

## PROPOSAL 5—SHAREHOLDER PROPOSAL: ELECT EACH DIRECTOR ANNUALLY

We have been advised that James McRitchie, 9295 Yorkship Court, Elk Grove, CA 95758, beneficial owner of no less than 300 shares of common stock, intends to present the following proposal for consideration at the annual meeting. Proponent's Proposal and Supporting Statement

### Proposal 5—Elect Each Director Annually

RESOLVED, shareholders ask that our Company take the steps necessary to reorganize the Board of Directors into one class with each director subject to election each year and to complete this transition within one-year.

Arthur Levitt, former Chairman of the Securities and Exchange Commission said, "In my view it's best for the investor if the entire board is elected once a year. Without annual election of each director shareholders have far less control over who represents them."

In 2010 over 70% of S&P 500 companies had annual election of directors. Now that number stands at 83%. Most (66%) mid-caps have also declassified their boards. It is time for UNFI to join the 21st century.

Shareholder resolutions on this topic have won an average support of 68% in a single year.

This proposal should also be evaluated in the context of our Company's overall corporate governance as reported in 2012:

GMI Ratings, an independent research firm, rated our company "High Concern" for Takeover Defenses. Our directors had 3-year terms, which would make any attempt to gain control of a majority of the board more difficult and lengthy. In addition, our company has charter and bylaw provisions that would make it difficult or impossible for shareholders to enlarge the board or remove directors and fill the resulting vacancies. The combined effect was to reduce board accountability to shareholders. Plus shareholders had no right to call a special meeting or to act by written consent.

Key directors had served for more than 13-years, which can impact director independence at the expense of shareholders. This included our Chairman Michael Funk, Lead Director and Nomination Committee chair Gordon Barker and Compensation Committee chair James Heffernan. More than 50% of the seats on our most important board committees were held by long tenured directors.

CEO Steven Spinner received pay which included stock options and restricted stock units that simply vested after time without performance-contingent criteria. And only 64% of CEO pay was incentive based.

Please encourage our board to respond positively to this proposal:  
Elect Each Director Annually—Proposal 5.

#### The Company's Statement in Opposition to Proposal 5

The Board opposes this stockholder proposal and unanimously recommends that stockholders vote "AGAINST" it for the reasons discussed below.

Our Company has maintained a classified board structure since 1996. Since 1996, our Board has taken several steps as part of our commitment to ensure the highest level of standards in corporate governance, including terminating our stockholders rights plan in 2004 and amending our Bylaws and the charter of the Nominating and Corporate Governance Committee in 2007 to provide for a majority-voting standard for uncontested director elections. As part of our commitment, the Board has from time to time considered arguments both in support of and in opposition to our existing classified board structure. After review and deliberation, the Board has determined that our classified board structure continues to promote the best interests of our Company and our stockholders.

**Stability and Continuity.** Our classified board structure is designed to promote continuity and stability of leadership. Electing directors to staggered three-year terms helps ensure that a majority of our directors have prior experience with and knowledge of our business and strategy. Directors who have experience with our Company and knowledge of our business and strategic plans are a

valuable resource and are well-positioned to make fundamental decisions in the best interests of our Company and our stockholders. In addition, because a classified board structure produces more orderly change in the composition of the Board, maintaining a classified board structure strengthens our ability to recruit and retain highly qualified directors who are willing and able to make a significant long-term commitment required to understand fully our business and strategy. The Board believes that this continuity and stability facilitates our ability to maximize both short- and long-term stockholder value.

**Accountability to Stockholders.** The Board believes that electing directors to three-year terms enhances the independence of our non-management directors from management and from special interest groups who may have an agenda contrary to the long-term interests of all of our stockholders. Our independent directors are able to make decisions that are in our best interests without having to consider annual elections. In addition, the Board does not believe that annual elections of directors are necessary to promote their accountability to our stockholders since our directors are required to uphold their fiduciary duties to us and our stockholders, regardless of the length of their terms of office. The Board believes that overall accountability to our stockholders is achieved through our stockholders' election of highly qualified and responsible individuals as directors, not the length of their terms.

**Protection against Unsolicited Acquisition Offers.** The Board also believes that our classified board structure plays an important role in ensuring that the interests of all our stockholders are protected and maximized in connection with an unsolicited acquisition offer. Our classified board structure strongly encourages a person seeking to obtain control of the Company to negotiate mutually agreeable terms with the Board because at least two annual meetings will be required to effect a change in control of the Board. Our classified board structure does not preclude a person from taking control of our Company, but the delay in effecting a change in control of the Board provides the Board with greater opportunity to evaluate the adequacy and fairness of any takeover proposal, to negotiate on behalf of all stockholders and to consider alternative methods of maximizing stockholder value.