The balance of the realized gain, if any, will generally be capital gain. The company will generally be entitled to a deduction to the extent the participant recognizes ordinary income.

Stock Appreciation Rights

A participant receiving a stock appreciation right will not recognize income, and the company will not be allowed a tax deduction, at the time the award is granted. When the participant exercises the stock appreciation right, the amount of cash and the fair market value of any shares of Common Stock received will be ordinary income to the participant and the company expects that it will be allowed a corresponding federal income tax deduction at that time.

Restricted Stock

Unless a participant makes an election to accelerate recognition of income to the date of grant as described below, the participant will not recognize income, and the company will not be allowed a tax deduction, at the time a restricted stock award is granted, provided that the award is subject to restrictions on transfer and is subject to a substantial risk of forfeiture. When the restrictions lapse, the participant will recognize ordinary income equal to the fair market value of the Common Stock as of that date (less any amount he or she paid for the stock), and the company will be allowed a corresponding federal income tax deduction at that time, subject to any applicable limitations under Section 162(m) of the Code. If the participant files an election under Section 83(b) of the Code within 30 days after the date of grant of the restricted stock, he or she will recognize ordinary income as of the date of grant equal to the fair market value of the stock as of that date (less any amount paid for the stock), and the company will be allowed a corresponding federal income tax deduction at that time, subject to any applicable limitations under Section 162(m) of the Code. Any future appreciation in the stock will be taxable to the participant at capital gains rates. However, if the stock is later forfeited, the participant will not be able to recover the tax previously paid pursuant to his or her election under Section 83(b) of the Code.

Stock Units (Performance and Restricted)

A participant will not recognize income, and the company will not be allowed a tax deduction, at the time a stock unit award is granted. Stock unit awards are typically restricted stock units or performance units. Upon receipt of shares of Common Stock (or the equivalent value in cash) in settlement of a stock unit award, a participant will recognize ordinary income equal to the fair market value of the Common Stock or other property as of that date, and the company will be allowed a corresponding federal income tax deduction at that time, subject to any applicable limitations under Section 162(m) of the Code.

Cash-Based Awards

A participant will not recognize income, and the company will not be allowed a tax deduction, at the time a cash-based award is granted (for example, when the performance goals are established). Upon receipt of cash in settlement of the award, a participant will recognize ordinary income equal to the cash received, and the company will be allowed a corresponding federal income tax deduction at that time, subject to any applicable limitations under Section 162(m) of the Code.

Tax Code Section 409A

If an award is subject to Section 409A of the Code (which relates to nonqualified deferred compensation plans), and if the requirements of Section 409A are not met, the taxable events as described above could apply earlier than described, and could result in the imposition of additional taxes and penalties. All awards that comply with the terms of the Omnibus Plan, however, are intended to be exempt from the application of Section 409A of the Code or meet the requirements of Section 409A in order to avoid such early taxation and penalties.

Benefits to Named Executive Officers and Others

No awards have been granted under the Omnibus Plan. If the Omnibus Plan is approved, awards will be granted at the discretion of the Compensation Committee. Accordingly, future benefits under the Omnibus Plan are not determinable at this current time.

The Board of Directors recommends a vote FOR the approval of the John B. Sanfilippo & Son, Inc. 2014 Omnibus Incentive Plan.

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

Compensation of Directors

During fiscal 2014, compensation to directors who were not current employees of our company was paid at the rate of $35,000 per year plus $1,600 for each Board of Directors or committee meeting attended and $1,100 for telephonic meetings of the Board of Directors or committee meetings in which they participated. In addition, the Audit Committee Chairperson and Compensation Committee Chairperson were paid at the rate of $10,400 per year. The Governance Committee Chairperson was paid at a rate of $5,200 per year. Directors are also reimbursed for their reasonable expenses incurred in attending such meetings. Directors who are current employees of our company receive no additional compensation for their services as directors.

Under the 2008 Plan, a director who is not a current employee of our company, our subsidiary, or any of their affiliates (an Outside Director) is eligible to participate in the 2008 Plan. On October 30, 2013, the Compensation Committee approved a grant of $50,000 in restricted stock units to each of our six Outside Directors, with a grant date of November 13, 2013. These RSUs will vest on November 13, 2014, and once vested, they can be paid to the director in an equal number of shares of Common Stock upon vesting or become payable in an equal number of shares of Common Stock after the director ceases being a member of the Board of Directors.

On August 27, 2014, our Board of Directors, upon recommendation from our Compensation Committee, approved an increase in Outside Director compensation for the 2015 fiscal year. In approving the increase, the Board of Directors took into consideration peer companies director compensation programs and that no increase in Outside Director compensation occurred from fiscal 2013 to fiscal 2014. The Board of Directors increased the annual retainer to $45,000 and the equity grant to $60,000. The Board of Directors did not change the compensation paid to chairpersons of any committee or per-meeting compensation amounts.

The aggregate compensation paid to or earned by Outside Directors during fiscal 2014 was $674,042, as detailed in the following table:

Director Compensation for Fiscal Year 2014

Name	Fees Earned or Paid in Cash ($)	Option Awards ($)	Stock Awards ($)[1]	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Timothy R. Donovan[2]	74,800		50,007			124,807
Governor Jim Edgar[3]	69,600		50,007			119,607
Daniel M. Wright[4]	74,800		50,007			124,807
Ellen C. Taaffe[5]	64,400		50,007			114,407
Mathias A. Valentine[6]	45,200		50,007			95,207
Jasper B. Sanfilippo[7]	13,050					13,050
James J. Sanfilippo[8]	32,150		50,007			82,157
	$ 374,000		**$ 300,042**			**$ 674,042**

(1) The amounts in the Stock Awards column reflect the grant date fair value of the RSUs awarded in fiscal 2014. The grant date fair value was determined by using the $25.32 per share closing price of our Common Stock on the November 13, 2013 grant date multiplied by the number of RSUs awarded in fiscal 2014. Each Outside Director, other than Jasper B. Sanfilippo, was awarded 1,975 RSUs ($50,000 on the date of grant) in fiscal 2014 for their service as a director.

(2) The Fees Earned or Paid in Cash column for Mr. Donovan consists of annual retainer fees of $35,000, committee chairperson fees of $10,400, and meeting fees of $29,400. As of June 26, 2014, Mr. Donovan had 5,975 RSUs, including the 1,975 RSUs granted for fiscal 2014 service.

(3) The Fees Earned or Paid in Cash column for Gov. Edgar consists of annual retainer fees of $35,000, committee chairperson fees of $5,200, and meeting fees of $29,400. As of June 26, 2014, Gov. Edgar had 15,024 RSUs, including the 1,975 RSUs granted for fiscal 2014 service, and 4,000 stock options outstanding.

(4) The Fees Earned or Paid in Cash column for Mr. Wright consists of annual retainer fees of $35,000, committee chairperson fees of $10,400, and meeting fees of $29,400. As of June 26, 2014, Mr. Wright had 8,975 RSUs, including the 1,975 RSUs granted for fiscal 2014 service.

(5) The Fees Earned or Paid in Cash column for Ms. Taaffe consists of annual retainer fees of $35,000 and meeting fees of $29,400. As of June 26, 2014, Ms. Taaffe had 11,024 RSUs outstanding, including the 1,975 RSUs granted for fiscal 2014 service.

(6) The Fees Earned or Paid in Cash column for Mr. Valentine consists of annual retainer fees of $35,000 and meeting fees of $10,200. As of June 26, 2014, Mr. Valentine had 5,975 RSUs outstanding, including the 1,975 RSUs granted for fiscal 2014 service.

(7) The Fees Earned or Paid in Cash column for Mr. Jasper B. Sanfilippo consists of annual retainer fees of $8,750 and meeting fees of $4,300. In connection with the election of Mr. James J. Sanfilippo as a Class A Director at our 2013 annual meeting of stockholders, Mr. Jasper B. Sanfilippo was no longer a member of the board as of October 30, 2013 and was not eligible to receive any equity awards or meeting fees after October 30, 2013. Mr. Sanfilippo currently serves as our Chairman Emeritus, for which he receives no compensation.

(8) The Fees Earned or Paid in Cash column for Mr. James J. Sanfilippo consists of annual retainer fees of $26,250 and meeting fees of $5,900. As of June 26, 2014, Mr. James J. Sanfilippo had 1,975 RSUs outstanding, all of which were granted for fiscal 2014 service. Mr. James J. Sanfilippo was elected as a Class A Director at our 2013 annual meeting which was held October 30, 2013.

During fiscal 2014, the company paid premiums on certain life insurance policies that were previously assigned to the company in 2003. The premiums paid were for life insurance policies on the lives of Jasper B. Sanfilippo, Mathias A. Valentine and their respective spouses. These payments were not related to the services of Jasper B. Sanfilippo or Mathias A. Valentine as Outside Directors. See Certain Insurance Policy Arrangements below.

COMPENSATION DISCUSSION AND ANALYSIS

The following is a discussion and analysis of the compensation paid to the following persons (collectively, the named executive officers) during the 2014 fiscal year:

- Jeffrey T. Sanfilippo, our Chief Executive Officer and Chairman,
- Michael J. Valentine, our Chief Financial Officer, Group President and Secretary,
- Jasper B. Sanfilippo, Jr., our Chief Operating Officer, President and Assistant Secretary,
- James A. Valentine, our Chief Information Officer and
- Walter R. Tankersley, our Senior Vice President of Procurement and Commodity Risk Management.

Publicly Traded and Family-Owned with Independent Committees

In 1922, Gaspare Sanfilippo and his son, John Sanfilippo, founded our company as a small storefront pecan shelling operation located in Chicago, Illinois. In 1959, our company began to diversify by beginning to roast a variety of nut types. In 1963, Jasper B. Sanfilippo, Gaspare Sanfilippo s grandson and our former Chairman of the Board of Directors assumed the management of our company. Over the next forty years, Jasper B. Sanfilippo, along with Mathias A. Valentine, Jasper B. Sanfilippo s brother-in-law and current member of the Board of Directors, expanded our company from a storefront operation in Chicago, Illinois, to a publicly traded nut company with operations located in Illinois, Texas, Georgia, California and North Carolina.

Unlike most other publicly traded companies, our company remains largely family owned and controlled. As discussed elsewhere in this Proxy Statement, the Sanfilippo and Valentine Groups control 51.5% and 24.1%, respectively, of the voting control of our company. In addition, our Board of Directors and management continue to be largely comprised of members of the Sanfilippo and Valentine families. The Sanfilippo Group and Valentine Group, collectively, have the ability to nominate and elect six out of the nine directors on our company s Board of Directors.

We qualify as a controlled company under Nasdaq Listing Rule 5615(c)(1) because (a) the Sanfilippo Group has the ability to direct 51.5% of voting control of our company and (b) the Sanfilippo Group and the Valentine Group have an oral understanding not to cumulate votes for the election of Class A Directors and to vote in a reciprocal manner for each other s nominees. In accordance with the provisions of the Nasdaq rules applicable to controlled companies, we are not required to have a compensation committee comprised solely of independent directors. Even though our company is not required to have an independent compensation committee, we have, nonetheless, decided to comply voluntarily with the Nasdaq provision. Accordingly, our Compensation Committee is comprised of Timothy R. Donovan, Chairperson, Gov. Jim Edgar, Ellen C. Taaffe and Daniel M. Wright, all of whom are independent directors under Nasdaq rules. These independent directors meet in executive session to discuss the compensation of our executive officers. As discussed below, when making decisions regarding the compensation of the named executive officers and other members of our executive team, the Compensation Committee considers the unique structure of our company.

Executive Summary

Our company s fiscal 2014 financial results improved significantly over a successful fiscal 2013. In fiscal 2014, our company achieved record net sales of $778.6 million, and improved profitability, driven primarily by sales volume growth for most major nut types. As a result, our earnings per diluted share increased to $2.36 in fiscal 2014 from $1.98 for fiscal 2013. Accordingly, our investors enjoyed a significant appreciation in the value of our Common Stock, as our stock price increased from $19.86 on June 27, 2013 to $26.36 on June 26, 2014; an increase of 32.7%. Our financial performance also allowed us to pay a $1.50 per share special dividend to our stockholders during fiscal 2014. We believe that these results would not have been possible without a skilled and motivated team of executive officers.

Our compensation programs are designed to reward our executive officers for our company s performance. In fiscal 2014, we continued to implement a number of compensation measures to reinforce our company s performance with the pay of our executive officers. Most notably, due to our strong operating performance, the executive officers earned cash incentive compensation above targets set by the Compensation Committee under the company s Sanfilippo Value-Added Plan, or SVA Plan . In addition, we continued our practice of evaluating our executive officers performance when setting their salaries and awarding equity.

We believe that our stockholders agree with the design and implementation of our pay for performance compensation programs. For fiscal 2013, approximately 99.4% of votes cast in our advisory vote to approve executive compensation supported the compensation paid to our named executive officers.

The Role of the Compensation Committee

The Compensation Committee of the Board of Directors administers our company s executive compensation program. In that regard, the purposes of the Compensation Committee, among others, are as follows:

- Oversee the establishment of annual, long-term and other performance goals and objectives relevant to the compensation of the Chief Executive Officer and other executive officers;
- Evaluate the performance of the Chief Executive Officer and other executive officers;
- Review and recommend to the Board of Directors for approval the form and amount of compensation for the Chief Executive Officer and all other executive officers;
- Review and recommend to the Board of Directors for approval retirement, health and welfare and other benefit plans, policies and arrangements for the employees of our company;
- Review and recommend to the Board of Directors for approval all equity-related, incentive and other performance-related compensation plans;
- Evaluate the risk and reward for instituting incentive compensation arrangements for the benefit of advancing stockholder value and being competitive in the marketplace for executive and managerial talent; and
- Review, from time to time, market comparisons of the compensation of the Chief Executive Officer and other executive officers.

Our company s compensation philosophy is designed to align executive compensation with our company s objectives, management initiatives and business financial performance. In making decisions with respect to executive compensation, the Board of Directors and the Compensation Committee apply the following key principles:

- Total compensation should be comparable to our peers, in order to attract and retain key executives who are critical to our success;
- Reward executives for long-term strategic management and the creation of stockholder value;
- Support a performance-oriented environment that rewards company and individual achievement; and
- Balance the costs and benefits associated with both (a) short-term and long-term compensation and (b) cash and non-cash compensation, to achieve continuous improvement in financial performance and enhance employee retention and recruiting.

With respect to all areas of compensation, the Compensation Committee regularly communicates with management. For example, the Compensation Committee invites certain members of our senior management to be present for a significant portion of every Compensation Committee meeting. This allows the Compensation Committee to solicit management s input regarding various compensation matters, such as management s views regarding salary increases and performance of the executive officers of the company, form and amount of equity compensation and the components of the SVA Plan. The Compensation Committee then meets in executive session without management to deliberate and decide on compensation matters.

Overview of Fiscal 2014 Executive Compensation Program

Our total compensation program for the named executive officers and other executive officers in fiscal 2014 consisted of both cash compensation and equity-based compensation in the form of RSUs. Each executive officer s annual cash compensation is comprised of a base salary and an opportunity to earn an annual incentive award under the SVA Plan. The SVA Plan rewards participants for year-over-year improvement in our net operating profit after tax minus a capital charge. In addition, to be competitive in the marketplace we offer standard benefits available to all salaried employees, we provide life insurance for all named executive officers and participation in our Supplemental Retirement Plan (SERP) for certain named executive officers.

Operating Principles

The Compensation Committee broadly considered the factors more specifically set forth below when setting compensation for our named executive officers in fiscal 2014.

Management Philosophy. The Management Team, which consists of Jeffrey T. Sanfilippo, Michael J. Valentine and Jasper B. Sanfilippo, Jr. (the Management Team), has established an executive committee comprised of all of the named executive officers, as well as certain other executive officers (the Executive Committee). The members of this Executive Committee work together to manage our company s affairs, which includes meeting regularly to discuss various aspects of our company s operations and strategic goals. The Management Team adopted this collaborative approach to management for several reasons, including (a) the Management Team s belief that input from the Executive Committee members is essential to our company s success and (b) the Management Team s belief that the familial relationship between the Management Team members lends itself naturally to a collaborative approach to management. The Compensation Committee supports the Management Team s overall team-oriented approach to managing our company. Accordingly, at the Management Team s request, the Compensation Committee generally determined that the Management Team members compensation should all be equal for fiscal 2014.

Food Industry Comparison Group. When setting compensation for the named executive officers for fiscal 2014, the Compensation Committee compared elements of compensation (base salary, incentive compensation and equity grants) against the compensation reported for the named executive officers of a select group of companies engaged in the food business which are generally similar in size to our company (the Food Industry Comparison Group) as a reference in setting overall compensation competitiveness. For fiscal 2014, the Food Industry Comparison Group was comprised of 12 publicly traded companies with annual sales between approximately $200 million and $3.9 billion. The Compensation Committee s independent consultant prepared the reports regarding the Food Industry Comparison Group. For fiscal 2014, the Food Industry Comparison Group consisted of the following companies:

B&G Foods, Inc.	Keurig Green Mountain Inc.
Boulder Brands, Inc.	J & J Snack Foods Corp.
Cal-Maine Foods, Inc.	Lancaster Colony Corporation
Calavo Growers, Inc.	*Overhill Farms, Inc.**
Diamond Foods, Inc.	Snyder s-Lance, Inc.
Farmer Bros. Co.	Tootsie Roll Industries, Inc.

* Note that Overhill Farms, Inc. is now a subsidiary of Bellisio Foods, Inc. and relevant compensation data is no longer available.

In setting compensation, the Compensation Committee recognized that, among other things, the roles of the named executive officers in the Food Industry Comparison Group may not fully align with the roles and responsibilities of our named executive officers due to our collaborative approach to management and our business needs. For example, our Chief Financial Officer also serves as Group President. At many companies within the Food Industry Comparison Group, there is no specific officer who handles commodity procurement, a critical aspect of our business. In addition, market data for the Management Team was viewed relative to the average of the top three officers at each company in the Food Industry Comparison Group due to our collaborative approach to management, as opposed to a more traditional approach of individually comparing the pay of each member of the Management Team to the other individual corresponding top three officers of the companies in the Food Industry Comparison Group.

Individual Performance. Notwithstanding the Management Team s collaborative approach to management, the Compensation Committee considered the individual performance of each member of the Management Team, as well as the other executive officers, when it set and awarded compensation for fiscal 2014.

Independent Consultant. In fiscal 2014, the Compensation Committee again utilized Meridian Compensation Partners LLC (Meridian) as its independent compensation consultant to provide guidance regarding the compensation of our named executive officers and our Outside Directors. For fiscal 2014, Meridian reviewed the various components of compensation for our named executive officers, as well as the proposed changes in such compensation, and advised the Compensation Committee regarding how the changes compared to the Food Industry Comparison Group. Meridian provided no other services to our company in fiscal year 2014. The Compensation Committee determined that the work of the independent consultant has not raised any conflict of interest issues.

When determining pay levels for the Management Team, the Compensation Committee examines the competitive market data and individual performance of the three Management Team officers, and deliberates in executive session without any members of management present. When determining pay levels for the other executive offices that are not members of the Management Team, the Compensation Committee takes into account the competitive external market data, individual performance and also the recommendations from the Management Team.

Direct Compensation

Base Salary

The Compensation Committee recommends to the Board of Directors for approval the level of base salary for named executive officers, including the Chief Executive Officer, and the other executive officers. When determining the base salaries of our named executive officers and executive officers for fiscal 2014, the Compensation Committee considered the following factors:

- The Management Team s collaborative approach to management;

The Compensation Committee s historical practices, including the salaries paid to our named executive officers and executive officers during the immediately preceding fiscal year;

- The salaries paid to the named executive officers of the companies in the Food Industry Comparison Group;
- The individual performance of our named executive officers and executive officers;
- The input and recommendations from the Management Team regarding the performance, functions and responsibilities of other executive officers; and
- The input from the Compensation Committee s independent consultant, including information regarding general executive salary trends and survey information.

In connection with setting the base salaries for fiscal 2014, the Compensation Committee, with the input from the Management Team for executive officers, reviewed the individual performance of our company s management. The reviews consisted of the Compensation Committee members observations of the Chief Executive Officer and other executive officers performance throughout the fiscal year and specifically with respect to each individual officer s (a) roles and functions, and the fulfillment thereof and (b) positive contribution to our overall performance. The Compensation Committee also took into account its desire to migrate, over a period of years, the base salaries of the Management Team closer to the 50th percentile of the Food Industry Comparison Group, provided such moves were supported by the overall performance of our company and the individual performance of each member of the Management Team.

Based upon all of the foregoing factors, our Compensation Committee approved a 3.4% increase in the salaries paid to the Management Team for fiscal 2014. The uniform increase to the base salary of the Management Team was approved in part because of the Management Team s collaborative approach to management outlined above and the Compensation Committee s desire to bring the base salaries of the Management Team closer to the 50th percentile of the Food Industry Comparison Group. The Compensation Committee also considered the sustained performance of our company in approving the salary increases for the Management Team. The increases for James A. Valentine and Walter R. Tankersley of 2.9% and 2.5%, respectively, were proposed by our company s management based on each named executive officer s individual performance and the overall performance of our company.

After taking these increases into account, base salaries for the Management Team (Jeffrey T. Sanfilippo, Michael J. Valentine and Jasper B. Sanfilippo, Jr.) are, in the aggregate, still below the 50th percentile for the Food Industry Comparison Group while base salaries for the remaining named executive officers are above the 50th percentile for the Food Industry Comparison Group.

Annual Incentive Compensation Sanfilippo Value-Added Plan

As described in greater detail below, the general structure of the SVA Plan results in a cash payment to each participant calculated as follows:

Participant s Base Salary	X	Participant s Target Salary Percentage	X	SVA Improvement Multiple	=	SVA Payment Declared

The SVA Plan rewards plan participants with cash incentive compensation for year-over-year improvement in economic profit. Economic profit is our net operating profit after taxes minus a charge for capital. The charge for capital is determined by multiplying the weighted average cost of capital (10%) by the invested capital in the business (such year-over-year improvement hereinafter referred to as SVA), as illustrated below:

SVA	=	Net operating profit after taxes (NOPAT)	minus	Capital Charge(1)

(1) A 10% weighted average cost of capital was used for fiscal 2014, unchanged from fiscal 2013.

Overall SVA improvement occurs when the net operating profit after taxes less the capital charge increases on a year-over-year basis. Actual incentive compensation will be determined by comparing the SVA improvement amount relative to SVA improvement goals set for the fiscal year.

The Compensation Committee believes that using year-over-year SVA improvement in the SVA Plan motivates the plan participants to improve our company s financial performance and more effectively manage its working and fixed capital by encouraging the productive use of capital resources relative to their cost. For example, the Compensation Committee, from time to time, receives information from the Management Team on the impact of certain business decisions relative to SVA. The Compensation Committee also receives information, from time to time, about the positive overall relationship between SVA improvement and the price of our Common Stock. For fiscal 2014, the SVA Plan participants included members of the Executive Committee and approximately 180 other salaried personnel.

SVA Targets and Payments

The Compensation Committee, with the assistance of Meridian, its independent consultant, and the Management Team, established the SVA improvement goals for fiscal 2014. The Compensation Committee set three parameters for the SVA payout: the Threshold, or Minimum improvement goal, the Target goal and the Maximum goal.

- Achieving at or below the Threshold, or Minimum goal of SVA improvement would result in a 0% payout or no payout of the participant s target award.

- Achieving the Target goal of SVA improvement would result in a 100% payout, or a 1x multiplier of the participant s target award.

- Achieving the Maximum goal of SVA improvement would result in a 200% payout, or a 2x multiplier of the participant s target award.

In order to achieve a payout under the SVA Plan, SVA improvement must exceed the Threshold, or Minimum goal of SVA improvement. SVA improvement amounts that fall in between the Threshold, Target, and Maximum goals are interpolated between each respective amount. For example, an SVA improvement level which was exactly in between the Target and Maximum goals would result in a 150% payout, or 1.5x multiplier of the participant s target award. Each participant receives the same SVA improvement multiplier.

The goals for SVA improvement and results are shown below:

Fiscal 2014 SVA Improvement Goals, Results, and Payouts

Threshold/Minimum Goal	$ 400,000	0%, or 0x multiplier
Target Goal	$ 1,200,000	100%, or 1x multiplier
Maximum Goal	$ 2,000,000	200%, or 2x multiplier
Fiscal 2014 Result	$ 1,230,000	104%, or 1.04x multiplier
Fiscal 2014 SVA Payout = 104%, or 1.04x the participant s target award		

For fiscal 2014, the Compensation Committee established each SVA Plan participant s target award by multiplying the participant s base salary by a set percentage, or Target Salary Percentage. For fiscal 2014, each SVA Plan participant had a Target Salary Percentage ranging from 5% to 85% of their base salary. The Compensation Committee determined the Target Salary Percentage based on recommendations from management as to the participant s overall responsibilities and title. For fiscal 2014, each member of the Management Team received a 85% Target Salary Percentage (increased from 70% in fiscal 2013) and James A. Valentine and Walter R. Tankersley received a 60% Target Salary Percentage.

The table below summarizes the SVA Payments for the 2014 fiscal year for our named executive officers, based on the respective base salaries, Target Salary Percentages and SVA Improvement Multiple:

			Fiscal 2014 SVA Payout(1)				
Officer	Base Salary		Target Salary Percentage		SVA Improvement Multiple		SVA Payment Declared
Jeffrey T. Sanfilippo	$ 430,542		85%		1.04		$380,599
Michael J. Valentine	$ 430,542		85%		1.04		$380,599
Jasper B. Sanfilippo, Jr.	$ 430,542	X	85%	X	1.04	=	$380,599
James A. Valentine	$ 347,312		60%		1.04		$216,723
Walter R. Tankersley	$ 278,021		60%		1.04		$173,485

(1) As described under Individual Performance Payouts for the Management Team below, 20% of the total SVA Payment Declared ($76,120) was subject to achievement of individual goals for each member of the Management Team.

Individual Performance Payouts for the Management Team

For fiscal 2014, the SVA Payment Declared also included of an individual performance component for the members of the Management Team. 20% of the total SVA Payment Declared was subject to the Compensation Committee s discretion based on the Management Team members individual performance. The Compensation Committee reviewed proposed individual goals, which consisted of operational and business initiatives in furtherance of the company s Strategic Plan or the company s overall performance, before approving the goals in early fiscal 2014. Based on the Compensation Committee s evaluation of the personal performance of each individual, the Compensation Committee could, at its discretion, award a range from the full 20% of the total SVA Payment Declared, or not award any of the 20%. Under this payout structure, the Compensation Committee could award anywhere from the entire 20% ($76,120) to 0% ($0) to each member of the Management Team, but could not increase the SVA payout above the SVA Payment Declared as set forth above. The Compensation Committee believes that this formal evaluation process has resulted in the Management Team s overall improved performance and improved understanding of the Compensation Committee s expectations regarding certain performance matters beyond those specifically addressed via SVA.

For fiscal 2014, each member of the Management Team had three individual goals one of which was the same for each member, namely Corporate Leadership .

More specifically, the Corporate Leadership individuals goal consisted of (a) promoting a lean and performance-based culture throughout the company, (b) fostering a lean culture for each department the Management Team was responsible for and (c) identifying any gaps and executing action plans to change and align processes and systems to execute the long-term strategy of our company.

Each Management Team member had a second individual, or Corporate Strategy goal. Jeffrey T. Sanfilippo s Corporate Strategy goal was to promote the company s Strategic Plan by specifically optimizing resources across the organization and to establish benchmarks on costs, best practices and capabilities. Michael J. Valentine s Corporate Strategy goal was to manage growth and product launches with key customers while controlling our company s overall headcount. Jasper B. Sanfilippo Jr. s Corporate Strategy Goal was to execute certain lean projects in our company s operations.

The third individual goal for Jeffrey T. Sanfilippo was Brand Development , which consisted of growing branded sales by utilizing consumer insights to develop products and integrated marketing programs to build brand equity. The third individual goal for Michael J. Valentine was Financial , which consisted of managing and increasing inventory turns on raw materials. The third individual goal for Jasper B. Sanfilippo, Jr. was Operations , which consisted of improving production facility operations to increase efficiency.

These individual goals for each member of the Management Team are considered on a subjective basis by the Compensation Committee and no single individual goal was determinative in establishing such member s individual performance. In addition, the Compensation Committee did not assign any specific weight to the achievement of any individual goal nor did it use any formulas to determine how to award the 20% of the individual performance payout.

For fiscal 2014, after review of each of the Management Team s individual goals and their individual performance, the Compensation Committee awarded the full 20% of the individual portion of incentive compensation to members of the Management Team. As a whole, each member of the management team received $304,479 from the non-discretionary component of the SVA Plan and $76,120 in incentive compensation from the individual performance component of the SVA Plan.

Long-Term Incentives Equity Awards Under the 2008 Plan

As described under Security Ownership of Certain Beneficial Owners and Management , the Management Team, and the 13D groups to which they belong, have a large ownership interest in our company. The Compensation Committee recognizes that the Management Team s large equity holdings in our company have resulted in the alignment of the Management Team s interests with those of our stockholders. As a result, the Compensation Committee s philosophy with respect to both the total amount of equity granted and equity as a compensation component has generally been more conservative as compared to our peers in the Food Industry Comparison Group. Thus, grants of equity awards to the named executive officers were below the 50th percentile of the Food Industry Comparison Group in fiscal 2014.

In deciding the amount of RSUs to grant an Executive Committee member in fiscal 2014, the Compensation Committee considered the responsibilities of each executive officer and our financial and operating performance in the prior fiscal year. In addition, for fiscal 2014, the Compensation Committee specifically considered the company s conservative use of equity and the desire to migrate the equity compensation of the Management Team toward the 50th percentile of the Food Industry Comparison Group when granting equity awards. As part of these considerations, the Compensation Committee granted each member of the Management Team $200,000 of RSUs, or 7,900 RSUs overall. Due to the Management Team s collaborative approach to management, each member of the Management Team was granted the same overall number of RSUs. Mr. James A. Valentine, after input from management and deliberation by the Compensation Committee, was awarded $80,000 of RSUs, or 3,160 RSUs overall and Mr. Tankersley was awarded 2,500 RSUs. The Compensation Committee typically approves the equity awards to be granted for any given fiscal year at the Compensation Committee meeting held at or around the annual meeting of stockholders. Annual equity award grant dates are set on the 10th business day after the grant approval date this date was chosen for administrative, compliance and governance reasons. For the fiscal 2014 RSU award grant, the Compensation Committee approved the grant on October 30, 2013, with a grant date of November 13, 2013.

Stock Ownership Guidelines

Generally, executive officers and outside directors must hold a minimum of 10,500 shares of our company s Common Stock or Class A Stock (including any earned but unvested RSUs) before any Common Stock can be sold or equity awards exercised for cash. The minimum amount is 20,000 shares for members of the Management Team.

All Other Compensation

In addition to the direct compensation described above, our company offers certain other benefits to our executive officers, including the named executive officers, which consist of life insurance, company-sponsored retirement plans and limited perquisites.

Life Insurance We provide our named executive officers with life insurance.

Company-Sponsored Retirement Plans Our company offers retirement plans for eligible employees, as follows:

401(k) Plan. The company s 401(k) Plan is a tax-qualified defined-contribution retirement plan. All non-union, salaried employees who are 21 years of age or older, and have completed one year of service, including the named executive officers, are eligible to participate and receive a company match in our 401(k) Plan. All participants in our 401(k) Plan may receive company matching contributions of 100% of the employee s contribution up to 3% of an employee s salary and 50% of the next 2% of an employee s salary; however, the match may not exceed 4% of an employee s total salary. The Compensation Committee approves these matching percentages and limits annually. Our company contributed $43,936 as matching funds under the 401(k) Plan for fiscal 2014 for the named executive officers as a group, which are set forth in more detail in the All Other Compensation for Fiscal Year 2014 table below.

SERP. On August 2, 2007 the CNG Committee approved a restated Supplemental Retirement Plan for certain named executive officers and key employees of our company. The restated SERP changes the plan adopted on August 25, 2005 to, among other things, clarify certain actuarial provisions and incorporate new Internal Revenue Service (IRS) requirements. The current SERP participants are Jasper B. Sanfilippo and Mathias A. Valentine, (as former employees), the members of the Management Team and James A. Valentine, a named executive officer. The purpose of the SERP is to provide unfunded, non-qualified deferred compensation benefits to participants upon retirement, disability or death. The Compensation Committee believes that the SERP is a useful tool in motivating employees that are key to our company s success and helps to ensure that the benefits provided by our company are competitive with the market. The current plan participants were chosen by our CNG Committee (prior to the creation of a separate Compensation Committee) based upon numerous factors, including the participant s seniority, role within our company, and demonstrated commitment and dedication to our company. Participants with at least five years of employment with us are eligible to receive monthly benefits from the SERP after separating from service with our company, provided such participant s employment is not terminated for cause (as defined in the SERP). For more information about the SERP please see Company-Sponsored Retirement Plans below.

Perquisites Our company provides a minimal amount of perquisites to the named executive officers, including members of the Management Team. The perquisites provided in fiscal 2014 were airline club memberships, travel expenses for spouses on business trips, matching 401k contributions, and personal use of company vehicles or a direct car allowance. We have provided additional information on perquisites in the table entitled All Other Compensation for Fiscal Year 2014.

Response to the 2013 Advisory Vote on Executive Compensation

In 2013, the stockholders of our company had the opportunity, pursuant to SEC regulations, to have an advisory vote to approve the compensation paid to the named executive officers. The results of the vote were as follows:

31,575,344 votes were For the compensation paid to our named executive officers;

160,782 votes were Against the compensation paid to our named executive officers; and

45,400 votes abstained.

Based on the above results, approximately 99.4% of our voting shares supported the compensation paid to our named executive officers. The Compensation Committee considered these results in light of our company s corporate structure, and determined that no significant changes were required to our company s compensation program as a result of the vote.

Policy With Respect to Qualifying Compensation for Tax Deductibility and Accounting Matters

Our company s ability to deduct compensation paid to covered employees (as defined in the Section 162(m) of the Code (Section 162(m)), including certain named executive officers, for tax purposes is generally limited by Section 162(m) to $1.0 million annually. However, this limitation does not apply to performance-based compensation if certain conditions are satisfied as set forth in more detail in Section 162(m). We view preserving the tax deductibility of compensation, pursuant to Section 162(m), as an important objective, but not the only objective, in establishing executive compensation. The Compensation Committee has designed our compensation programs with the goal of preserving the tax deductibility, pursuant to Section 162(m), of performance-based compensation granted to covered employees but may, in its discretion, award compensation that does not qualify for tax deductibility pursuant to Section 162(m).

The Compensation Committee, as necessary in its judgment, reviews projections of the estimated accounting (pro forma expense) and tax impacts of all material elements of the executive compensation program. Generally, the accounting expenses are accrued over the requisite service period of the particular pay element (generally equal to the performance period) and our company realizes a tax deduction upon the payment to or realization by the executive. We account for our equity awards under FASB ASC Topic 718 and we use the Black-Scholes option pricing formula for determining the grant date fair value of our stock options at grant.

COMPENSATION OF EXECUTIVE OFFICERS

Summary Compensation Table

The Summary Compensation Table provides the total compensation for the last three completed fiscal years for each of our company s named executive officers.

Summary Compensation Table for Fiscal Year 2014

Name and Principal Position	Year	Salary	Stock Awards(1)	Non-Equity Incentive Compensation (2)	Change in Pension Value and Nonqualified Deferred Compensation Earnings(3)	All Other Compensation(4)	Total
Jeffrey T.	2014	$ 430,542	$ 200,028	$ 380,599	$ 459,551	$ 18,942	$ 1,489,662
Sanfilippo	2013	$ 410,146	$ 49,200	$ 535,969	$ 157,389	$ 27,154	$ 1,179,858
Chief Executive Officer	2012	$ 367,546	$ 15,840	$ 508,510	$ 336,289	$ 11,349	$ 1,239,534
Michael J.	2014	$ 430,542	$ 200,028	$ 380,599	$ 569,114	$ 20,886	$ 1,601,169
Valentine	2013	$ 410,146	$ 49,200	$ 535,969	$ 226,965	$ 16,553	$ 1,238,833
Chief Financial Officer	2012	$ 367,546	$ 15,840	$ 508,510	$ 405,696	$ 13,752	$ 1,311,344
Jasper B.	2014	$ 430,542	$ 200,028	$ 380,599	$ 323,851	$ 30,759	$ 1,365,779
Sanfilippo, Jr.	2013	$ 410,146	$ 49,200	$ 535,969	$ 75,145	$ 31,536	$ 1,101,996
Chief Operating Officer	2012	$ 367,546	$ 15,840	$ 508,510	$ 253,094	$ 24,391	$ 1,169,381
James A.	2014	$ 347,312	$ 80,011	$ 216,605	$ 308,410	$ 11,458	$ 963,796
Valentine	2013	$ 336,716	$ 49,200	$ 377,724	$ 82,517	$ 11,345	$ 857,502
Chief Information Officer	2012	$ 323,534	$ 15,840	$ 383,673	$ 293,971	$ 11,263	$ 1,028,281
Walter R.	2014	$ 278,021	$ 63,300	$ 173,404	$	$ 16,838	$ 531,563
Tankersley	2013	$ 270,796	$ 49,200	$ 303,831	$	$ 16,603	$ 640,430
Senior Vice President of Procurement and Commodity Risk Management	2012	$ 262,286	$ 35,640	$ 311,041	$	$ 13,380	$ 622,347

(1) The amounts in this column reflect the grant date fair value of RSUs granted under the 2008 Plan for the respective fiscal year. In accordance with FASB ASC Topic 718, the grant date fair value was determined by using the closing price of our Common Stock on the grant date multiplied by the number of awards granted.

(2) The amounts in this column reflect payments made pursuant to our SVA Plan for the respective fiscal year, and reflect only earnings for services during such fiscal year. For the Management Team, this column reflects all SVA payments, including the individual performance payout, for fiscal 2014, fiscal 2013 and fiscal 2012.

(3) The amounts in this column reflect the aggregate change in actuarial value of the named executive officers accumulated benefit under the SERP from June 28, 2013 to June 26, 2014, June 29, 2012 to June 27, 2013, and July 1, 2011 to June 28, 2012, which were our SERP plan measurement dates used for financial reporting purposes for fiscal 2014, 2013 and 2012, respectively. Assumptions used to calculate the amounts can be found immediately after the Pension Benefits Table for Fiscal Year 2014 below. None of our named executive officers earned above-market or preferential earnings on compensation that was deferred on a basis that was not tax-qualified. See Company-Sponsored Retirement Plans for more information about the SERP.

(4) The amounts in this column reflect perquisites and other personal benefits. The table below entitled All Other Compensation for Fiscal Year 2014 shows each component of the total amount included in this column.

All Other Compensation for Fiscal Year 2014[(1)]

Name	Personal and Family Travel	Club Memberships	401(k) Match[(2)]	Executive Life Insurance[(3)]	Car Allowance[(4)]	Total
Jeffrey T. Sanfilippo	$ 9,215	$ 400	$ 7,800	$ 775	$ 752	$ 18,942
Michael J. Valentine	$	$ 425	$ 10,484	$ 775	$ 9,202	$ 20,886
Jasper B. Sanfilippo, Jr.	$ 3,900	$	$ 10,484	$ 775	$ 15,600	$ 30,759
James A. Valentine	$	$	$ 4,832	$ 626	$ 6,000	$ 11,458
Walter R. Tankersley	$	$	$ 10,336	$ 502	$ 6,000	$ 16,838

(1) Such perquisites and personal benefits are valued at their aggregate incremental cost to our company based on the following methodology: all of the perquisites and personal benefits referred to by this footnote (4) to the Summary Compensation Table involved an actual cash expenditure by our company and therefore the actual cash expenditure is what is reflected as the value of the perquisites and personal benefits.

(2) The amounts in this column reflect the company s matching contributions to our company s 401(k) Plan.

(3) The amounts in this column reflect life insurance premiums paid by the company on behalf of the named executive officers.

(4) The amounts in this column reflect the named executive officers personal usage of a company car or a direct car allowance paid to a named executive officer.

Company-Sponsored Retirement Plans

A purpose of the SERP is to provide the Management Team and James A. Valentine (collectively, the SERP Future Participants) with a meaningful retirement benefit. The SERP is an unfunded plan. If a participant in the SERP, after serving our company for at least five years, separates from service to our company at or after the age of 65, benefits will be payable to the participant for life. Monthly installments will be paid at a rate equal to (a) one-twelfth (1/12th) of 50% of the participant s highest consecutive five year average annual base salary, bonus and non-equity incentive compensation earned during the participant s final 10 years of service, multiplied by (b) the number of full years the participant was employed by the company divided by the greater of (i) 20 or (ii) the number of full years the participant would have been employed if he had been employed by the company from his hire date through attainment of age 65 (which quotient shall not exceed 1.0). In the event that the participant s benefits commence after he turns 65 years old, the participant s benefit as otherwise computed under the SERP shall be adjusted for the time value of money (interest only) from age 65 to his age at actual retirement. If the participant has a beneficiary (the existence of a beneficiary is determined at the time the benefits commence), the benefits will be in the form of a joint and 100% contingent annuitant benefit, which is the actuarial equivalent of the participant s life-only benefit. If a participant separates from service to our company prior to the age of 65 and has achieved 10 years of service to us, certain reduced early retirement benefits may be available. All of the named executive officers eligible to participate in the SERP have already achieved 10 years of service to us, but none are 65 or older. Payments under the SERP are subject to a deduction for social security and other offset amounts. The SERP participants are responsible for their portion of such payments.

The present value of the accumulated benefits for each of the executive officers in the table below is based upon the following: (a) in determining the number of years of credited service at retirement age, the retirement age is 60 65 years old; (b) the annual retirement payment is 50% of the executive s current compensation; (c) the discount rate is 4.37% and (d) the IRS 2014 Mortality Table Post-retirement was used to determine life expectancy after the retirement date. A further discussion of the assumptions used in calculating the amounts shown in the table below can be found in Note 13 to our audited consolidated financial statements for the year ended June 26, 2014, included in our Annual Report on Form 10-K filed with the Commission on August 27, 2014.

Pension Benefits Table for Fiscal Year 2014

Name, Position & Age(1)	**Plan Name**	**Number of Years of Credited Service(2)**	**Present Value of Accumulated Benefits**	**Payments During Last Fiscal Year**
Michael J. Valentine, CFO, 55	Supplemental Retirement Plan	27	$ 2,011,146	$