

SANFILIPPO JOHN B & SON INC  
Form DEF 14A  
September 11, 2009

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**  
**SCHEDULE 14A**  
**(Rule 14a-101)**

**PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES**  
**EXCHANGE ACT OF 1934 (Amendment No. )**

Filed by the Registrant   
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to § 240.14a-12

**John B. Sanfilippo & Son, Inc.**

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials:

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount previously paid:

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

(3) Filing Party:

(4) Date Filed:

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**TABLE OF CONTENTS**

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT  
NOMINEES FOR ELECTION BY THE HOLDERS OF COMMON STOCK  
NOMINEES FOR ELECTION BY THE HOLDERS OF CLASS A STOCK  
CORPORATE GOVERNANCE  
DIRECTOR NOMINATIONS  
AUDIT COMMITTEE REPORT  
COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS  
COMPENSATION DISCUSSION AND ANALYSIS  
COMPENSATION OF EXECUTIVE OFFICERS  
COMPENSATION COMMITTEE REPORT  
PERFORMANCE GRAPH  
REVIEW OF RELATED PARTY TRANSACTIONS  
SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE  
ANNUAL REPORT ON FORM 10-K  
STOCKHOLDER PROPOSALS FOR THE 2010 ANNUAL MEETING  
PROXY SOLICITATION  
OTHER MATTERS

**JOHN B. SANFILIPPO & SON, INC.**

1703 North Randall Road  
Elgin, Illinois 60123

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

to be held  
on October 28, 2009

**TO THE STOCKHOLDERS:**

The annual meeting of stockholders of John B. Sanfilippo & Son, Inc. will be held on Wednesday, October 28, 2009, at 10:00 a.m., local time, at 1707 N. Randall Road, Elgin, Illinois 60123, for the following purposes:

1. To elect directors;
2. To ratify the action of the Audit Committee in appointing PricewaterhouseCoopers LLP as our independent auditors for the fiscal year ending June 24, 2010; and
3. 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 August 31, 2009, 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 meeting.

On or about the mailing date of this notice and our proxy statement, a Notice of Internet Availability of Proxy Materials (the Internet Notice ) was mailed to stockholders who were not sent the printed proxy materials. The Internet Notice provides details regarding the availability of our full proxy materials, including our proxy statement and our annual report, at the Internet website address <http://www.proxydocs.com/JBSS>. All stockholders were mailed either the Internet Notice, or the printed proxy materials which include a proxy card.

**If a stockholder wishes to vote electronically, the stockholder should follow the instructions on how to vote electronically that are included on the stockholder's proxy card or Internet Notice. The internet availability of our proxy materials gives our stockholder's 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 meeting and vote in person.**

**By Order of the Board of Directors**

**MICHAEL J. VALENTINE**

**Secretary**

**Elgin, Illinois**

**September 11, 2009**

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**John B. Sanfilippo & Son, Inc.**

**PROXY STATEMENT**

**ANNUAL MEETING OF STOCKHOLDERS**

October 28, 2009

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 28, 2009, at 10:00 a.m., local 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 given 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 proxy so that it is received by 5:00 p.m. Eastern Time on October 27, 2009; or (c) attending the Annual Meeting and voting in person.

Any written notice of revocation should be received by us 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, the company or our company refer to John B. Sanfilippo & Son, Inc. The mailing address of our principal executive offices is 1703 N. Randall Road, Elgin, Illinois 60123-7820.

This Proxy Statement and the form of proxy are first being sent or made available to stockholders on or about September 11, 2009.

On or about the mailing date of this Proxy Statement, a Notice of Internet Availability of Proxy Materials (the Internet Notice) was mailed to stockholders who were not sent the printed proxy materials. The Internet Notice provides details regarding the availability of our full proxy materials, including our proxy statement and our annual report, at the Internet website address <http://www.proxydocs.com/JBSS>. All stockholders were mailed either the Internet Notice, or the printed proxy materials which include a proxy card. If a stockholder wishes to vote electronically, the stockholder should follow the instructions on how to vote electronically that are included on the stockholder's proxy card or Internet Notice.

**Record Date and Shares Outstanding**

We had outstanding on August 31, 2009, the record date for determination of stockholders entitled to notice of and to vote at the Annual Meeting, 8,022,699 shares of Common Stock (excluding 117,900 treasury shares) and 2,597,426 shares of Class A Stock. The Common Stock is traded on the NASDAQ Global Market. 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<sup>1</sup>/<sub>2</sub>% 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 and 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 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 presence at the Annual Meeting, in person or by proxy, of holders of Common Stock entitled to cast at least a majority of the votes which the Common Stock is entitled to cast is required in order to establish a quorum for the purpose of electing the directors to be elected by holders of Common Stock (the Common Stock Directors ). The presence at the Annual Meeting, in person or by proxy, of holders of Class A Stock entitled to cast at least a majority of the votes which the Class A Stock is entitled to cast is required in order to establish a quorum for the purpose of electing the Class A Directors. The presence at the Annual Meeting, in person or by proxy, of holders of Common Stock and Class A Stock entitled to cast at least a majority of the aggregate number of votes which all such stock is entitled to cast on matters other than the election of directors is required in order to establish a quorum for the purpose of any other business.

Two proposals are scheduled for stockholder consideration at the Annual Meeting, each of which is described more fully herein: (a) the election of eight directors; and (b) the ratification of the action of the Audit Committee in appointing PricewaterhouseCoopers LLP as our Independent Registered Public Accounting Firm for the fiscal year ending June 24, 2010. The vote required and method of counting votes for each of these proposals is as follows:

**Proposal 1: Election of Directors**

At the meeting, the holders of Common Stock voting as a class will be entitled to elect two of the eight directors, and 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. 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 Independent Registered Public Accounting Firm**

To be approved, the ratification of PricewaterhouseCoopers LLP 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. 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.

**Abstentions and Non-Votes**

Shares not present at the meeting and shares voting abstain have no effect on the election of directors (Proposal 1). For the proposal ratifying the selection of PricewaterhouseCoopers LLP as our Independent Registered Public Accounting Firm for fiscal 2010 (Proposal 2), abstentions are treated as shares present or represented and voting; therefore, abstaining has the same effect as a negative vote. Broker non-votes on a proposal (shares held by brokers that do not have discretionary authority to vote on the matter and have not received voting instructions from their clients) are not counted or deemed present or represented for determining whether stockholders have approved that proposal.

**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.

**SECURITY OWNERSHIP OF CERTAIN  
BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth information as of August 31, 2009, except where otherwise indicated in the footnotes, with respect to the beneficial ownership of Common Stock and Class A Stock by (a) each individual, group, or entity known by us to be the beneficial owner of more than 5% of the outstanding shares of Common Stock or Class A Stock, (b) each of our directors and nominees for election as a director, (c) each of our named executive officers, and (d) all of our directors and executive officers as a group. The information set forth in the table as to directors and executive officers is based upon information furnished to us by them in connection with the preparation of this Proxy Statement. Except where otherwise indicated in the footnotes to this table, the mailing address of each of the stockholders named in the table is: c/o John B. Sanfilippo & Son, Inc., 1703 N. Randall Road, Elgin, Illinois 60123-7820. None of the shares shown in the following table as beneficially owned by directors and executive officers has been hedged or pledged as security for any obligation.

Name	No. of Shares of Common Stock <sup>(1)</sup>	% of Outstanding Shares of Common Stock	No. of Shares of Class A Stock <sup>(1)(2)</sup>	% of Outstanding Shares of Class A Stock	% of Outstanding Votes on Matters Other than Election of Directors
Jasper B. Sanfilippo <sup>(3)(4)(7)+</sup>	43,312	*	163,045	6.3	4.9
Marian R. Sanfilippo <sup>(5)(6)(7)</sup>	26,984	*	220,220	8.5	6.6
Jeffrey T. Sanfilippo <sup>(7)(8)+</sup>	40,832	*	44,044	1.7	1.4
Jasper B. Sanfilippo, Jr. <sup>(7)(8)+</sup>	12,000	*	1,429,275	55.0	42.1
Lisa A. Evon <sup>(7)(8)</sup>	625	*	44,044	1.7	1.3
John E. Sanfilippo <sup>(7)(8)</sup>	28,152	*	44,044	1.7	1.4
James J. Sanfilippo <sup>(7)(8)</sup>			1,429,275	55.0	42.0
Total Controlling Group <sup>(7)</sup>	114,241	1.4	1,768,496	68.1	52.3
Michael J. Valentine <sup>(9)+</sup>	12,000	*	568,342	21.9	16.7
Mathias A. Valentine <sup>(10)+</sup>	2,000		260,588	10.0	7.7
Total Valentine Group <sup>(11)</sup>	14,000	*	828,930	31.9	24.4
James A. Valentine <sup>(12)-</sup>	12,350	*			*
Walter R. Tankersley <sup>(13)-</sup>	24,592	*			*
Timothy R. Donovan <sup>(14)+</sup>	7,250	*			*
Governor Jim Edgar <sup>(15)+</sup>	11,750	*			*
Daniel M. Wright <sup>(16)+</sup>	5,750	*			*
Pekin Singer Strauss Asset Mgmt <sup>(17)</sup>	1,187,154	14.8			3.5
Dimensional Fund Advisors LP <sup>(18)</sup>	688,183	8.6			2.0
All directors and executive officers as a group (17 persons all of whom are	224,596	2.7	2,465,294	94.9	72.8

stockholders and/or option holders)  
(3)(4)(5)(6)(7)(8)(9)(11)(12)(13)(14)(15)(16)(19)

- + Denotes director.
- Denotes named executive officer.
- \* Less than one percent (1%).



- (1) Except as otherwise indicated below, beneficial ownership means the sole power to vote and dispose of shares. In calculating each holder's percentage ownership and beneficial ownership in the table above, shares of Common Stock which may be acquired by the holder through the exercise of stock options that are exercisable or the conversion of restricted stock units ( RSUs ) that are vested on or within 60 days of August 31, 2009, are included.
  
- (2) Each share of Class A Stock is convertible at the option of the holder thereof at any time and from time to time into one share of Common Stock. In addition, the Restated Certificate provides that

Class A Stock may be transferred only to (a) Jasper B. Sanfilippo or Mathias A. Valentine, (b) a spouse or lineal descendant of Jasper B. Sanfilippo or Mathias A. Valentine, (c) trusts for the benefit of any of the foregoing individuals, (d) entities controlled by any of the foregoing individuals, (e) John B. Sanfilippo & Son, Inc., or (f) any bank or other financial institution as a bona fide pledge of shares of Class A Stock by the owner thereof as collateral security for indebtedness due to the pledgee (collectively, the Permitted Transferees ), and that upon any transfer of Class A Stock to someone other than a Permitted Transferee each share transferred will automatically be converted into

one share of  
Common Stock.

- (3) Includes 32,609 shares of Class A Stock held by Jasper B. Sanfilippo as trustee of the James J. Sanfilippo Trust, dated September 26, 1991, 32,609 shares of Class A Stock held by Jasper B. Sanfilippo as trustee of the Jasper B. Sanfilippo, Jr. Trust, dated September 23, 1991, 32,609 shares of Class A Stock held by Jasper B. Sanfilippo as trustee of the Lisa Ann Sanfilippo Trust, dated October 4, 1991, 32,609 shares of Class A Stock held by Jasper B. Sanfilippo as trustee of the Jeffrey T. Sanfilippo Trust, dated October 4, 1991, and 32,609 shares of Class A Stock held by Jasper B. Sanfilippo as trustee of the John E. Sanfilippo

Trust, dated October 2, 1991. The beneficiaries of the aforementioned trusts are the children of Jasper and Marian Sanfilippo (two of whom, Jasper B. Sanfilippo, Jr. and Jeffrey T. Sanfilippo, are executive officers and directors of our company).

- (4) Includes 22,480 shares of Common Stock held directly by Jasper B. Sanfilippo, 2,000 RSUs that are convertible to 2,000 shares of Common Stock on or within 60 days of August 31, 2009, and 18,832 shares of Common Stock held by Jasper B. Sanfilippo as a co-trustee of the Sanfilippo Family Education Trust, dated October 17, 1997, the beneficiaries of which are the grandchildren of Jasper and Marian Sanfilippo. As

co-trustee,  
Jasper B.  
Sanfilippo  
shares voting  
and dispositive  
power over the  
18,832 shares of  
Common Stock  
held in the trust.

- (5) Includes 44,044  
shares of  
Class A Stock  
held by Marian  
Sanfilippo as  
co-trustee of the  
Jeffrey T.  
Sanfilippo  
Irrevocable  
Trust, dated  
October 6,  
2006, 44,044  
shares of  
Class A Stock  
held by Marian  
Sanfilippo as  
co-trustee of the  
Jasper B.  
Sanfilippo, Jr.  
Irrevocable  
Trust, dated  
October 6,  
2006, 44,044  
shares of  
Class A Stock  
held by Marian  
Sanfilippo as  
co-trustee of the  
John E.  
Sanfilippo  
Irrevocable  
Trust, dated  
October 6,  
2006, 44,044  
shares of  
Class A Stock  
held by Marian  
Sanfilippo as  
co-trustee of the  
James J.  
Sanfilippo

Irrevocable Trust, dated October 6, 2006, and 44,044 shares of Class A Stock held by Marian Sanfilippo as co-trustee of the Lisa A. Evon Irrevocable Trust, dated October 6, 2006. The beneficiaries of the aforementioned trusts are the children of Jasper and Marian Sanfilippo (two of whom, Jasper B. Sanfilippo, Jr. and Jeffrey T. Sanfilippo are executive officers and directors of our company). As co-trustee, Marian Sanfilippo shares voting and dispositive power over the aggregate 220,220 shares of Class A Stock held in the aforementioned trusts.

- (6) Includes 8,152 shares of Common Stock held directly by Marian Sanfilippo and 18,832 shares of

Common Stock held as a co-trustee of the Sanfilippo Family Education Trust, dated October 17, 1997, the beneficiaries of which are the grandchildren of Jasper and Marian Sanfilippo. As co-trustee, Marian Sanfilippo shares voting and dispositive power over the 18,832 shares of Common Stock held in the trust.

- (7) On June 21, 2004, a Schedule 13D was filed jointly by the persons referenced in the stock table (the Controlling Group ). The Schedule 13D was amended on March 21, 2007, January 16, 2008, and September 10, 2009. The Controlling Group made a single, joint filing to reflect the formation of a group within the meaning of Section 13(d)(3) of the Securities Exchange Act

of 1934, as amended (the Exchange Act ).

Except as expressly set forth in the Schedule 13D, each member of the Controlling Group disclaims beneficial ownership of the Common Stock and Class A Stock beneficially owned by any other member of the Controlling Group.



By filing the Schedule 13D, the members of the Controlling Group provided notice that they (a) beneficially own, in the aggregate, securities controlling in excess of 50% of the voting power of our common equity and (b) intend to act as a group. As a result, we are a controlled company pursuant to Section 5615(c)(1) of the Nasdaq Listing Rules.

The members of the Controlling Group are deemed to beneficially own an aggregate of 1,768,496 shares of Class A Stock and 114,241 shares of Common Stock, which includes 68.1% of the total outstanding shares of Class A Stock and 19.2% of the total outstanding shares of Common Stock, assuming the conversion of all such shares of Class A Stock into an equal number of shares of Common Stock. Based on the relative voting rights of the

Class A Stock and Common Stock, the Reporting Persons have or share 52.3% of the total outstanding voting power of our common equity, calculated by using 10 votes per share of Class A Stock and assuming that the applicable shares of Class A Stock are not converted into Common Stock.

The beneficial ownership of Jasper B. Sanfilippo and Marian R. Sanfilippo is described in footnotes (3), (4), (5) and (6) above. The beneficial ownership of the remainder of the Controlling Group is as follows:

***Jeffrey T.***

***Sanfilippo:*** The beneficial ownership of Jeffrey T. Sanfilippo includes (a) 18,832 shares of Common Stock held as a co-trustee of the Sanfilippo Family Education Trust, dated October 17, 1997, the beneficiaries of which are the grandchildren of Jasper and Marian

Sanfilippo,  
(b) options to  
purchase 12,000  
shares of Common  
Stock with a  
weighted average  
exercise price of  
\$17.17 per share  
on or within  
60 days of  
August 31, 2009,  
(c) 10,000 shares  
of Common Stock  
held directly by  
Jeffrey T.  
Sanfilippo, and (d)  
44,044 shares of  
Class A Stock held  
as co-trustee of the  
Jeffrey T.  
Sanfilippo  
Irrevocable Trust,  
dated October 6,  
2006. As  
co-trustee, Jeffrey  
T. Sanfilippo  
shares voting and  
dispositive power  
over the 18,832  
shares of Common  
Stock held in the  
Sanfilippo Family  
Education Trust  
and the 44,044  
shares of Class A  
Stock held in the  
Jeffrey T.  
Sanfilippo  
Irrevocable Trust,  
dated October 6,  
2006.

***Jasper B.***

***Sanfilippo, Jr.:***

The beneficial  
ownership of  
Jasper B.  
Sanfilippo, Jr.  
includes  
(a) options to  
purchase 12,000

shares of Common Stock with a weighted average exercise price of \$17.17 per share on or within 60 days of August 31, 2009, (b) 1,385,231 shares of Class A Stock held as co-trustee of the Sanfilippo Family 1999 Generation Skipping Trust Agreement, dated December 31, 1999, and (c) 44,044 shares of Class A Stock held as co-trustee of the Jasper B. Sanfilippo, Jr. Irrevocable Trust, dated October 6, 2006. As co-trustee, Jasper B. Sanfilippo, Jr. shares voting and dispositive power over the 44,044 shares of Class A Stock held in the Jasper B. Sanfilippo, Jr. Irrevocable Trust, dated October 6, 2006 and the 1,385,231 shares of Class A Stock held in the Sanfilippo Family 1999 Generation Skipping Trust Agreement, dated December 31, 1999.

***Lisa A. Evon:***

The beneficial ownership of Lisa

A. Evon includes  
(a) options to purchase 625 shares of Common Stock with an exercise price of \$7.95 per share on or within 60 days of August 31, 2009, and  
(b) 44,044 shares of Class A Stock held as co-trustee of the Lisa A. Evon Irrevocable Trust, dated October 6, 2006. As co-trustee, Lisa A. Evon shares voting and dispositive power over the 44,044 shares of Class A Stock held in the trust.

***John E.***

***Sanfilippo:*** The beneficial ownership of John E. Sanfilippo includes (a) 28,152 shares of Common Stock held directly by John E. Sanfilippo and (b) 44,044 shares of Class A Stock held as co-trustee of the John E. Sanfilippo Irrevocable Trust, dated October 6, 2006. As co-trustee, John E. Sanfilippo shares voting and dispositive power over the 44,044 shares of Class A Stock held in the trust.

***James J.***

***Sanfilippo:*** The beneficial ownership of James J. Sanfilippo includes (a) 1,385,231 shares of Class A Stock held as co-trustee of the Sanfilippo Family 1999 Generation Skipping Trust Agreement, dated December 31, 1999, and (b) 44,044 shares of Class A Stock held as co-trustee of the James J. Sanfilippo Irrevocable Trust, dated October 6, 2006. As co-trustee, James J. Sanfilippo shares voting and dispositive power over the 44,044 shares of Class A Stock held in the James J. Sanfilippo Irrevocable Trust, dated October 6, 2006 and the 1,385,231 shares of Class A Stock held in the Sanfilippo Family 1999 Generation Skipping Trust Agreement, dated December 31, 1999.

Jeffrey T.  
Sanfilippo,  
Jasper B.  
Sanfilippo, Jr.,  
Lisa A. Evon,  
John E.  
Sanfilippo and  
James J.  
Sanfilippo, as  
co-trustees of  
each of their  
aforementioned  
trusts dated  
October 6,  
2006, are also  
the sole  
beneficiaries  
under each of  
their respective  
trusts.

The  
beneficiaries of  
the Sanfilippo  
Family 1999  
Generation  
Skipping Trust  
Agreement,  
dated  
December 31,  
1999 are the  
descendants of  
Marian  
Sanfilippo, as  
grantor, which  
include James J.  
Sanfilippo and  
Jasper B.  
Sanfilippo, Jr.,  
who together  
are the trustees  
of that trust.

The information  
set forth in the  
table above and  
in the  
accompanying  
footnotes with

respect to  
Marian R.  
Sanfilippo, Lisa  
A. Evon, John  
E. Sanfilippo  
and James J.  
Sanfilippo is  
based solely on  
the  
Schedule 13D  
filed by the  
Controlling  
Group, as  
amended on  
September 10,  
2009.

- (8) Excludes 32,609 shares of Class A Stock held by Jasper B. Sanfilippo as trustee of the trusts described in footnote (3) above, the beneficiary of which is the individual in the table that has a reference to this footnote (8) by his or her name.
- (9) Includes 568,342 shares of Class A Stock held as trustee of the following three trusts under the Valentine Trust, dated March 26, 1991: the Trust for Michael J. Valentine under the Valentine Trust, dated March 26, 1991, and the Trust for James A.



Valentine under the Valentine Trust, dated March 26, 1991, each of which owns 189,447 shares of Class A Stock, and the Trust for Mary Jo Carroll under the Valentine Trust, dated March 26, 1991, which owns 189,448 shares of Class A Stock.

The beneficiaries of these trusts are the children of Mathias and Mary Valentine, including Michael J.

Valentine, an executive officer and director of our company, and James A. Valentine, an executive officer of our company.

Includes options to purchase 12,000 shares of Common Stock with a weighted average exercise price of \$17.17 per share on or within 60 days of August 31, 2009.

- (10) Includes 2,000 RSUs that are convertible to 2,000 shares of

Common Stock  
on or within  
60 days of  
August 31,  
2009, and  
260,588 shares  
of Class A  
Stock held  
directly by  
Mathias A.  
Valentine.

- (11) Michael J.  
Valentine and  
Mathias A.  
Valentine have  
formed a group  
as reflected by  
the  
Schedule 13Ds  
filed on June 21,  
2004. The total  
beneficial  
ownership of  
the group  
consists of  
828,930 shares  
of Class A  
Stock, 2,000  
RSUs that are  
convertible to  
2,000 shares of  
Common Stock  
on or within  
60 days of  
August 31, 2009  
and options to  
purchase 12,000  
shares of  
Common Stock  
with a weighted  
average exercise  
price of \$17.17  
per share on or  
within 60 days  
of August 31,  
2009, which  
represents  
31.9% of the  
issued and  
outstanding

Class A Stock,  
and 9.5% of the  
issued and  
outstanding  
Common Stock  
assuming the  
conversion of  
all such shares  
of Class A  
Stock into an  
equal number of  
shares of  
Common Stock.

Based on the  
relative voting  
rights of the  
Class A Stock  
and Common  
Stock, Michael  
J. Valentine  
directly or  
indirectly  
controls 16.7%,  
while Mathias  
A. Valentine  
directly controls  
7.7% of the total  
outstanding  
voting power of  
our common  
equity. In  
addition, the  
group directly  
controls 24.4%  
of the total  
outstanding  
voting power of  
our common  
equity. These  
percentages  
assume that the  
applicable  
shares of  
Class A Stock  
are not  
converted into  
Common Stock,  
and are  
calculated using  
10 votes per

share of Class A  
Stock.

- (12) Includes options to purchase 12,000 shares of Common Stock with a weighted average exercise price of \$17.17 per share on or within 60 days of August 31, 2009, and includes 350 shares of Common Stock held directly by James A. Valentine. Excludes 189,447 shares of Class A Stock held as trustee by Michael J. Valentine, an executive officer and director of our company.
- (13) Includes options to purchase 23,900 shares of Common Stock with a weighted average exercise price of \$13.15 per share on or within 60 days of August 31, 2009, and includes 692 shares of Common Stock held directly by Walter R. Tankersley.

(14)

Includes options to purchase 5,250 shares of Common Stock with a weighted average exercise price of \$16.06 per share on or within 60 days of August 31, 2009, and includes 2,000 RSUs that are convertible to 2,000 shares of Common Stock on or within 60 days of August 31, 2009. Excludes (a) 35,000 shares of Common Stock held by Mr. Donovan's spouse, Elaine Karacic, as trustee of certain trusts, the beneficiaries of which are the children of

Mr. Donovan  
and  
Ms. Karacic,  
(b) 6,791 shares  
of Common  
Stock held by  
Ms. Karacic as  
trustee of a  
trust, the  
beneficiary of  
which is  
Ms. Karacic's  
sibling, and  
(c) 30,619  
shares of  
Common Stock  
held by  
Ms. Karacic in  
her name.

Mr. Donovan  
disclaims  
beneficial  
ownership of all  
of the foregoing  
excluded shares  
of Common  
Stock.

Mr. Donovan's  
mailing address  
is: c/o Harrah's  
Entertainment,  
Inc., One  
Caesars Palace  
Drive, Las  
Vegas, Nevada  
89109.

- (15) Includes options  
to purchase  
7,750 shares of  
Common Stock  
with a weighted  
average exercise  
price of \$12.36  
per share on or  
within 60 days  
of August 31,  
2009, includes  
2,000 RSUs that

are convertible to 2,000 shares of Common Stock on or within 60 days of August 31, 2009, and includes 2,000 shares of Common Stock held directly by Gov. Jim Edgar.

- (16) Includes options to purchase 1,750 shares of Common Stock with a weighted average exercise price of \$14.78 per share on or within 60 days of August 31, 2009, includes 2,000 RSUs that are convertible to 2,000 shares of Common Stock on or within 60 days of August 31, 2009, and includes 2,000 shares of Common Stock held directly by Daniel M. Wright.

- (17) The information set forth in the table above and in this footnote is based solely on Form 13F-HR as of June 30, 2009, filed by Pekin Singer Strauss Asset Management

dated  
August 18,  
2009. The  
mailing address  
of Pekin Singer  
Strauss Asset  
Management is:  
21 South Clark  
Street,  
Suite 3325,  
Chicago, Illinois  
60603.

(18) The information  
set forth in the  
table above and  
in this footnote  
is based solely  
on Form  
13F-HR as of  
June 30, 2009,  
filed by  
Dimensional  
Fund Advisors  
LP dated  
August 7, 2009.  
The mailing  
address of  
Dimensional  
Fund Advisors  
LP is: 6300 Bee  
Cave Road,  
Building One,  
Austin, Texas  
78746.

(19) Includes options  
to purchase a  
total of 147,900  
shares of  
Common Stock  
(including the  
options referred  
to in footnotes  
7, 9, 11, 12, 13,  
14, 15 and 16  
above) at prices  
ranging from  
\$3.438 to  
\$32.30 per share  
which are



exercisable by certain of the directors and executive officers on or within 60 days of August 31, 2009, and includes 10,000 RSUs that are convertible to 10,000 shares of Common Stock on or within 60 days of August 31, 2009 (including the RSUs referred to in footnotes 4, 10, 11, 14, 15 and 16.

**PROPOSAL 1: ELECTION OF DIRECTORS**

Eight directors are to be elected to serve until the next annual meeting of stockholders and until their respective successors shall be elected and qualified. Two of such 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.**

**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 63 Gov. Edgar is currently a Distinguished Fellow at the University of Illinois Institute of Government and Public Affairs where he is also a teacher and lecturer. He has been in this position since January 1999. 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 serves on the board of directors of Alberto Culver Company, Horizon Group Properties, Inc. and Youbet.com, Inc. 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 Chairman of our Corporate Governance Committee (the Governance Committee).

**Daniel M. Wright, Director**, age 71 Mr. Wright currently serves on the Board of Directors of RC2 Corporation, where he is a member of its Audit Committee. 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 from 1973 through August 1998, and became a certified public accountant in 1968. 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 Chairman of our Audit Committee.

#### **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, Director**, age 78 Mr. Sanfilippo was employed by us from 1953 to his retirement as an employee of our company in January 2008. Mr. Sanfilippo served as our President from 1982 to December 1995 and was our Treasurer from 1959 to October 1991. He became our Chairman of the Board of Directors and Chief Executive Officer in October 1991 and has been a member of our Board of Directors since 1959. Mr. Sanfilippo 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. Sanfilippo resigned as Chief Executive Officer of our company in November 2006, as our employee Chairman of the Board of Directors on January 10, 2008 and as our Chairman of the Board of Directors on October 30, 2008. Mr. Sanfilippo is the father of Jasper B. Sanfilippo, Jr. and Jeffrey T. Sanfilippo, both of whom are executive officers and directors of our company, the brother-in-law of Mathias A. Valentine, a director of our company, the uncle of Michael J. Valentine, a director and an executive officer of our company, and James A. Valentine, an executive officer of our company.

Mr. Sanfilippo is also the uncle by marriage of Timothy R. Donovan, a director of our company.

**Jasper B. Sanfilippo, Jr., Chief Operating Officer, President, Assistant Secretary and Director**, age 41

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 1992 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 is the son of Jasper B. Sanfilippo, a director of our company, the nephew of Mathias A. Valentine, a director of our company, the brother of Jeffrey T. Sanfilippo and the cousin of Michael J. Valentine, both of whom are executive officers and directors 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.

**Jeffrey T. Sanfilippo, Chief Executive Officer and Chairman of the Board of Directors**, age 46 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 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 son of Jasper B. Sanfilippo, a director of our company, 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 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.

**Mathias A. Valentine, Director**, age 76 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 brother-in-law of Jasper B. Sanfilippo, a director of our company, 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. Mr. Valentine is also the uncle by marriage of Timothy R. Donovan, a director of our company.

**Michael J. Valentine, Chief Financial Officer, Group President, Secretary and Director**, age 50 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. 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, the nephew of Jasper B. Sanfilippo, a director of our company, and cousin of Jasper B. Sanfilippo, Jr. and Jeffrey T. Sanfilippo, both of whom are executive officers and directors of our company. Mr. Valentine is also a first cousin by marriage of Timothy R. Donovan, a director of our company.

**Timothy R. Donovan, Director**, age 53 Mr. Donovan is the Senior Vice President and General Counsel of Harrah's Entertainment, Inc., the world's largest gaming and resort company. Mr. Donovan joined Harrah's in April 2009 upon his resignation as Executive Vice President and General Counsel 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 Chairman of our Compensation Committee. Mr. Donovan is a nephew by marriage of Mr. Jasper B. Sanfilippo and Mr. Mathias A. Valentine, both of whom are directors 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.

## CORPORATE GOVERNANCE

### Director Independence

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) jointly filed a Schedule 13D indicating their intention to act together as a group. The Schedule 13D was amended on March 21, 2007, January 16, 2008, and September 10, 2009. This group beneficially owns shares entitled to cast 52.3% of votes eligible to be cast on matters submitted to stockholders generally (other than the election of directors which are elected as described above). Accordingly, 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, (b) a nominations committee comprised solely of independent directors, or (c) a compensation committee comprised solely of independent directors. Nevertheless, three 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.

A director is independent under Nasdaq Listing Rule 5605(a)(2) if: (a) neither he, she nor certain members of his or her family has been an executive officer of our company within the previous three years; (b) he or she has not been an employee of the company at any time in the previous three years; (c) neither he, she nor certain family members have accepted compensation from the company (outside of certain identified compensation, such as payment for board service) in excess of \$120,000 in any 12 month period within the previous three years; (d) neither he, she nor certain family members is a partner, controlling stockholder, or executive officer of an organization to which the company made or from which the company received, payments for property or services in the current or any of the past three fiscal years that exceed 5% of the recipient's consolidated gross revenues for that year, or \$200,000, whichever is more (except solely from investments in the company's securities and payments under non-discretionary charitable contribution matching programs); (e) neither he, she nor certain family members is an executive officer of another entity where at any time during the past three years any of the executive officers of the company served on the compensation committee of such other entity; (f) neither he, she nor certain family members is a current partner of the company's outside auditor, or was a partner or employee of the company's outside auditor who worked on the company's audit at any time during any of the past three years; and (g) he or she does not have, in the opinion of the board of directors, any relationships which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. A family member is defined by Nasdaq Listing Rule 5605(a)(2) as including a person's spouse, parents, children and siblings, whether by blood, marriage or adoption, or anyone residing in such person's home. Both Jasper B. Sanfilippo and Mathias A. Valentine are uncles by marriage of Timothy R. Donovan and the Management Team (as defined below) members are cousins by marriage of Timothy R. Donovan. However, because Timothy R. Donovan is not considered a family member pursuant to the Nasdaq rules, and, for the reasons discussed below, he qualifies as an independent director pursuant to Nasdaq Listing Rule 5605(a)(2).

### Independence of the Board of Directors

The Board of Directors has determined that Gov. Jim Edgar, Daniel M. Wright, and Timothy R. Donovan 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, 2008, 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 Gov. Jim Edgar, Daniel M. Wright, and Timothy R. Donovan'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 certain members of the Management Team, Jasper B. Sanfilippo, Mathias A. Valentine and Roseanne Christman (our Director of Corporate Marketing - Private Brands), 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, Jasper B. Sanfilippo, Mathias A. Valentine and Roseanne Christman are sufficiently distant because his relationships to those individuals are all based upon marriage; and (b) in his role and experience as general counsel of another

public company, he has a full understanding of his responsibilities with respect to being an independent director.

### **Independence of the Compensation Committee and the Corporate Governance Committee**

As a controlled company, 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, Chairman, Gov. Jim Edgar and Daniel M. Wright. The Governance Committee is comprised of Gov. Jim Edgar, Chairman, Daniel M. Wright and Timothy R. Donovan. 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.

### **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 Meetings and Committees**

### **Board of Directors**

Our Board of Directors held eight meetings during fiscal 2009. All directors attended at least 75% of the meetings of the Board of Directors, except for Jasper B. Sanfilippo who attended five of the eight Board of Directors meetings. 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 2008 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](http://www.jbssinc.com).

### **Compensation Committee**

The Compensation Committee is comprised of Timothy R. Donovan, Chairman, Gov. Jim Edgar and Daniel M. Wright, who are independent directors as described above. The Compensation Committee held seven meetings during fiscal 2009.

The Compensation Committee reviews and makes recommendations to the Board of Directors with respect to the salaries, equity grants (such as RSUs or stock options), incentive compensation (such as the Sanfilippo Value Added Plan, the SVA Plan ) and other compensation of executive officers and non-management directors (management directors are not separately compensated for their service as directors). 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 may review market comparisons of the compensation of the Chief Executive Officer and other executive officers that are prepared by its 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 the company as it deems necessary, and it may engage such compensation consultants, search firms, legal advisors 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, firm 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 2009, the Compensation Committee directly engaged ExeQuity LLP ( ExeQuity ), an independent compensation consultant, to review the proposed fiscal 2009 base salaries, conduct certain market analysis, review the SVA Plan and its related targets, advise the Compensation Committee with respect to granting fiscal 2009 equity awards pursuant to the 2008 Equity Incentive Plan, as amended (the 2008 Plan ), and advise the Compensation Committee on the compensation of our executive officers and our non-management directors. ExeQuity's advice and the results of its review were used by the





Compensation Committee in determining executive officer and non-management director compensation.

**Compensation Committee Interlocks and Insider Participation**

During fiscal 2009, Gov. Jim Edgar, Timothy R. Donovan (the Chairman of the Compensation Committee) and Daniel M. Wright served as the sole members of the Compensation Committee. Neither Gov. Jim Edgar, Daniel M. Wright 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 the one listed below for Timothy R. Donovan.

Roseanne Christman, Director of Corporate Marketing Private Brands, is the sister-in-law of Timothy R. Donovan. Roseanne Christman's total compensation for fiscal 2009 was \$196,018 including \$53,688 related to incentive plan compensation pursuant to our company's SVA Plan. The Compensation Committee, of which Mr. Donovan is a member, did not set Roseanne Christman's salary. Rather, the Audit Committee, of which Mr. Donovan is a member, reviewed and approved Roseanne Christman's salary and it will continue to review her salary along with other related parties in the future. See 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 2009.

**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 refine its corporate governance policies and procedures. The Governance Committee is comprised of Gov. Jim Edgar, Chairman, Timothy R. Donovan and Daniel M. Wright, who are independent directors as described above. The Governance Committee held three meetings during fiscal 2009. The Governance Committee screens 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 and coordinates 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 our proxy statement. Further, the Audit Committee reviews related party transactions for potential conflict of interest situations and decides whether such transactions stand the test of competitive bids or arms length negotiations with an independent party. The Audit Committee is comprised of Daniel M. Wright, Chairman, Timothy R. Donovan and Gov. Jim Edgar. The Audit Committee held nine meetings during fiscal 2009.

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, (b) each member of the Audit Committee is independent for purposes of Section 10A and Rule 10A-3 of the Exchange Act, and (c) Mr. Wright, the Chairman of the Audit Committee, and Mr. Donovan, a member of the Audit Committee, are audit committee financial experts as defined by the Securities and Exchange Commission (the Commission). 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, 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](http://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 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 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 Attendance at Meetings**

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.

## **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.

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.

#### **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 the Governance Committee at: c/o 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, (b) the nominee's written consent to being named in the proxy statement as a nominee and to serving as a director, if elected, and (c) the submitting stockholder's written consent to being named in the proxy statement as the stockholder recommending the director nomination. In addition, such notice of a nominee shall include, 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. The foregoing requirements will be deemed satisfied by the stockholder if that stockholder has notified our company of his, her or its intention to present a nomination at an annual meeting in compliance with the applicable rules and regulations

under the Exchange Act and such stockholder's nomination has been included in a proxy statement that has been prepared by our company to solicit proxies for such annual meeting. 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.

Please see "Stockholder Proposals for the 2010 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 2010 annual meeting (but not to be included in our company's proxy materials).

#### **AUDIT COMMITTEE REPORT**

The Audit Committee has reviewed and discussed with management and PricewaterhouseCoopers LLP (PwC), the company's Independent Registered Public Accounting Firm for fiscal 2009, the company's audited financial statements as of and for the year ending June 25, 2009. 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). PwC 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 PwC, management's report on the operating effectiveness of internal control over financial reporting, including PwC's related report.

The Audit Committee has also discussed with PwC the matters required by Statement on Auditing Standards No. 114, *The Auditors' Communication with Those Charged with Governance*, by the Auditing Standards Board of the American Institute of Certified Public Accountants (such Statement on Auditing Standards superseded Statement on Auditing Standards No. 61, *Communication with Audit Committees*). In addition, the Audit Committee has received and reviewed the written disclosures and letter from PwC regarding PwC'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 PwC the independence of PwC, including whether PwC's independence is compatible with PwC providing non-audit services to the company. Based on the foregoing discussions and reviews, the Audit Committee is satisfied with the independence of PwC.

In reliance on the reviews and discussions described above and the report of PwC, 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 25, 2009, for filing with the Commission.

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

Daniel M. Wright, Chairman

Timothy R. Donovan

Governor Jim Edgar

*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, or the Exchange Act, except to the extent that we specifically incorporate it by reference in such filing.*

#### **COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS**

##### **Compensation of Directors**

During fiscal 2009, compensation to directors who were not employees of our company was paid at the rate of \$31,200 per year plus \$1,600 for each Board of Directors or committee meeting attended and \$1,100 for each telephonic meeting of the Board of Directors or committee meeting in which they participated. In addition, the Audit Committee Chairman and Compensation Committee Chairman were paid at the rate of \$10,400 per year. The Governance Committee Chairman 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 employees of our company receive no additional compensation for their services as directors.



Under the 2008 Plan, as amended, a director who is not an employee of our company, our subsidiary, or any of their affiliates (an Outside Director ) is eligible to participate in the 2008 Plan. On November 13, 2008, the Compensation Committee granted 2,000 RSUs to each of our five Outside Directors. These RSUs will vest on the date of the next annual stockholders meeting (October 28, 2009), and once vested, they generally become payable in an equal number of Common Stock after the director ceases being a member of the Board of Directors.

The aggregate compensation paid to or earned by non-employee directors during fiscal 2009 was \$362,099, as detailed in the following table:

**Director Compensation for Fiscal Year 2009**

<b>Director</b>	<b>Total Compensation \$</b>	<b>Cash Retainer \$</b>	<b>Committee Chairman Retainer \$</b>	<b>Meeting Fees \$</b>	<b>Stock Option Awards<sup>(1)</sup> \$</b>	<b>Restricted Stock Unit Awards<sup>(2)</sup> \$</b>
Timothy R. Donovan <sup>(3)</sup>	89,838	31,200	10,400	33,900	6,338	8,000
Governor Jim Edgar <sup>(4)</sup>	84,638	31,200	5,200	33,900	6,338	8,000
Daniel M. Wright <sup>(5)</sup>	89,923	31,200	10,400	34,900	5,423	8,000
Mathias A. Valentine <sup>(6)</sup>	50,500	31,200	0	11,300	0	8,000
Jasper B. Sanfilippo <sup>(7)</sup>	47,200	31,200	0	8,000	0	8,000
	<b>362,099</b>	<b>156,000</b>	<b>26,000</b>	<b>122,000</b>	<b>18,099</b>	<b>40,000</b>

(1) The amounts in the Stock Option Awards column reflect the dollar amount recognized for financial statement reporting purposes, in accordance with FAS 123R, for the year ended June 25, 2009 and include amounts attributable to stock options granted from fiscal 2005 through fiscal 2008 under our 1998 Equity Incentive Plan, as amended (the 1998 Plan ). A

discussion of the assumptions used in calculating the amounts shown in the column may be found in Note 8 to our audited consolidated financial statements for the year ended June 25, 2009, included in our Annual Report on Form 10-K filed with the Commission on August 27, 2009. These amounts reflect our company's accounting expense for these awards for accounting purposes and do not correspond to the actual value, if any, that may be recognized by the directors.

- (2) The amounts in the Restricted Stock Unit Awards column reflect the dollar amount recognized for financial statement reporting purposes, in accordance with FAS 123R, for the year ended June 25, 2009 and include



amounts attributable to RSUs granted under our 2008 Plan. A discussion of the assumptions used in calculating the amounts shown in the column may be found in Note 8 to our audited consolidated financial statements for the year ended June 25, 2009, included in our Annual Report on Form 10-K filed with the Commission on August 27, 2009. The grant date fair value on November 13, 2008 of the 2,000 RSUs awarded to each Outside Director was \$12,800, \$8,000 of which was recognized in fiscal 2009 and \$4,800 will be recognized in fiscal 2010. These amounts reflect our company's accounting expense for these awards for accounting purposes and do not correspond to the actual value, if any,

that may be  
recognized by  
the directors.

- (3) As of June 25,  
2009,  
Mr. Donovan  
had 6,500 stock  
options and  
2,000 RSUs  
outstanding.
- (4) As of June 25,  
2009, Gov.  
Edgar had 9,000  
stock options  
and 2,000 RSUs  
outstanding.
- (5) As of June 25,  
2009,  
Mr. Wright had  
3,000 stock  
options and  
2,000 RSUs  
outstanding.
- (6) As of June 25,  
2009,  
Mr. Valentine  
had 2,000 RSUs  
outstanding.
- (7) As of June 25,  
2009,  
Mr. Sanfilippo  
had 2,000 RSUs  
outstanding.

During fiscal 2009, 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. See "Certain Insurance Policy Arrangements" below.

#### **COMPENSATION DISCUSSION AND ANALYSIS**

The following is a discussion of our compensation paid to Jeffrey T. Sanfilippo, our Chief Executive Officer and Chairman, Jasper B. Sanfilippo, Jr., our Chief Operating Officer and President, Michael J. Valentine, our Chief Financial Officer and Group President, James A. Valentine, our Chief Information Officer and Walter R. Tankersley, our Senior Vice President of Industrial Sales (the foregoing, the "named executive officers") and an analysis of the compensation decisions affecting our named executive officers during fiscal 2009. Pursuant to a succession plan adopted by our Board of Directors, in November 2006, Jasper B. Sanfilippo resigned as our Chief Executive Officer and Jeffrey T. Sanfilippo, Jasper B. Sanfilippo, Jr., Michael J. Valentine and James A. Valentine (the "Management Team") were appointed to their respective positions. The resignation of Jasper B. Sanfilippo as our Chief Executive Officer and the subsequent election of the Management Team to their respective positions marked a historic change in our company, as the next generation of members of the Sanfilippo and Valentine families assumed oversight of our company's day-to-day operations.

#### **Publicly Traded and Family-Owned**

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 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 Sanfilippo, along with Mathias A. Valentine, Jasper 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 families control 52.3% and 24.4%, respectively, of the voting control of our company. In addition, our Board of Directors and our company's management continue to be comprised of members of the Sanfilippo and Valentine families. Jasper B. Sanfilippo is the father of (and Mathias A. Valentine is the uncle of) Jeffrey T. Sanfilippo and Jasper B. Sanfilippo, Jr. Mathias A. Valentine is the father of (and Jasper B. Sanfilippo is the uncle of) Michael J. Valentine and James A. Valentine.

We qualify as a "controlled company" under Nasdaq Listing Rule 5615(c)(1) because the Sanfilippo family controls 52.3% of voting control of our company. 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, Daniel M. Wright and Gov. Jim Edgar, all of whom are independent directors under Nasdaq rules. As discussed below, when making decisions regarding the compensation of the named executive officers and other members of our executive team, the unique structure of our company impacts the Compensation Committee's decision-making process.

### **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 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 manner and amount of compensation and all other employment related terms and agreements with respect to 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 named executive officers of our company;

Administer all stock option, RSU, other equity-related, incentive and other performance-related compensation plans and grant stock options, RSUs and other awards; 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 based upon principles 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, among others, the following key principles:

Our total compensation should be comparable (yet conservative) to that paid by our company's primary competitors, to enable our company to attract and retain key executives who are critical to our success;

Our company should reward executives for long-term strategic management and the enhancement of stockholder value;

Our company should support a performance-oriented environment that rewards performance based on our company's performance and the individual executive's performance; and

Our total compensation structure should 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, management is usually present for a portion of every Compensation Committee meeting. This allows the Compensation Committee to solicit management's feedback regarding various compensation matters, such as management's views regarding salary increases, equity compensation (such as RSUs or stock options) and the components of the SVA Plan.

### **Overview of Fiscal 2009 Executive Compensation Program**

Our total compensation program for the named executive officers and other executive officers in fiscal 2009 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 in excess of our annual cost of capital, as determined using the average expected return on our company's debt and equity capital. In addition to other standard benefits available to all salaried employees, we provide life insurance (including split-dollar life insurance) for all named executive officers and participation in our Supplemental Retirement Plan (SERP) for certain named executive officers.

#### ***Direct Compensation***

**Salary.** The Compensation Committee recommends to the Board of Directors the level of base salary for named executive officers, including the Chief Executive Officer, and the other executive officers. The Compensation Committee generally determines such salary based on a number of factors and criteria, including: (a) the salaries paid by us to our named executive officers and executive officers during the immediately preceding fiscal year; (b) guidelines for market increases to base salaries suggested by the Compensation Committee's independent consultant; (c) our performance during the immediately preceding fiscal year; (d) the performance of each of the named executive officers and executive officers during the immediately preceding fiscal year; (e) the salaries paid to the named executive officers of a select group of other companies engaged in a similar business and of a similar size to our company (the Food Industry Comparison Group); and (f) the salaries paid to the named executive officers of a broad range of similarly sized publicly traded companies (the Broad Industry Comparison Group). The Compensation Committee regularly utilizes independent consultants to assist establishing the executive salaries. The weight and importance given to the foregoing factors and the individual components of each factor and the decision whether to consider additional factors lies within the subjective discretion of the Compensation Committee. When determining the base salaries of our named executive officers and executive officers for fiscal 2009, the Compensation Committee considered: (a) the Management Team's collaborative approach to management; (b) the Compensation Committee's historical practices; (c) the salaries paid by companies in the Food Industry Comparison Group and the Broad Industry Comparison Group; (d) the individual performance of our named executive officers and executive officers; and (e) the input from the Compensation Committee's independent consultant.

Based upon all of the foregoing factors, especially the objective to move salaries closer to market median, our Compensation Committee decided to implement a 7.6% increase in the salaries paid to the Management Team for fiscal 2009, except for James A. Valentine. For fiscal 2009, Mr. Valentine, at his own election, decided not to receive the same salary as the other three members of the Management Team. Based upon all of the foregoing factors, our Compensation Committee decided to implement a 4.2% increase in the salary paid to Mr. Valentine for fiscal 2009.

Below is a summary of the key individual factors considered by the Compensation Committee.

**Management Philosophy.** The Management Team has established an executive committee comprised of all of the named executive officers, including Walter R. Tankersley, 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. The Management Team has adopted this collaborative approach to management for several reasons, including (a) the Management Team's belief that input from the non-Management Team 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. For fiscal 2009, the Compensation Committee determined to pay the top three members of the Management Team the same amount of base salary due to the Management Team's collaborative approach to management. The Compensation Committee determined that the Management Team's collaborative approach to management fosters cooperation among the Executive Committee members and supports the Management Team's overall team-oriented approach to managing our company.

**Historical Practices.** The Compensation Committee reviewed the salaries of our executive officers, including the Chief Executive Officer, at its first regularly scheduled meeting for fiscal 2009. The Compensation Committee reviewed the compensation components that existed in fiscal 2008 and then made adjustments to those components

for fiscal 2009.

*Food Industry Comparison Group and Broad Industry Comparison Group.* In light of the salary decisions made by the Compensation Committee with respect to the Management Team's philosophy as discussed above, the Compensation Committee did not use the named executive officers' salaries of the Food Industry Comparison Group or the Broad Industry Comparison Group in order to establish the base salaries for our named executive officers, including the Chief Executive Officer. However, the Compensation Committee did compare its determination of such salaries against the base salaries reported for the named executive officers of the Food Industry Comparison Group and the Broad Industry Comparison Group as independent measures of reasonableness. For fiscal 2009, the Food Industry Comparison Group was comprised of 16 publicly traded companies engaged in the food industry with annual sales between \$200 million and \$1 billion. For fiscal 2009, the Broad Industry Comparison Group was comprised of approximately 300 publicly traded companies with annual sales between \$450 million and \$650 million. The Compensation Committee's independent consultant prepared the reports regarding the Food Industry Comparison Group and the Broad Industry Comparison Group. For fiscal 2009, the Food Industry Comparison Group consisted of the following companies:

B&G Foods, Inc.

Cagle's Inc.

Cal-Maine Foods, Inc.

Calavo Growers, Inc.

Darling International Inc.

Diamond Foods, Inc.

Farmer Bros. Co.

Green Mountain Coffee Roasters, Inc.

The Hain Celestial Group, Inc.

Hines Horticulture, Inc.

Imperial Sugar Company

J & J Snack Foods Corp.

Lance, Inc.

Reddy Ice Holdings, Inc.

Tootsie Roll Industries, Inc.

TreeHouse Foods, Inc.

The fiscal 2009 base salaries of our named executive officers set by the Compensation Committee were, in general, at the middle range when compared to the base salaries of the Food Industry Comparison Group and the Broad Industry Comparison Group executives. However, it should be noted that, among other things, the roles of the named executive officers in the Food Industry Comparison Group and the Broad Industry Comparison Group may not fully align with the roles of our named executive officers. For example, our Chief Financial Officer also serves as Group President.

*Individual Performance.* Notwithstanding the Management Team's collaborative approach to management, the Compensation Committee informally reviewed the individual performance of our company's management when it set the base salaries for our executive officers in fiscal 2009. The reviews consisted of the Compensation Committee members' observations of the Chief Executive Officer and other top 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.

*Independent Consultant.* The Compensation Committee also utilized an independent consultant with expertise in executive compensation practices to analyze whether the base salaries of our named executive officers were in line with the market. The independent consultant reviewed the base salaries of our named executive officers, as well as the proposed changes in such salaries, and advised the Compensation Committee that the proposed changes to the named executive officers' salaries were generally consistent with the market.

#### **Non-Equity Incentive Compensation Program.**

In 2008 the Compensation, Nominating and Governance Committee (the CNG Committee) (which was the committee that existed prior to the creation of a separate Compensation Committee and a separate Governance Committee) developed the SVA Plan with input from the Management Team. Specifically, the Management Team worked with a

consultant to create a value-driven company culture and a financial performance turnaround, including the development of supporting incentives,



such as the SVA Plan. After months of planning, the Management Team, along with the company's consultant, proposed the SVA Plan to the CNG Committee and the CNG Committee's independent consultant. The Management Team explained to the CNG Committee and its independent consultant that the SVA Plan would motivate plan participants to work closely together towards significantly improving our company's financial performance. After much consideration and certain modifications by the CNG Committee and its independent consultant, the CNG Committee concurred with the Management Team that the SVA Plan was in our company's best interest and recommended the SVA Plan to the Board of Directors for approval. After much deliberation, the Board of Directors ultimately approved and adopted the SVA Plan. Fiscal 2008 was the first fiscal year during which our company's SVA Plan was in effect.

The SVA Plan rewards plan participants with incentive compensation for year-over-year improvement in our net operating profit after tax in excess of our annual cost of capital, as determined by using the average expected return on our company's debt and equity capital (such year-over-year improvement hereinafter referred to as "SVA"). The Compensation Committee believes that the SVA Plan motivates the plan participants to improve our company's financial performance and more effectively manage its working and fixed capital. For fiscal 2009, the SVA Plan participants included members of the Management Team and over 100 other salaried personnel.

For fiscal 2009, the Compensation Committee, with the assistance of its independent consultant, the Management Team, and a company consultant, established our targeted SVA goal for the fiscal year and each SVA Plan participant's percentage of base salary to be used for computing their incentive compensation payment ("Salary Percentage"). If the targeted SVA goal is achieved for the fiscal year, then the SVA Plan participants receive an incentive compensation award equal to their salary times their Salary Percentage. Based on a relationship between the performance level achieved and incentive awards generated as approved by the Compensation Committee at the beginning of the fiscal year, if the actual SVA performance exceeds the targeted SVA goal for the fiscal year, then the SVA Plan participants receive an incentive compensation award equal to their salary times their Salary Percentage times the total actual SVA for the fiscal year ("SVA Multiple"). For fiscal 2009, each SVA Plan participant had a Salary Percentage ranging from 10% to 70% of their base salary and, based on our actual SVA results for fiscal 2009, the company achieved a SVA Multiple of 1.34.

The top three members of the Management Team had a Salary Percentage of 70% of their base salary for fiscal 2009. All other members of the Executive Committee, including the remaining named executive officers, had a Salary Percentage of 60% of their base salary for fiscal 2009. The Compensation Committee set these two Salary Percentages in light of the Management Team's collaborative approach to management and the substantial responsibility held by each Executive Committee member.

For fiscal 2009, 20% of the incentive compensation awarded to each of the top three members of the Management Team was subject to the Compensation Committee's discretion based on the top three members' individual performances. When compared to the non-discretionary portion of the incentive compensation award (80% of the award), the Compensation Committee's determination of the remaining discretionary portion (20% of the award) could either increase or decrease the total incentive compensation award paid out, or the Compensation Committee could determine not to award any incentive compensation on the discretionary side. The Compensation Committee used specific SVA-based initiatives to evaluate the individual performance of each of the top three members of the Management Team. 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 performance. For fiscal 2009, the Compensation Committee reviewed the level of achievement of the individual performance goals for the top three members of the Management Team and determined that their goals had been achieved. As a result, the Compensation Committee approved an award of the discretionary portion at 134% of the target level, which ended up being consistent with the nondiscretionary award based on the SVA Multiple of 1.34.

For fiscal 2009, the discretionary portion of the SVA Plan incentive compensation awarded to each of the top three members of the Management Team was equal to the member's base salary times 70% (the Salary Percentage) times 1.34 times 20% (the discretionary portion). For fiscal 2009, the non-discretionary portion of the SVA Plan incentive compensation awarded to each of the top three members of the Management Team was equal to the member's base

salary times 70% (the Salary Percentage) times 1.34 (the SVA Multiple) times 80% (the non-discretionary portion). For fiscal 2009, Mr. James A. Valentine and Mr. Walter R. Tankersley, who constitute the rest of the named executive officers along with the top three members of the Management Team, each received total non-discretionary SVA Plan incentive compensation equal to their base salary times 60% (the Salary Percentage) times 1.34 (the SVA Multiple).

Furthermore, the SVA Plan includes a "bonus bank" feature that holds back a portion of any SVA Plan incentive award declared that is above a specified maximum amount and such held-back amount will be paid to the participant only upon the continued favorable performance of our company and the continued employment of the participant by our company. For fiscal 2009, the Compensation Committee set the maximum payment at 1.00 times the SVA. Since our company's actual results for fiscal 2009 showed improvement of 1.34 times the SVA, a portion of the incentive compensation was held back in the bonus bank. If in future years, pursuant to the terms of the SVA Plan, negative incentive compensation is declared, then the bonus bank will be decreased by the amount of such negative incentive compensation.

In the event of a SVA Plan participant's termination of employment due to death, disability, retirement or by our company other than for cause, the participant's bonus bank will be credited as of the end of the fiscal year in which the termination occurs, with his or her pro-rata portion of incentive compensation that is required to be put in bonus bank, as determined in accordance with the SVA Plan. Following the date that our company pays out incentive compensation for the fiscal year in which the termination occurs, or the date we would have paid it out if none was awarded, the full amount of a participant's bonus bank (if a positive balance then exists) will be considered earned as of the termination date and will be paid by our company to the former participant, or in the event of his or her death, to his or her estate or designated beneficiary. At the discretion of the Compensation Committee, any incentive compensation payments that are owed to a former participant that was terminated by our company other than for cause may be subject to a requirement that the former participant execute a release of claims against the company. The SVA Plan provides that in the event of voluntary termination of employment by a participant, termination of employment of a participant by our company for cause, or ineligibility, the participant's fiscal year incentive compensation and any bonus bank balance will be forfeited.

The SVA Plan defines a "change in control" as the later of: (a) the date on which no shares of our company's Class A Stock remain outstanding; and (b)(i) a change in the ownership of our company, (ii) a change in the effective control of our company or (iii) a change in the ownership of a substantial portion of the assets of our company (each of (i)-(iii) as defined in Section 409A of the Internal Revenue Code of 1986, as amended (the "Code")). In the event of a change in control during a fiscal year, at the end of that fiscal year the amount of incentive compensation for the fiscal year will be determined and credited to a participant's bonus bank, assuming that the targeted SVA goal for the fiscal year had been achieved. The amount of incentive compensation credited is determined by pro-rating it for the actual number of days in the fiscal year before the change in control. The incentive compensation that is actually paid out will equal one hundred percent (100%) of the participant's bonus bank after such pro-rated incentive compensation is credited, and it will be paid at the effective time of the change in control.

**Equity Awards Under the 2008 Plan.** Due to the Management Team's pre-existing ownership interest in our company, the Compensation Committee has not historically considered option grants, RSUs, or other equity awards, as a substantial or key component to the compensation of the Management Team. Accordingly, option grants in previous years and RSUs under the 2008 Plan, have been conservative. However, the Compensation Committee recognizes that the Management Team's large equity holdings in our company have resulted in aligning the Management Team's interests with those of our other stockholders. The Compensation Committee believes that this alignment is beneficial to our company and therefore it annually grants equity awards to all of our executive officers, including members of the Management Team.

In the event of termination of employment by resignation or for cause, all unexercised option awards or unvested RSUs are forfeited as of the termination date. In the event of termination by reason of death, options awards, to the extent exercisable, may be exercised at any time within one year after the date of death, and RSUs will vest on a prorated basis. In the event of termination by reason of retirement under the provisions of a retirement plan, option awards, to the extent exercisable, may be exercised within 90 days after the date of retirement or one year after the date of retirement if the grantee died during the 90-day period. In the event of termination by reason of permanent disability, option awards, to the extent exercisable, may be exercised within one year after the termination date, and RSUs will vest on a prorated basis. Provided that our company does not give notice to stock award grantees of its intent to cancel all unexercised awards as of the date of a change in control (as defined in the 2008 Plan), all unexercised awards may be exercised commencing on the date of a change in control. Once awarded, equity awards

cannot be modified in any other respect. Awards of stock options or stock appreciation rights are limited to 100,000 shares annually, and awards of Common Stock, restricted stock, or RSUs are limited to 50,000 shares annually.

In fiscal 2009, members of the Executive Committee, including Management Team members, were each granted 2,500 to 3,000 RSUs that vest after three years. In deciding the number of RSUs to grant an Executive Committee member in fiscal 2009, the Compensation Committee considered the number of equity awards granted to each Executive Committee member in the preceding fiscal year and the responsibilities of each executive officer. However, due to the Management Team's collaborative approach to management, each member of the Executive Committee (including each of the Management Team members) was granted a similar number of RSUs. The Compensation Committee historically approves the number of equity awards to be granted for any given fiscal year at the second Compensation Committee meeting held during the fiscal year (typically, in October or November). Beginning in fiscal 2007, 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 2009 RSU award grant, the Compensation Committee approved the grant on October 30, 2008, with a grant date of November 13, 2008. In order to enhance our company's management recruiting abilities, the Compensation Committee authorized the Management Team to, at its discretion, grant up to 1,500 equity awards to each new management hire. The Compensation Committee is informed of these grants, if any, for a particular fiscal year on the date of the first Compensation Committee meeting that is held in the succeeding fiscal year. These grants are approved for issue at the employment start date with the grant date being the 10th business day following the employment start date, and the exercise price is the closing price on the NASDAQ Global Market on the grant date. In fiscal 2009, the Management Team awarded one equity grant to a new hire who is not a named executive officer. In future years, it is possible that the Management Team could grant equity awards to a new hire who could become a named executive officer in that same fiscal year when his or her employment started or in future fiscal years.

**Stock Ownership Guidelines.** Due to the significant equity interests of the Sanfilippo and Valentine families in our company, the company has not established stock ownership guidelines.

***Company-Provided Benefits***

In addition to the direct compensation described above, our company offers certain other benefits to our executive officers, including the named executive officers. At this time, our company does not maintain any employment agreements with its employees.

**Life Insurance.** We provide the 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 in our 401(k) Plan. All participants in our 401(k) Plan may receive company matching contributions of 50% of the employee's contribution; however, the match may not exceed 4% of an employee's salary. The Compensation Committee may approve an additional match of up to 2% of an employee's salary subject to the 50% limitation. The Compensation Committee approved this additional 2% matching contribution in fiscal 2009. Our company contributed \$18,330 as matching funds under the 401(k) Plan for fiscal 2009 for the named executive officers as a group.

*SERP.* On August 2, 2007 the CNG Committee approved a restated SERP for certain named executive officers and key employees of our company, effective as of August 25, 2005. 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, and members of the Management Team. 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.



**Perquisites.** Our company provides a minimal amount of perquisites to key named executive officers, including members of the Management Team. The perquisites provided in fiscal 2009 were credit card memberships, travel expenses for spouses on business trips, and personal use of company vehicles or a direct car allowance. We have provided additional information on perquisites in the chart entitled *Perquisites and Other Personal Benefits*.

**Fiscal 2010 and Beyond Evolving Compensation Philosophy**

The SVA Plan has been expanded for fiscal 2010 to include virtually all salaried employees of our company. Currently there are over 170 participants in the SVA Plan. The Compensation Committee believes that expanding participation in the SVA Plan will help our company improve its financial performance and more effectively manage its working and fixed capital. For fiscal 2010, each SVA Plan participant will have a Salary Percentage ranging from 5% to 70% of the participant's base salary.

For fiscal 2009, members of the Management Team were paid substantially similar compensation amounts for the same reasons as described above. See *Overview of Fiscal 2009 Executive Compensation Program* above. The Compensation Committee has determined that, while it will continue to support a collaborative approach to management, certain distinctions may be made in the compensation of members of the Management Team to more closely align their compensation with their evolving specific roles. In fiscal 2009, distinctions were made with respect to salary, the Salary Percentage under the SVA Plan and inclusion in the discretionary portion of the SVA Plan incentive compensation awards.

**Policy With Respect to Qualifying Compensation for Tax Deductibility**

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. 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 taken appropriate actions to preserve the tax deductibility, pursuant to Section 162(m), of performance-based compensation granted to covered employees.

The Compensation Committee 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 FAS 123R and we use the Black-Scholes option pricing formula for determining the fair value of our stock options at grant.

**COMPENSATION OF EXECUTIVE OFFICERS****Summary Compensation**

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

The Summary Compensation Table is formatted in accordance with Item 402(c) of Regulation S-K and shows base salary, bonus, equity based awards (consisting of RSUs and stock options), non-equity incentive compensation and all other compensation, which includes, among other things, the value of perquisites and 401(k) contributions (see the table below entitled "Perquisites and Other Personal Benefits for Fiscal Year 2009"). The Summary Compensation Table also includes a column titled "Change in Pension Value and Nonqualified Deferred Compensation Earnings" for certain of our company's named executive officers, this column includes only the change in value of our company's SERP (see footnote (5)), which is an actuarial estimate of the cost of benefits.

**Summary Compensation Table for Fiscal Year 2009**

Name and Principal Position	Year	Salary	Bonus <sup>(1)</sup>	Option Awards <sup>(2)</sup>	Restricted Stock Awards <sup>(3)</sup>	Incentive Compensation <sup>(4)</sup>	Change in Pension Value and Nonqualified Deferred	All Other Compensation <sup>(6)</sup>	Total
							Earnings <sup>(5)</sup>		
Jeffrey T. Sanfilippo Chief Executive Officer	2009	\$306,619	\$57,522	\$15,680	\$4,000	\$230,086	\$26,884	\$10,188	\$650,979
	2008	\$286,941	\$40,510	\$26,636	\$	\$155,490	\$19,490	\$11,362	\$540,429
	2007	\$279,414	\$	\$19,716	\$	\$	\$41,260	\$8,308	\$348,698
Michael J. Valentine Chief Financial Officer and Group President	2009	\$306,619	\$57,522	\$15,680	\$4,000	\$230,086	\$38,384	\$9,431	\$661,722
	2008	\$286,941	\$40,510	\$26,636	\$	\$155,490	\$27,059	\$23,501	\$560,137
	2007	\$279,414	\$	\$19,716	\$	\$	\$55,996	\$16,340	\$371,466
Jasper B. Sanfilippo, Jr. Chief Operating Officer and President	2009	\$306,619	\$57,522	\$15,680	\$4,000	\$230,086	\$12,478	\$12,670	\$639,055
	2008	\$286,941	\$40,510	\$26,636	\$	\$155,490	\$9,843	\$15,557	\$534,977
	2007	\$279,414	\$	\$19,716	\$	\$	\$25,680	\$14,619	\$339,429
James A. Valentine Chief Information Officer	2009	\$298,157	\$	\$15,680	\$3,333	\$239,718	\$22,650	\$8,553	\$588,091
	2008	\$286,941	\$40,510	\$26,636	\$	\$155,490	\$16,814	\$10,378	\$536,769
	2007	\$279,414	\$	\$19,716	\$	\$	\$40,151	\$10,348	\$349,629
Walter R. Tankersley Senior Vice President of Industrial Sales <sup>(7)</sup>	2009	\$246,826	\$	\$19,613	\$3,333	\$198,448	\$	\$14,554	\$482,774
	2008	\$239,466	\$	\$34,595	\$	\$162,358	\$	\$13,269	\$449,688





- (1) The amounts in this column are comprised of the discretionary portion (20%) of the named executive officer's incentive compensation under our SVA Plan. See Compensation Discussion and Analysis Overview of Fiscal 2009 Executive Compensation Program Non-Equity Incentive Compensation Program. In fiscal 2009, no portion of Mr. James A. Valentine's or Mr. Walter R. Tankersley's SVA Plan payment was discretionary. There were no bonus or other discretionary payments made in fiscal 2007.
- (2) The amounts in this column reflect the dollar amount recognized for financial statement reporting purposes for fiscal 2009, fiscal 2008 and fiscal 2007 in accordance with

FAS 123R. The amounts in this column include stock options granted from fiscal 2005 through fiscal 2008 under our 1998 Plan, without regard to the possibility of forfeitures. A discussion of the assumptions used in calculating the amounts shown in this column may be found in Note 8 to our audited consolidated financial statements for the fiscal year ended June 25, 2009, included in our Annual Report on Form 10-K filed with the Commission on August 27, 2009. These amounts reflect our company's accounting expense for these awards and do not correspond to the actual value, if any, that will be recognized by the named executive officer.

- (3) The amounts in this column reflect the dollar amount recognized for financial statement reporting

purposes for fiscal 2009 in accordance with FAS 123R. The amounts in this column include RSUs granted under the 2008 Plan, without regard to the possibility of forfeitures. A discussion of the assumptions used in calculating the amounts shown in this column may be found in Note 8 to our audited consolidated financial statements for the fiscal year ended June 25, 2009, included in our Annual Report on Form 10-K filed with the Commission on August 27, 2009. These amounts reflect our company's accounting expense for these awards and do not correspond to the actual value, if any, that will be recognized by the named executive officer.

- (4) The amounts in this column reflect payments made pursuant to our SVA Plan in fiscal 2009, and reflect only earnings for

services during fiscal 2009 and no earnings on outstanding awards. For the Management Team, this column reflects the non-discretionary portion (80%) of the SVA Plan payments. Under the terms of our SVA Plan, a portion of the amounts included in this column were banked and not paid in cash (see Compensation Discussion and Analysis Overview of Fiscal 2009 Executive Compensation Program Non-Equity Incentive Compensation Program ). For fiscal 2009, the banked amounts were (a) \$48,893 for Jeffrey T. Sanfilippo, Michael J. Valentine and Jasper B. Sanfilippo, Jr., (b) \$40,752 for James A. Valentine, and (c) \$33,736 for Walter R. Tankersley. There were no payments made in fiscal 2007 under the incentive

compensation  
program in effect  
for fiscal 2007  
because our  
minimum net  
income threshold  
was not achieved.

- (5) On August 2,  
2007 the CNG  
Committee  
approved a  
restated SERP for  
certain executive  
officers and key  
employees of our  
company,  
effective as of  
August 25, 2005.  
The SERP is an  
unfunded,  
non-qualified  
benefit plan that  
will provide  
eligible  
participants with  
monthly benefits  
upon retirement,  
disability or  
death, subject to  
certain conditions.  
The amounts in  
this column  
reflect the  
aggregate change  
in actuarial value  
of the named  
executive officers  
accumulated  
benefit under the  
SERP from  
June 27, 2008 to  
June 25, 2009,  
June 29, 2007 to  
June 26, 2008 and  
from June 30,  
2006 to June 28,  
2007 which were  
our SERP plan  
measurement  
dates used for

financial reporting purposes for fiscal 2009, 2008 and 2007, respectively. Assumptions used to calculate the amounts can be found immediately after the Pension Benefits Table for Fiscal Year 2009 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.

- (6) The amounts in this column reflect perquisites and other personal benefits. The table below entitled Perquisites and Other Personal Benefits for Fiscal Year 2009 shows each component of the total amount included in this column. Additionally, for Walter R. Tankersley only, the amount in this column also reflects a \$1,000 payment for his service as the Chairman of the Capital

Expenditures  
Committee.

- (7) Walter R.  
Tankersley was  
not a named  
executive officer  
for fiscal 2007.



**Perquisites and Other Personal Benefits for Fiscal Year 2009**

<b>Name</b>	<b>Year</b>	<b>Personal and Family Travel<sup>(4)</sup></b>	<b>Memberships<sup>(4)</sup></b>	<b>401(k) Match<sup>(1)(4)</sup></b>	<b>Executive Life Insurance<sup>(2)(4)</sup></b>	<b>Car Allowance<sup>(3)(4)</sup></b>
Jeffrey T. Sanfilippo	2009	\$ 360	\$ 300	\$6,986	\$ 944	\$ 1,598
	2008	\$1,525	\$ 385	\$5,734	\$ 1,104	\$ 2,614
	2007	\$	\$ 85	\$5,580	\$ 1,099	\$ 1,544
Michael J. Valentine	2009	\$ 846	\$ 400	\$1,329	\$ 944	\$ 5,912
	2008	\$2,653	\$ 350	\$7,862	\$ 1,104	\$11,532
	2007	\$	\$ 350	\$6,742	\$ 1,101	\$ 8,147
Jasper B. Sanfilippo, Jr.	2009	\$4,000	\$ 400	\$1,329	\$ 941	\$ 6,000
	2008	\$ 260	\$ 350	\$7,847	\$ 1,100	\$ 6,000
	2007	\$1,567	\$	\$5,453	\$ 1,099	\$ 6,500
James A. Valentine	2009	\$	\$	\$1,577	\$ 976	\$ 6,000
	2008	\$	\$	\$3,263	\$ 1,115	\$ 6,000
	2007	\$	\$	\$3,242	\$ 1,106	\$ 6,000
Walter R. Tankersley <sup>(5)</sup>	2009	\$	\$	\$7,109	\$ 445	\$ 6,000
	2008	\$	\$	\$6,741	\$ 528	\$ 6,000

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

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

(3) 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.

- (4) 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) 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.

- (5) Mr. Walter R. Tankersley was not a named executive officer for fiscal 2007.

**Company-Sponsored Retirement Plans**

The purpose of the SERP is to provide the Management Team with a meaningful retirement benefit that is not available to these executives under our company's 401(k) 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 and bonus 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 the age of 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 65 years old; (b) the annual retirement payment is 50% of the executive's current compensation; (c) the discount rate is 6.90%; and (d) the IRS 2002 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 10 to our audited consolidated financial statements for the year ended June 25, 2009, included in our Annual Report on Form 10-K filed with the Commission on August 27, 2009.

**Pension Benefits Table for Fiscal Year 2009**

Name & Position <sup>(1)</sup>	Plan Name	Number of Years of Credited Service (#) <sup>(2)</sup>	Present Value of Accumulated Benefits	Payments During Last Fiscal Year
Michael J. Valentine, CFO	Supplemental Retirement Plan	22	\$ 376,051	\$ 0
Jeffrey T. Sanfilippo, CEO	Supplemental Retirement Plan	18	\$ 257,649	\$ 0
James A. Valentine, CIO	Supplemental Retirement Plan	23	\$ 251,686	\$ 0
Jasper B. Sanfilippo, Jr., COO	Supplemental Retirement Plan	18	\$ 146,993	\$ 0

(1) Walter R. Tankersley is not a participant in our company's SERP.

(2) This column reflects the actual number of years of service to our company by each of executive

officers listed. It is our company's policy not to credit extra years of service to SERP participants.

**Grants of Plan-Based Awards**

Our company's plan-based awards for certain executives, including the named executive officers, consists of equity-based awards (RSUs and stock options) under our 2008 Plan and non-equity incentive compensation payments under our SVA Plan. The following table provides fiscal 2009 information for the named executive officers' equity based awards under our 2008 Plan and non-equity incentive compensation payments under our SVA Plan. Under the terms of the SVA Plan, the Compensation Committee may adjust 20% of the incentive compensation payments to each of the top three members of the Management Team either upward or downward based upon the individual performance of each member of the Management Team. With respect to awards of RSUs under our company's 2008 Plan, the table below includes the grant date of each award, the number of RSUs granted, the closing price of our company's common stock on the date of grant and the grant date fair value of the RSUs.

## Grants of Plan-Based Awards for Fiscal Year 2009

Name	Grant Date <sup>(1)</sup>	Compen- sation Committee Approval Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards <sup>(2)</sup>			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Equity Based Awards: Number of Units (#)	Closing Price Grant Date (\$/Share)	Grant Date Fair Value of Equity Based Awards (\$) <sup>(3)</sup>
			Threshold \$	Target \$	Maximum \$	Threshold #	Target #	Maximum #			
Jeffrey T. Sanfilippo	11/13/ 2008 10/30/ 2008	10/30/ 2008							3,000	6.40	19,200
				171,707							
Michael J. Valentine	11/13/ 2008 10/30/ 2008	10/30/ 2008							3,000	6.40	19,200
				171,707							
Jasper B. Sanfilippo, Jr.	11/13/ 2008 10/30/ 2008	10/30/ 2008							3,000	6.40	19,200
				171,707							
James A. Valentine	11/13/ 2008 10/30/ 2008	10/30/ 2008							2,500	6.40	16,000
				178,894							
Walter R. Tankersley	11/13/ 2008 10/30/ 2008	10/30/ 2008							2,500	6.40	16,000
				148,096							

(1) The November 13, 2008 awards (RSUs) were granted under the 2008 Plan. The October 30, 2008 awards (incentive compensation

payments) were granted under the SVA Plan.

- (2) This column shows the targeted non-discretionary payment for fiscal 2009 under our company's SVA Plan. The SVA Plan payments are based on SVA, which is the year-to-year improvement in our net operating profit after tax in excess of our cost of capital, as determined using the average expected return on our company's debt and equity capital. For fiscal 2009, the Compensation Committee, with the assistance of its independent consultant and a company consultant, established our targeted SVA goal for the fiscal year and each SVA Plan participant's Salary Percentage. There is no threshold or maximum payout pursuant to the SVA Plan. The SVA Plan incentive compensation payments for

fiscal 2009 have been made based on fiscal 2009 company performance and the metrics described under Compensation Discussion and Analysis Overview of Fiscal 2009 Executive Compensation Program Non-Equity Incentive Compensation Program , and are shown in the Summary Compensation Table in the columns entitled Non-Equity Incentive Plan Compensation and Bonus .

- (3) The amounts shown in this column represent the grant date fair value of each equity award (all RSUs) as determined in accordance with FAS 123R. The Compensation Committee has approved that the grant date occur on the 10th business day following the date the Compensation Committee approves the grant. These dates were chosen for



administrative, compliance and governance purposes. The Compensation Committee reviews and approves the granting of RSUs under the 2008 Plan at its second meeting of the fiscal year (typically in October or November). For fiscal 2009, RSUs that vest in three years were issued to all executive officers and all other vice presidents. The top three members of the Management Team were each awarded 3,000 RSUs and all other officer grantees received 2,500 RSUs.

**Outstanding Equity Awards**

The following table provides information on outstanding equity-based awards held by the named executive officers as of June 25, 2009. For stock options, the table shows the number of options that a named executive officer holds (both exercisable and unexercisable), the options exercise price and the options expiration date. None of the named executive officers exercised stock options in fiscal 2009. For RSUs, the table shows the number of RSUs that have not vested and their market value.

**Outstanding Equity Awards at Fiscal Year End 2009**

Name	Stock Option Awards				Restricted Stock Unit Awards	
	Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Units That Have Not Vested (#) <sup>(3)</sup>	Market Value of Units That Have Not Vested (\$) <sup>(4)</sup>
Jeffrey T. Sanfilippo	5,000		19.833	10/29/2009		
	2,625	875 <sup>(1)</sup>	20.306	8/29/2010		
	1,750	1,750 <sup>(1)</sup>	10.990	9/22/2011		
	875	2,625 <sup>(1)</sup>	7.950	11/19/2017		
				3,000	22,110	
Michael J. Valentine	5,000		19.833	10/29/2009		
	2,625	875 <sup>(1)</sup>	20.306	8/29/2010		
	1,750	1,750 <sup>(1)</sup>	10.990	9/22/2011		
	875	2,625 <sup>(1)</sup>	7.950	11/19/2017		
				3,000	22,110	
Jasper B. Sanfilippo, Jr.	5,000		19.833	10/29/2009		
	2,625	875 <sup>(1)</sup>	20.306	8/29/2010		
	1,750	1,750 <sup>(1)</sup>	10.990	9/22/2011		
	875	2,625 <sup>(1)</sup>	7.950	11/19/2017		
				3,000	22,110	
James A. Valentine	5,000		19.833	10/29/2009		
	2,625	875 <sup>(1)</sup>	20.306	8/29/2010		
	1,750	1,750 <sup>(1)</sup>	10.990	9/22/2011		
	875	2,625 <sup>(1)</sup>	7.950	11/19/2017		
				2,500	18,425	
Walter R. Tankersley	1,900		5.050	1/3/2012		
	5,000		6.950	8/23/2012		
	5,000		16.420	9/2/2013		
	5,000		18.030	10/29/2014		
	2,625	875 <sup>(2)</sup>	18.460	8/29/2015		
	1,750	1,750 <sup>(2)</sup>	9.990	9/22/2016		

875	2,625 <sub>(1)</sub>	7.950	11/19/2017	2,500	18,425
		30			

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- (1) These stock options were granted under the 1998 Plan and vest 25% per year beginning on the first anniversary of the date of grant. Accordingly, of the 875 stock options held by the referenced named executive officer with an exercise price of \$20.306, 875 became exercisable on August 29, 2009. Of the 1,750 stock options held by the referenced named executive officer with an exercise price of \$10.990, 875 will become exercisable on September 22, 2009 and September 22, 2010. These options expire on the fifth anniversary of the grant date. Of the 2,625 stock options held by the referenced named executive

officer with an exercise price of \$7.950, 875 will become exercisable on November 19, 2009, November 19, 2010 and November 19, 2011. These options expire on the 10th anniversary of the grant date. The expiration and grant date of each option is listed in the table below.

<b>Expiration Date</b>	<b>Grant Date</b>
10/29/2009	10/29/2004
8/29/2010	8/29/2005
9/22/2011	9/22/2006
11/19/2017	11/19/2007

- (2) These stock options were granted under the 1998 Plan and vest 25% per year beginning on the first anniversary of the date of grant. Accordingly, of the 875 stock options held by Walter R. Tankersley with an exercise price of \$18.460, 875 became exercisable on August 29, 2009. Of the 1,750 stock options held by Walter R. Tankersley with an exercise price of \$9.990, 875 will become exercisable on September 22, 2009 and September 22, 2010. These options expire on the 10th anniversary of the grant date. The expiration and grant date of each option is listed in the table below.

<b>Expiration Date</b>	<b>Grant Date</b>
1/3/2012	1/3/2002
8/23/2012	8/23/2002
9/2/2013	9/2/2003
10/29/2014	10/29/2004
8/29/2015	8/29/2005
9/22/2016	9/22/2006

- (3) For fiscal 2009, each named executive officer was granted RSUs under the 2008 Plan, our equity incentive plan. These awards vest three years after the grant date. The vesting date for all RSUs listed is November 13, 2011.
- (4) The amounts shown in this column reflect the value of outstanding RSUs at June 25, 2009. The closing price of our Common Stock was \$7.37 at June 25, 2009.

#### **Other SERP Payments**

Under the SERP, amounts for which appear in the Pension Benefits Table for Fiscal Year 2009 above, the Management Team may receive post employment payments at the termination of their employment with us by reasons including, other than for cause (as defined in the SERP), retirement, disability or death and if the participant has at least five years of employment with our company. Upon a termination for cause, all benefit rights under the SERP will terminate and be forfeited. Pursuant to the terms of the SERP, the employment of a participant shall be deemed to

have been terminated for cause by our company if a participant has: (a) engaged in one or more acts constituting a felony, or involving fraud or serious moral turpitude; (b) willfully refused (except by reason of incapacity due to accident or illness) to perform substantially all of his duties, provided that such refusal shall have resulted in demonstrable material injury to our company or its subsidiaries; or (c) willfully engaged in gross misconduct materially injurious to our company. If a member of the Management Team separates from our company on or after the age of 65 (other than for cause), that Management Team member will receive the full benefit under the formula described before the Pension Benefits Table for Fiscal Year 2009. If a member of the Management Team separates from our company before the age of 65 (other than for cause), has attained the age of 55 and has been credited with at least 10 years of employment at the time of termination of employment, that Management Team member will receive the actuarial equivalent of the age 65 benefit, to be paid as soon as feasible on or after the participant's attainment of the age of 55. If a Management Team member separates from our company before age 65 and has not been credited with at least 10 years of employment, that Management Team member's benefits may not

commence until the attainment of the age of 65. All members of the Management Team have already been credited with at least 10 years of employment to our company. As all members of the Management Team are deemed specified employees under Section 409(A) of the Code, benefits will not be paid until the date that is six months after the effective date of termination of employment. In the event that termination of employment was the result of long-term disability, the benefits shall be reduced to the extent of any benefits received under our company's long-term disability plan and until such time that benefits under the long-term disability plan cease.

If the present lump sum actuarial equivalent value of the benefits under the SERP on the benefit commencement date is less than or equal to \$50,000, then such benefits will be paid to the participant or the participant's beneficiary in a single lump sum distribution. If a participant does not have a beneficiary on the date benefits commence, benefits will cease upon the participant's death. If both the participant and the participant's beneficiary die before the benefits commencement, all entitlement to benefits will terminate.

So long as a participant is not terminated for cause, and has fulfilled the conditions precedent to payment as described above, a participant is entitled to payment pursuant to the SERP. Other than as described above, there are no material conditions or obligations applicable to the receipt of payments or benefits under the SERP, such as a requirement to enter into non-compete, non-solicitation, non-disparagement or confidentiality agreements.

#### **Certain Insurance Policy Arrangements**

We provided benefits in the form of paying premiums on certain insurance policies (the Policies) that cover the lives of our former Chief Executive Officer, Jasper B. Sanfilippo and our former President, Mathias A. Valentine (collectively, the Former Officers), and their respective spouses. The Policies were obtained by the Former Officers while they were serving as executive officers of the company. The Policies were previously owned by several trusts created by the Former Officers. On December 31, 2003, the trusts, the Former Officers, their spouses and our company entered into the Amended and Restated John B. Sanfilippo & Son, Inc. Split-Dollar Insurance Agreement, which assigned the Policies to our company. As a result of this assignment, our company received all incidents and benefits of ownership in the Policies, including all rights to the accumulated cash surrender values of the Policies. Generally, upon the death of the insured the company is entitled to receive reimbursement of all premiums paid, and the trusts created by Messrs. Sanfilippo and Valentine are entitled to receive any remaining death benefit.

In fiscal 2009, Mr. Sanfilippo received an insurance gross up benefit of \$10,493 relating to his life insurance policies, and the company paid life insurance premiums of \$30,000. In fiscal 2009, Mr. Valentine received an insurance gross up benefit of \$25,423 relating to his life insurance policies, and the company paid life insurance premiums of \$15,000.

#### **COMPENSATION COMMITTEE REPORT**

The Compensation Committee reviews and makes recommendations to the Board of Directors with respect to the salaries, equity grants (such as RSUs or stock options), incentive compensation (such as the SVA Plan) and other compensation of executive officers and non-management directors (management directors are not separately compensated for their service as directors). The duties and procedures of the Compensation Committee are explained in greater detail in the Compensation Committee subsection of the Corporate Governance section and the Compensation Discussion and Analysis section of this Proxy Statement.

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with management. Based on this review and discussion, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement in accordance with Item 407(e)(5) of Regulation S-K.

*Respectfully submitted by all of the members of the Compensation Committee of the Board of Directors.*

Timothy R. Donovan, Chairman

Governor Jim Edgar

Daniel M. Wright

*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, or the Exchange Act, except to the extent that we specifically incorporate it by reference in such filing.*





### PERFORMANCE GRAPH

The performance graph below compares the cumulative five-year total return of our common stockholders with the cumulative total returns of the S&P 500 Index, and a customized peer group of four companies that includes: J & J Snack Foods Corp., Lance, Inc., Sensient Technologies Corporation and Tootsie Roll Industries, Inc. (the Peer Group). The Peer Group was selected by us in good faith based upon similarities in the nature of the business of the companies, total revenues and seasonality of business of the companies. The graph tracks the performance of a \$100 investment in our common stock, in the Peer Group, and the S&P 500 Index (with the reinvestment of all dividends) from June 25, 2004 to June 25, 2009.

#### COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN\*

Among John B. Sanfilippo & Son, Inc., the S&P 500 Index,  
and the Peer Group

\* \$100 invested on  
6/24/04 in our stock  
or the Peer Group's  
stock or on 6/30/04 in  
the S&P 500 Index,  
including  
reinvestment of  
dividends.

Index calculated on month-end basis.

*The information contained in the preceding performance graph 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, or the Exchange Act, except to the extent that we specifically incorporate it by reference in such filing.*

### REVIEW OF RELATED PARTY TRANSACTIONS

Our company has adopted a formal written policy governing the review and approval of related party transactions. Our policy defines a transaction as any financial or other transaction, arrangement or relationship (or series of similar transactions, arrangements or relationships) and any amendment thereto in which the amount involved exceeds \$120,000. A related party is defined as (a) any executive officer (as defined in Rule 3b-7 under the Exchange Act) or director of our company, (b) any nominee for election as a director of our company, (c) any beneficial owner of more than 5% of the voting securities of our company, (d) any immediate family member of any of the foregoing persons or (e) any entity in which any of the foregoing persons has or will have a direct or indirect material interest. In accordance with this policy, our Audit Committee, which is comprised solely of independent directors, must review all such transactions, and may approve related party transactions if it determines that the transactions are on overall terms, including levels of service and quality, that are at least as favorable to the company as could be obtained from unaffiliated parties. In connection with any proposed related party transaction, our company prepares a memorandum for the Audit Committee's review outlining the reasons why our company wishes to enter into the proposed transaction and any other relevant information, including competitive bids. As a condition to approving or ratifying any related party transaction, or with respect to any category of related party transactions covered by the policy, the Audit Committee may impose whatever conditions and standards it deems appropriate, including periodic monitoring of ongoing related party transactions. In addition, our Board of Directors, at its election, may designate a special committee of independent directors to review and approve related party transactions. Our Audit Committee, or any special committee that is designated, may engage advisors to assist it in making the required evaluation of the terms of the proposed transactions. The policy also grants the Audit Committee discretion to impose sanctions on a related party that fails to notify the Audit Committee in advance of a transaction governed by the policy.

The transactions outlined below have been reviewed and approved by our Audit Committee.

#### Lease Arrangement

As first discussed in the fiscal 2006 proxy, the company's Board of Directors appointed an independent board committee to explore alternatives that would expedite our company's facility consolidation project. The independent committee explored alternatives with respect to the company's existing leases for properties owned by two related party partnerships. These two partnerships, the 300 East Touhy Limited Partnership (the Touhy Partnership) and the Arthur/Busse Limited Partnership (the Busse Partnership) each had the following limited partners: Jasper B. Sanfilippo and Mathias A. Valentine (both of whom are stockholders and directors of our company), their respective spouses (Marian Sanfilippo and Mary Valentine), Anne Karacic and Rose Laketa (sisters of Mr. Sanfilippo), Rosalie Sanfilippo (Mr. Sanfilippo's mother) and for the Touhy Partnership only, Rita Zadurski (Ms. Laketa's daughter). All transactions relating to the leases were approved by the Audit Committee.

Our company sold and leased back its facility located in Selma, Texas to the Busse Partnership and the Touhy Partnership in September 2006. Subsequently, in January 2007, the Busse Partnership and the Touhy Partnership merged to form Selma Investments, LLC. The following individuals are currently members of Selma Investments, LLC: Jasper B. Sanfilippo and Marian Sanfilippo (together, 25% owners), Mathias A. Valentine and Mary Valentine (together, 25% owners), Anne Karacic (25% owner), Rose Laketa (24.13% owner) and Rita Zadurski (0.87% owner). We acquired the Selma, Texas facility in 1992. The sale price of the Selma facility in September 2006, which was determined by Joseph J. Blake and Associates, Inc., an independent appraiser, was \$14.3 million. The term of the lease is 10 years with three five year renewal options. Our company's lease payment is fixed at \$109,052 per month through the fifth anniversary date, at which time a lease payment adjustment will be made based on a Consumer Price Index Factor. This lease payment is based on \$4.00 per rentable square foot, which was determined to be the fair market value of such space. The total amount paid under the lease in both fiscal 2009 and fiscal 2008 was \$1,308,624. The lease payments for each of the five year renewal options are subject to an adjustment based on the prevailing market rate for similar property. Our company has the option to purchase the facility commencing on the fifth anniversary of the lease agreement and this option is irrevocable through any of the renewal periods. The purchase price shall be the greater of \$14.3 million or 95% of the fair market value of the facility. Our company also has a right of first refusal, allowing it to match any offer that may be made on the leased premises from a third party.



### **Supplier and Other Arrangements**

During fiscal 2009 we purchased approximately \$11.79 million of raw materials and \$30,000 of equipment, supplies and services from Clear Lam Packaging, Inc. ( Clear Lam ). During fiscal 2008 we purchased approximately \$9.34 million of raw materials and \$82,000 of equipment, supplies and services from Clear Lam. The Audit Committee has approved certain purchases from Clear Lam for fiscal 2010. Currently, James J. Sanfilippo and John E. Sanfilippo (children of Jasper and Marian Sanfilippo) each own 6.77% of Clear Lam. The remainder of Clear Lam is owned by a trust, the equal beneficiaries of which are the children of Jasper and Marian Sanfilippo (including Jasper B. Sanfilippo, Jr. and Jeffrey T. Sanfilippo, who are both executive officers and directors of our company). Jasper B. Sanfilippo, a stockholder and director of our company, serves as a director of Clear Lam. The five children of Jasper B. Sanfilippo (including Jasper B. Sanfilippo, Jr. and Jeffrey T. Sanfilippo, who are both executive officers and directors of our company) are directors of Clear Lam.

During fiscal 2009, we purchased approximately \$295,000 of raw materials and supplies from JRC Color Corp. ( JRC ). During fiscal 2008, we purchased approximately \$330,000 of raw materials and supplies from JRC. During fiscal 2009 JRC was, and currently it still is, owned two-thirds by Jerome Evon, the son-in-law of Jasper B. Sanfilippo. During part of fiscal 2008, JRC was one-third owned by Jerome Evon.

During fiscal 2009, we compensated Roseanne Christman, Director of Corporate Marketing Private Brands. Ms. Christman is the sister-in-law of Timothy R. Donovan, a director of our company. Ms. Christman s total compensation for fiscal 2009 was \$196,018 including \$53,688 related to incentive plan compensation. Roseanne Christman s total compensation for fiscal 2008 was \$184,227 including \$42,925 related to incentive plan compensation. The Audit Committee reviewed and approved this transaction.

During fiscal 2009, we compensated Lisa Evon, Director of Customer Service. Ms. Evon is (a) the daughter of Jasper B. Sanfilippo, a director of our company and (b) the sister of Jeffrey T. Sanfilippo and Jasper B. Sanfilippo, Jr., directors and executive officers of our company. Ms. Evon s total compensation for fiscal 2009 was \$132,732 including \$35,558 related to incentive plan compensation. Ms. Evon s total compensation did not exceed \$120,000 for fiscal 2008. The Audit Committee reviewed and approved this transaction.

During fiscal 2009, we compensated Brenda Cannon, Vice President of Innovation & Quality Systems. Ms. Cannon is the wife of Michael G. Cannon, an executive officer of our company. Ms. Cannon s total compensation for fiscal 2009 was \$222,723 including \$81,405 related to incentive plan compensation. Ms. Cannon was hired during fiscal 2008 at a base salary of \$135,000. The Audit Committee reviewed and approved this transaction.

**PROPOSAL 2: RATIFY APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP AS INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

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 fiscal year ending June 24, 2010, 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 selection 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 that firm 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:

<b>Type of Service</b>	<b>2009</b>	<b>2008</b>
Audit Fees <sup>(1)</sup>	\$ 610,000	\$ 718,500
Audit Related Fees		
Tax Fees <sup>(2)</sup>	63,000	83,900
All Other Fees <sup>(3)</sup>	2,000	1,500
Total <sup>(4)</sup>	\$ 675,000	\$ 803,900

(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 Commission.

(2)

Comprised of services for tax compliance, tax planning, tax advice and other tax services.

Tax compliance services include the preparation of our federal and state income tax returns.

(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.

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 either general or specific pre-approval of certain designated services, depending on the type of service. All services not subject to the general pre-approval framework 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 chairman 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 appointment of PricewaterhouseCoopers LLP as the Independent Registered Public Accounting Firm for the fiscal year ending June 24, 2010.**

**Securities Authorized under Equity Compensation Plans**

The following table sets forth information as of June 25, 2009, with respect to equity securities authorized for issuance pursuant to equity compensation plans previously approved by stockholders of our company and equity compensation plans not previously approved by our company's stockholders.

Plan Category	(a) Number of securities to be issued upon exercise of options, warrants and rights	(b) Weighted average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in Column (a))
Equity compensation plans approved by stockholders stock options	381,940	\$ 11.97	952,000 <sup>(1)</sup>
Equity compensation plans approved by stockholders restricted stock units	46,500		453,500 <sup>(1)</sup>

Equity compensation plans not approved by stockholders

(1) Under the 2008 Plan, a total of 952,000 equity based stock awards are available for distribution, 453,500 of which may be used for grants of Common Stock, restricted stock and restricted stock units.

**SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Exchange Act requires our officers and directors, as well as persons who are beneficial owners of more than 10% of a registered class of our equity securities, to file reports of ownership and changes in ownership on Forms 3, 4 and 5 with the Commission and The Nasdaq Stock Market LLC, and to furnish us with copies of these forms. To our knowledge, based solely on our review of the copies of Forms 3, 4 and 5 submitted to us, we believe there were no instances of noncompliance with the filing requirements imposed by Section 16(a) of the Exchange Act during fiscal 2009 with respect to the foregoing persons.

**ANNUAL REPORT ON FORM 10-K**

Our annual report on Form 10-K for the fiscal year ended June 25, 2009, has been included in the delivery of this Proxy Statement or is available at <http://www.proxydocs.com/JBSS>. Stockholders are referred to the report for financial and other information about us, but such report is not incorporated in this Proxy Statement and is not to be deemed a part of the proxy soliciting material.

**STOCKHOLDER PROPOSALS FOR THE 2010 ANNUAL MEETING**

Under the rules of the Commission, if a stockholder wants us to include a proposal in our proxy statement and form of proxy for presentation at our 2010 annual meeting, the stockholder's proposal must be received by us at our principal executive offices at 1703 N. Randall Road, Elgin, Illinois 60123-7820 by May 14, 2010. The proposal should be sent to the attention of the Secretary of our company.

If a stockholder intends to present a proposal at the 2010 annual meeting that is not to be included in our company's proxy materials, the stockholder must comply with the various requirements established in our company's Bylaws. Among other things, the Bylaws require that the stockholder submit a written notice to the Secretary of our company at the address in the



preceding paragraph not later than the close of business on the 90th day, nor earlier than the close of business on the 120th day, prior to the first anniversary of the preceding year's annual meeting. Thus, any notice must be received at our principal executive offices no later than July 30, 2010, and no earlier than June 30, 2010. However, if the annual meeting date is more than 30 days before or more than 70 days after such anniversary date, notice by stockholders must be so delivered not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made by us.

#### **PROXY SOLICITATION**

On or about the mailing date of this Proxy Statement, the Internet Notice was mailed to stockholders who were not sent the printed proxy materials. The Internet Notice provides details regarding the availability of our full proxy materials, including our proxy statement and our annual report, at the Internet website address <http://www.proxydocs.com/JBSS>. All stockholders were mailed either the Internet Notice, or the printed proxy materials which include a proxy card. If a stockholder wishes to vote electronically, the stockholder should follow the instructions on how to vote electronically that are included on the stockholder's proxy card or Internet Notice. Proxies will be solicited from stockholders by telephone or Internet and in some instances by postal mail. Proxies may also be solicited by directors, officers and a small number of our regular employees personally or by mail, telephone, fax or e-mail, but such persons will not be specially compensated for such services. Brokerage houses, custodians, nominees and fiduciaries will be requested to forward the Internet Notice, proxy materials, or any other soliciting material to the beneficial owners of stock held of record by such persons, and we will reimburse them for their expenses in doing so. The entire cost of the preparation and mailing of the Internet Notice and the preparation and any mailings of this Proxy Statement and accompanying materials and the related proxy solicitation will be borne by us. 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 meeting and vote in person. A stockholder who has given 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 proxy so that it is received by 5:00 p.m. Eastern Time on October 27, 2009; or (c) attending the Annual Meeting and voting in person. Any written notice of revocation should be received by us 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.

#### **OTHER MATTERS**

Management does not intend to present, and does not have any reason to believe that others will present, any item of business at the Annual Meeting other than those specifically set forth in the notice of the Annual Meeting. However, if other matters are properly presented for a vote, the proxies will be voted for such matters in accordance with the judgment of the persons acting under the proxies.

By Order of the Board of Directors

MICHAEL J. VALENTINE

*Secretary*

Elgin, Illinois

September 11, 2009

**JOHN B. SANFILIPPO & SON, INC.**

1703 N. Randall Rd. | Elgin, IL 60123-7820 U.S.A. | P 847.289.1800 F 847.289.1843  
www.fishernuts.com | www.jbssinc.com

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® Annual Meeting of John B. Sanfilippo & Son, Inc. ANNUAL MEETING OF JOHN B. SANFILIPPO & SON, INC. to be held on Wednesday, October 28, 2009 Date: Wednesday, October 28, 2009 for Holders as of August 31, 2009 Time: 10:00 A.M. (Central Time) This proxy is being solicited on behalf of the Board of Directors Place: 1707 N. Randall Road, Elgin, Illinois 60123 Please make your marks like this: Use dark black pencil or pen only . VOTE BY: provided The Board of Directors recommends that you vote FOR the following: INTERNET TELEPHONE 1. Election of Directors Go To: Call: 866-390-5359 envelope www.proxypush.com/JBSS 01 Governor Jim Edgar 02 Daniel M. Wright Use any touch-tone telephone. Cast your vote online. OR Have your Voting Instruction Form ready. View proxy materials. Follow the simple recorded instructions. in the MAIL OR Mark, sign and date your Voting Instruction Form. Vote For Withhold Vote \*Vote For portion All Nominees From All Nominees All Except Detach your Voting Instruction Form. Return your Voting Instruction Form in the postage-paid envelope provided. \*INSTRUCTIONS: To withhold authority to vote for any The undersigned hereby appoints Jasper B. Sanfilippo, Jr. and Michael J. Valentine, and each or either of them, as the true nominee, mark the Except box and write the number and lawful attorneys of the undersigned, with full power of substitution and revocation, and authorizes them, and each of corresponding to the nominee listed above that you want to withhold in the space provided to the right. them, to vote all the shares of Common Stock of John B. Sanfilippo & Son, Inc., which the undersigned is entitled to vote at the Annual Meeting of John B. Sanfilippo & Son, Inc. to be held on Wednesday, October 28, 2009 at 10:00 A.M. Central Time at 1707 N. Randall Road, Elgin, Illinois 60123, and any adjournment or postponement thereof upon the matters For Against Abstain specified and upon such other matters as may be properly brought before the Annual Meeting or any adjournment or The Board of Directors recommends you and return just this postponement thereof, conferring authority upon such true and lawful attorneys to vote in their discretion on such other vote FOR the following proposal: perforation matters as may properly come before the Annual Meeting and revoking any proxy heretofore given. 2. Ratification of the Audit Committee s This proxy is revocable and will be voted as directed, but if no instructions are specified, this proxy will be voted: appointment of PricewaterhouseCoopers LLP as our independent auditor for the FOR the election of all nominees for Director in Proposal 1. fiscal year ending June 24, 2010. at the FOR the ratification of the Audit Committee s appointment of PricewaterhouseCoopers LLP as 3. Upon such other matters as may properly come our independent auditor for the fiscal year ending June 24, 2010. before the Annual Meeting: In their discretion, the carefully proxies are authorized to vote on such other matters All votes must be received by 5:00 P.M., Eastern Time, October 27, 2009. as may properly come before the Annual Meeting or any postponements or adjournments thereof. separate PROXY TABULATOR MEDIANT COMMUNICATIONS LLC P.O. BOX 8016 CARY, NC 27512-9903 Authorized Signatures This section must be Please executed and completed. EVENT # Please Sign Here Please Date Above CLIENT # Please Sign Here Please Date Above Please sign exactly as your name(s) appears on your stock certificate. If held in joint OFFICE # tenancy, all persons should sign. Trustees, administrators, etc., should include title and authority after signature. Corporations should provide full name of corporation and title of authorized officer signing the proxy after signature. Common Stock

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Revocable Proxy John B. Sanfilippo & Son, Inc. Annual Meeting of Stockholders October 28, 2009, 10:00 a.m. (Central Daylight Time) This Proxy is Solicited on Behalf of the Board of Directors The undersigned hereby appoints Jasper B. Sanfilippo, Jr. and Michael J. Valentine, and each or either of them, as the true and lawful attorneys of the undersigned, with full power of substitution and revocation, and authorizes them, and each of them, to vote all the shares of Common Stock of John B. Sanfilippo & Son, Inc., which the undersigned is entitled to vote at the Annual Meeting of John B. Sanfilippo & Son, Inc. to be held on Wednesday, October 28, 2009 at 10:00 A.M. Central Time at 1707 N. Randall Road, Elgin, Illinois 60123, and any adjournment or postponement thereof upon the matters specified and upon such other matters as may be properly brought before the Annual Meeting or any adjournment or postponement thereof, conferring authority upon such true and lawful attorneys to vote in their discretion on such other matters as may properly Please come before the Annual Meeting and revoking any proxy heretofore given. separate This proxy is revocable and will be voted as directed, but if no instructions are specified, this proxy will be voted: carefully FOR the election of all nominees for Director in Proposal 1. FOR the ratification of the Audit Committee s appointment of PricewaterhouseCoopers at the LLP as our independent auditor for the fiscal year ending June 24, 2010. perforation (CONTINUED AND TO BE SIGNED ON REVERSE SIDE) and return just this portion in the envelope provided .

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® Annual Meeting of John B. Sanfilippo & Son, Inc. ANNUAL MEETING OF JOHN B. SANFILIPPO & SON, INC. to be held on Wednesday, October 28, 2009 Date: Wednesday, October 28, 2009 for Holders as of August 31, 2009 Time: 10:00 A.M. (Central Time) This proxy is being solicited on behalf of the Board of Directors Place: 1707 N. Randall Road, Elgin, Illinois 60123 Please make your marks like this: Use dark black pencil or pen only . VOTE BY: provided The Board of Directors recommends that you vote FOR the following: INTERNET TELEPHONE 1. Election of Directors Go To: Call: 866-390-5359 envelope www.proxypush.com/JBSS 01 Jasper B. Sanfilippo 04 Mathias A. Valentine 02 Jasper B. Sanfilippo, Jr. 05 Michael J. Valentine Use any touch-tone telephone. Cast your vote online. OR 03 Jeffrey T. Sanfilippo 06 Timothy R. Donovan Have your Voting Instruction Form ready. View proxy materials. in the MAIL Follow the simple recorded instructions. OR Mark, sign and date your Voting Instruction Form. Vote For Withhold Vote \*Vote For portion All Nominees From All Nominees All Except Detach your Voting Instruction Form. Return your Voting Instruction Form in the postage-paid envelope provided. \*INSTRUCTIONS: To withhold authority to vote for any The undersigned hereby appoints Jasper B. Sanfilippo, Jr. and Michael J. Valentine, and each or either of them, as the true nominee, mark the Except box and write the number(s) and lawful attorneys of the undersigned, with full power of substitution and revocation, and authorizes them, and each of corresponding to the nominee listed above that you want to withhold in the space provided to the right. them, to vote all the shares of Class A Common Stock of John B. Sanfilippo & Son, Inc., which the undersigned is entitled to vote at the Annual Meeting of John B. Sanfilippo & Son, Inc. to be held on Wednesday, October 28, 2009 at 10:00 A.M. Central Time at 1707 N. Randall Road, Elgin, Illinois 60123, and any adjournment or postponement thereof upon the For Against Abstain matters specified and upon such other matters as may be properly brought before the Annual Meeting or any adjournment The Board of Directors recommends you vote and return just this or postponement thereof, conferring authority upon such true and lawful attorneys to vote in their discretion on such other FOR the following proposal: perforation matters as may properly come before the Annual Meeting and revoking any proxy heretofore given. 2. Ratification of the Audit Committee s This proxy is revocable and will be voted as directed, but if no instructions are specified, this proxy will be voted: appointment of PricewaterhouseCoopers LLP as our independent auditor for the FOR the election of all nominees for Director in Proposal 1. fiscal year ending June 24, 2010. at the FOR the ratification of the Audit Committee s appointment of PricewaterhouseCoopers LLP as 3. Upon such other matters as may properly come our independent auditor for the fiscal year ending June 24, 2010. before the Annual Meeting: In their discretion, the carefully proxies are authorized to vote on such other matters All votes must be received by 5:00 P.M., Eastern Time, October 27, 2009. as may properly come before the Annual Meeting or any postponements or adjournments thereof. separate PROXY TABULATOR MEDIANT COMMUNICATIONS LLC P.O. BOX 8016 CARY, NC 27512-9903 Authorized Signatures - This section must be Please executed and completed. EVENT # Please Sign Here Please Date Above CLIENT # Please Sign Here Please Date Above Please sign exactly as your name(s) appears on your stock certificate. If held in joint OFFICE # tenancy, all persons should sign. Trustees, administrators, etc., should include title and authority after signature. Corporations should provide full name of corporation and title of authorized officer signing the proxy after signature. Class A Stock

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Revocable Proxy John B. Sanfilippo & Son, Inc. Annual Meeting of Stockholders October 28, 2009, 10:00 a.m. (Central Daylight Time) This Proxy is Solicited on Behalf of the Board of Directors The undersigned hereby appoints Jasper B. Sanfilippo, Jr. and Michael J. Valentine, and each or either of them, as the true and lawful attorneys of the undersigned, with full power of substitution and revocation, and authorizes them, and each of them, to vote all the shares of Class A Common Stock of John B. Sanfilippo & Son, Inc., which the undersigned is entitled to vote at the Annual Meeting of John B. Sanfilippo & Son, Inc. to be held on Wednesday, October 28, 2009 at 10:00 A.M. Central Time at 1707 N. Randall Road, Elgin, Illinois 60123, and any adjournment or postponement thereof upon the matters specified and upon such other matters as may be properly brought before the Annual Meeting or any adjournment or postponement thereof, conferring authority upon such true and lawful attorneys to vote in their discretion on such other matters as may properly come Please before the Annual Meeting and revoking any proxy heretofore given. separate This proxy is revocable and will be voted as directed, but if no instructions are specified, this proxy will be voted: carefully FOR the election of all nominees for Director in Proposal 1. FOR the ratification of the Audit Committee s appointment of PricewaterhouseCoopers at the LLP as our independent auditor for the fiscal year ending June 24, 2010. perforation (CONTINUED AND TO BE SIGNED ON REVERSE SIDE) and return just this portion in the envelope provided .