

FLOWERS FOODS INC
Form PRE 14A
March 26, 2014
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

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

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

Check the appropriate box:

Preliminary Proxy Statement

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Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to ss.240.14a-12

FLOWERS FOODS, INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

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- (1) Title of each class of securities to which transaction applies:
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PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION, DATED MARCH 26, 2014

Dear Shareholder:

We would like to extend an invitation for you to join us at our annual meeting of shareholders on May 21, 2014 at 11:00 a.m. at the Thomasville Municipal Auditorium in Thomasville, Georgia for the following purposes, as more fully described in this proxy statement:

- _ to elect as directors of the company the four nominees identified in this proxy statement, each to serve for a term of three years, as described herein;
- to hold an advisory vote on the compensation of the company's named executive officers;
- _ to amend our Restated Articles of Incorporation and Amended and Restated Bylaws to provide that directors will be elected by a majority vote in uncontested elections;
- to approve the 2014 Omnibus Equity and Incentive Compensation Plan; and
- _ to ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending January 3, 2015.

In addition, Flowers Foods' senior management team will report on the performance of the company and respond to questions from shareholders.

The company has implemented the Securities and Exchange Commission "Notice and Access" rule that permits companies to send their shareholders a Notice that proxy materials are available — in electronic form on the Internet or in printed form by request — instead of mailing a printed proxy statement and annual report to every shareholder. By utilizing Notice and Access, we are able to speed delivery of the proxy materials, lower our distribution costs and reduce the environmental impact of proxy delivery. On April , 2014, we mailed to our shareholders a notice that contains instructions on how to access our 2014 proxy statement and 2013 annual report and vote online or to affirmatively elect to receive the proxy materials by mail.

Please carefully review the proxy materials. Your vote is important to us and to our business. We encourage you to vote using telephone or Internet voting prior to the annual meeting, so that your shares of Flowers Foods common stock will be represented and voted at the annual meeting even if you cannot attend. If you elected to receive paper copies of the proxy materials by mail, you may vote by signing, dating and mailing the proxy card in the envelope provided.

We hope to see you in Thomasville.

April , 2014

Thomasville, Georgia

George E. Deese

Allen L. Shiver

Executive Chairman of the Board President and Chief Executive Officer

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting to be held on May 21, 2014

Flowers Foods, Inc.'s 2014 proxy statement and 2013 annual report are available at www.proxyvote.com.

PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION, DATED MARCH 26, 2014

Notice of Annual Meeting of Shareholders

May 21, 2014

11:00 a.m. Eastern Time

Thomasville Municipal Auditorium, 144 East Jackson Street, Thomasville, Georgia

NOTICE IS HEREBY GIVEN that the annual meeting of shareholders of Flowers Foods, Inc. will be held on May 21, 2014 at 11:00 a.m. Eastern Time at the Thomasville Municipal Auditorium, 144 East Jackson Street, Thomasville, Georgia, for the following purposes:

- (1) to elect as directors of the company the four nominees identified in this proxy statement, each to serve for a term of three years, as described herein;
 - (2) to hold an advisory vote on the compensation of the company's named executive officers;
 - (3) to amend our Restated Articles of Incorporation and Amended and Restated Bylaws to provide that directors will be elected by a majority vote in uncontested elections;
 - (4) to approve the 2014 Omnibus Equity and Incentive Compensation Plan; and
 - (5) to ratify the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm for Flowers Foods, Inc. for the fiscal year ending January 3, 2015;
- and to transact any other business as may properly come before the meeting and at any adjournment or postponement thereof; all as set forth in the proxy statement accompanying this notice.

Only record holders of issued and outstanding shares of our common stock at the close of business on March 19, 2014 are entitled to notice of, and to vote at, the annual meeting, or any adjournment or postponement thereof. A list of such shareholders will be open for examination by any shareholder at the annual meeting.

Shareholders can listen to a live audio webcast of the annual meeting on our website at www.flowersfoods.com. This webcast also will be archived on our website.

April , 2014

1919 Flowers Circle
Thomasville, Georgia 31757

By order of the Board of Directors,

Stephen R. Avera

Executive Vice President,

Secretary and General Counsel

PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION, DATED MARCH 26, 2014

Table of Contents

<u>Proxy Summary</u>	5
<u>QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING</u>	8
<u>What is the purpose of the annual meeting?</u>	8
<u>How do I attend the annual meeting in person?</u>	8
<u>How does the board of directors recommend that I vote on each proposal?</u>	8
<u>What is a proxy?</u>	9
<u>Are the proxy materials available electronically?</u>	9
<u>Who can vote?</u>	9
<u>How many votes do I have?</u>	9
<u>How do I vote?</u>	9
<u>If I am a registered holder, what if I do not give any instructions on a particular matter described in this proxy statement when voting by mail?</u>	10
<u>Can I change my vote after I have mailed my proxy card or after I have authorized the voting of my shares over the Internet or by telephone?</u>	10
<u>How do I vote my 401(k) shares?</u>	10
<u>Can I vote if my shares are held in “street name” by a bank or broker?</u>	10
<u>How will broker “non-votes” be treated?</u>	11
<u>How will abstentions be treated?</u>	11
<u>What constitutes a quorum?</u>	11
<u>What if a quorum is not present at the meeting?</u>	11
<u>What vote is required for each matter to be voted upon at the annual meeting?</u>	11
<u>Will any other business be conducted at the annual meeting or will other matters be voted on?</u>	11
<u>Where can I find the voting results from the annual meeting?</u>	12
<u>How and when may I submit a shareholder proposal for the 2015 annual meeting?</u>	12
<u>Who pays the costs of soliciting proxies?</u>	12
<u>How can I obtain an Annual Report on Form 10-K?</u>	12
<u>Can I elect to receive future Notices and proxy materials electronically?</u>	12
<u>If I cannot attend the annual meeting, will a webcast be available on the Internet?</u>	13
<u>Who should I contact if I have any questions?</u>	13
<u>DIRECTORS AND CORPORATE GOVERNANCE</u>	14
<u>Class I Director-Nominees</u>	14
<u>Class II Directors Serving Until 2015</u>	14
<u>Class III Directors Serving Until 2016</u>	15
<u>CORPORATE GOVERNANCE</u>	16
<u>General</u>	16
<u>Determination of Independence</u>	16
<u>Presiding Director</u>	17
<u>The Board of Directors and Committees of the Board of Directors</u>	17
<u>Board Leadership Structure</u>	19

<u>Risk Management</u>	<u>19</u>
<u>Relationships Among Certain Directors</u>	<u>19</u>
<u>Attendance at Annual Meetings</u>	<u>20</u>
<u>Selection of Director-Nominees</u>	<u>20</u>
<u>Shareholder & Other Interested Party Communication with Directors</u>	<u>20</u>
<u>DIRECTOR COMPENSATION</u>	<u>20</u>
<u>General</u>	<u>20</u>
<u>2013 Director Compensation Package</u>	<u>21</u>
<u>DIRECTOR SUMMARY COMPENSATION TABLE</u>	<u>23</u>
<u>TRANSACTIONS WITH MANAGEMENT AND OTHERS</u>	<u>24</u>
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	<u>24</u>
<u>Principal Shareholders</u>	<u>24</u>
<u>Share Ownership of Certain Executive Officers, Directors and Director-Nominees</u>	<u>25</u>
<u>SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	<u>26</u>

FLOWERS FOODS, INC. - 2014 Proxy Statement 3

PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION, DATED MARCH 26, 2014

<u>EXECUTIVE COMPENSATION</u>	<u>26</u>
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>	<u>26</u>
<u>2013 In Brief</u>	<u>26</u>
<u>Consideration of 2013 Say on Pay Vote</u>	<u>26</u>
<u>Summary of Our Compensation Practices</u>	<u>27</u>
<u>Executive Compensation Generally</u>	<u>27</u>
<u>Mix of Compensation Opportunity</u>	<u>27</u>
<u>Role of Executive Officers in Compensation Decisions</u>	<u>28</u>
<u>Compensation Consultants</u>	<u>28</u>
<u>Compensation Benchmarking</u>	<u>28</u>
<u>Cash Compensation</u>	<u>29</u>
<u>Long-Term Incentive Compensation</u>	<u>30</u>
<u>Recoupment (“Clawback”) Policy</u>	<u>32</u>
<u>Anti-Hedging Policy</u>	<u>32</u>
<u>Retirement & Other Post-Employment Benefits</u>	<u>32</u>
<u>Change in Control Severance</u>	<u>33</u>
<u>Executive Share Ownership Guidelines</u>	<u>33</u>
<u>Tax Deductibility of Executive Compensation</u>	<u>34</u>
<u>COMPENSATION COMMITTEE REPORT</u>	<u>34</u>
<u>SUMMARY COMPENSATION TABLE</u>	<u>35</u>
<u>GRANTS OF PLAN-BASED AWARDS</u>	<u>36</u>
<u>OUTSTANDING EQUITY AWARDS AT FISCAL YEAR END</u>	<u>37</u>
<u>STOCK VESTED AND OPTION EXERCISES</u>	<u>39</u>
<u>PENSION BENEFITS</u>	<u>39</u>
<u>NONQUALIFIED DEFERRED COMPENSATION</u>	<u>40</u>
<u>POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL</u>	<u>40</u>
<u>Payments Made Upon Termination Following a Change of Control</u>	<u>40</u>
<u>Payments Made Upon Death, Disability or Retirement</u>	<u>41</u>
<u>AUDIT COMMITTEE REPORT</u>	<u>42</u>
<u>OVERVIEW OF PROPOSALS</u>	<u>43</u>
<u>PROPOSAL I – ELECTION OF DIRECTORS</u>	<u>43</u>
<u>Vote Required</u>	<u>43</u>
<u>Recommendation of the Board</u>	<u>43</u>
<u>PROPOSAL II – ADVISORY VOTE ON EXECUTIVE COMPENSATION</u>	<u>43</u>
<u>Vote Required</u>	<u>44</u>
<u>Recommendation of the Board</u>	<u>44</u>
<u>PROPOSAL III – AMENDMENT TO RESTATED ARTICLES OF INCORPORATION AND AMENDED AND RESTATED BYLAWS TO PROVIDE THAT DIRECTORS WILL BE ELECTED BY A MAJORITY VOTE IN UNCONTESTED ELECTIONS</u>	<u>44</u>

<u>Vote Required</u>	<u>45</u>
<u>Recommendation of the Board</u>	<u>45</u>
<u>PROPOSAL IV – APPROVAL OF THE 2014 OMNIBUS EQUITY AND INCENTIVE COMPENSATION PLAN</u>	<u>45</u>
<u>Vote Required</u>	<u>54</u>
<u>Recommendation of the Board</u>	<u>54</u>
<u>PROPOSAL V – RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	<u>54</u>
<u>Fiscal 2013 and Fiscal 2012 Audit Firm Fee Summary</u>	<u>55</u>
<u>Vote Required</u>	<u>55</u>
<u>Recommendation of the Board</u>	<u>55</u>
<u>SHAREHOLDER PROPOSALS</u>	<u>55</u>
<u>ANNEX A (NON-GAAP FINANCIAL MEASURES)</u>	<u>A-1</u>
<u>ANNEX B (PROPOSED AMENDMENTS TO RESTATED ARTICLES OF INCORPORATION AND AMENDED AND RESTATED BYLAWS)</u>	<u>B-1</u>
<u>ANNEX C (2014 OMNIBUS EQUITY AND INCENTIVE COMPENSATION PLAN)</u>	<u>C-1</u>

[Back to Contents](#)

PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION, DATED MARCH 26, 2014

Proxy Summary

To assist you in reviewing Flowers Foods' 2013 performance and executive compensation, this summary highlights certain key elements of our financial performance and our proxy statement that are discussed in more detail elsewhere in the proxy materials. This summary does not contain all of the information that you should consider, and you should carefully review Flowers Foods' Annual Report on Form 10-K for the year ended December 28, 2013 and the entire proxy statement before voting. Page references ("XX") are supplied to help you find further information in this proxy statement.

2014 Annual Meeting of Shareholders

Date and Time: Wednesday, May 21, 2014 at 11:00 a.m.

Location: Thomasville Municipal Auditorium

Record Date: March 19, 2014

Voting Matters and Board Recommendations (page 43)

	Board Vote Recommendation	Page Reference (for more detail)
Election of Four Director-Nominees	FOR each Director-Nominee	43
Advisory Vote on Executive Compensation	FOR	43
Amend Restated Articles of Incorporation and Amended and Restated Bylaws to Provide that Directors will be Elected by a Majority Vote in Uncontested Elections	FOR	44
Approval of 2014 Omnibus Equity and Incentive Compensation Plan	FOR	45
Ratification of Independent Registered Public Accounting Firm	FOR	54

Business Highlights

(For more details, please see our Annual Report on Form 10-K for the fiscal year ended December 28, 2013 filed with the Securities and Exchange Commission on February 19, 2014)

The year 2013 was one of record sales growth, opportunity, and change for our company. Our team worked hard to meet the needs of new and existing customers impacted by Hostess' sudden departure from the market in late 2012. Our full year results show the benefit to sales and earnings that resulted from our team's efforts. During the first quarter, the board of directors elected Allen L. Shiver president and chief executive officer (effective May 22, 2013), and George E. Deese, previously chairman of the board and chief executive officer, was elected executive chairman of the board, effective the same date. The move was consistent with the company's management succession plan. Also during the first quarter, we completed our acquisition of the rights to *Sara Lee* and *Earthgrains* brands for sliced breads, buns and rolls in California. The third quarter brought the completion of our acquisition of certain Hostess assets, including the *Wonder*, *Merita*, *Home Pride*, *Nature's Pride* and *Butternut* brands, 20 closed bakeries and 36 depots. We also acquired certain assets related to a bun line in Modesto, California. We also completed our first 12-month period with the Lepage Bakeries acquisition during the third quarter. In the fourth quarter, we opened the Henderson, Nevada bakery, the first of the former Hostess bakeries to open as a Flowers Foods subsidiary. The bakery is strategically located near Las Vegas and serves markets in southern Nevada and California. In the latter half of 2013, our team focused on continuing to integrate recent acquisitions and reintroduce the former Hostess bread brands in selected Flowers core markets. We finished the year solidly positioned as the second-largest producer in the U.S. baking industry. Our team continues to focus on executing our operating strategies, and we anticipate that sales and earnings for 2014 will meet or exceed our long-term objectives. Financial highlights of fiscal 2013 include:

- ▲ Adjusted EBITDA margin, excluding one-time events, was 11.2% for the year;⁽¹⁾
- ▲ Adjusted operating income (adjusted EBIT) increased 32.8% compared to fiscal 2012;⁽¹⁾
- Gross margin, excluding depreciation and amortization expense, for the year was 47.4%;⁽¹⁾
- ▼ Volume increased 16.8% for the year;
- ◆ Net price/mix for the year was positive 0.1%;
- ▲ Acquisitions contributed 6.2% to the 2013 sales increase; and
- Our Nature's Own brand reached approximately \$1.1 billion in annual retail sales.

Governance of the Company (page 14)

Director Independence—Pursuant to our corporate governance guidelines, the nominating/corporate governance committee and the board of directors are required to annually review the independence of each director and director-nominee. The purpose of this annual review is to determine whether each director meets the applicable criteria for independence under the rules and regulations of the Securities and Exchange Commission (the "SEC"), the New York Stock Exchange Listed Company Manual ("NYSE Rules") and our corporate governance guidelines. Only those directors who meet the applicable criteria for independence and the board of directors affirmatively determines have no direct or indirect material relationship with the company are considered independent directors. Additional guidelines apply to the members of the audit committee under the SEC rules and NYSE Rules.

(1) Adjusted EBITDA margin, adjusted EBIT and gross margin, excluding depreciation and amortization expense, differ from the measures reported under U.S. generally accepted accounting principles ("GAAP"). See Annex A for a reconciliation of non-GAAP financial measures to the nearest financial measure reported under GAAP.

[Back to Contents](#)

PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION, DATED MARCH 26, 2014

Board Leadership Structure—In February 2013, the board of directors elected George E. Deese to the role of executive chairman of the board, effective May 22, 2013. In fiscal 2013, Benjamin H. Griswold, IV was elected as presiding director. With the active participation by all our directors, including 10 independent directors, we believe that our board leadership structure best positions Flowers to benefit from the respective strengths of our chief executive officer, executive chairman of the board and presiding director.

On January 15, 2014, we announced that the Board had voted to submit a proposal to shareholders to adopt a majority voting standard for the election of directors in uncontested elections. The proposal is included in this proxy statement under Proposal III—Amendment to Restated Articles of Incorporation and Amended and Restated Bylaws to Provide that Directors will be Elected by a Majority Vote in Uncontested Elections.

Director Nominees (page 14)

Name	Age	Director since	Experience	Independent	Committee Memberships	Other Board
Benjamin H. Griswold, IV	73	2005	Partner and chairman of Brown Advisory; Former senior chairman of Deutsche Bank Securities	Yes	Nominating/Corporate Governance and Compensation Committees	Stan. Decl. W.P.
Margaret G. Lewis	59	--	Former president of HCA Capital Division	Yes	--	--
Allen L. Shiver	58	2013	President and chief executive officer of Flowers Foods, Inc. Partner in Wood Associates;	No	--	--
C. Martin Wood III	70	2001	Former senior vice president and chief financial officer of Flowers Industries, Inc.	Yes	Finance and Audit Committees	--

Executive Compensation (page 26)**Summary of Our Compensation Practices (page 27)****Practices We Have Adopted**

- Moderate pay with a focus on the size-adjusted 50th percentile of market data
- Pay mix that is heavily performance-based
- Multiple measures used in incentive plans

Practices We Do Not Engage in

- Employment agreements
- Dividend equivalents on unvested performance shares
- Income tax gross-ups
- Excise tax gross-ups on change in control severance

- Capped incentives
- Clawback policy
- No perquisites
- Stock ownership guidelines for our executives and outside directors
- Moderate change-in-control severance arrangements
- Annual review of tally sheets by the compensation committee
- Incentives that are risk-mitigated through plan design and administration
- Compensation committee comprised solely of independent directors
- Independent compensation consultant who reports directly to the committee
- Anti-hedging policy for executives and outside directors
- Backdating or repricing of stock options
- Pension credited service for years not worked

[Back to Contents](#)

PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION, DATED MARCH 26, 2014

2013 Executive Compensation Summary (page 26)

Set forth below is a summary of the 2013 compensation for each Named Executive as determined under applicable SEC rules. Base salaries reflect an increase of 23.7% for Mr. Shiver; 3.9% for Mr. Kinsey; 3.0% for Mr. Lord; 3.0% for Mr. Avera; and a decrease of 15.4% for Mr. Deese. Stock awards made in 2013 are performance-contingent and are established at market levels based on the industry survey data discussed under Compensation Discussion and Analysis—Compensation Benchmarking on page 28. All other compensation consists solely of employer contributions to retirement plans, as we offer no perquisites to our Named Executives. The information below should be read in connection with the explanatory information contained on page 26 under Compensation Discussion and Analysis and page 35 under Summary Compensation Table, and is qualified in its entirety by such information.

Name and Principal Position	Salary (\$)	Stock Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Allen L. Shiver President and Chief Executive Officer	689,673	2,610,139	548,968	14,071	41,134	3,903,985
George E. Deese Executive Chairman of the Board	820,494	2,533,557	699,508	77,364	151,060	4,281,983
R. Steve Kinsey Executive Vice President and Chief Financial Officer	447,852	574,469	267,270	10,821	49,482	1,349,894
Gene D. Lord Executive Vice President and Chief Operating Officer	523,957	680,034	290,353	13,500	31,420	1,539,264
Stephen R. Avera Executive Vice President, Secretary and General Counsel	417,705	454,175	213,667	2,982	43,190	1,131,719

2013 Executive Total Compensation Mix (page 27)

The information below should be read in connection with the explanatory information contained on pages 27 to 28 under Compensation Discussion and Analysis—Mix of Compensation Opportunity, and is qualified in its entirety by reference to such explanatory information.

FLOWERS FOODS, INC. - 2014 Proxy Statement 7

[Back to Contents](#)

PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION, DATED MARCH 26, 2014

FLOWERS FOODS, INC.

1919 Flowers Circle

Thomasville, Georgia 31757

PROXY STATEMENT FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD MAY 21, 2014

This proxy statement and the accompanying form of proxy are being furnished to the shareholders of Flowers Foods, Inc. on or about April 15, 2014 in connection with the solicitation of proxies by our board of directors for use at the annual meeting of shareholders to be held on May 21, 2014 at 11:00 a.m. Eastern Time at the Thomasville Municipal Auditorium, 144 East Jackson Street, Thomasville, Georgia, and any adjournment or postponement of the meeting.

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING

What is the purpose of the annual meeting?

At the annual meeting, shareholders will:

- vote to elect as Class I directors of the company the nominees identified in this proxy statement to serve for a term of three years;
- hold an advisory vote on the compensation of the company's Named Executives;
- vote to amend our Restated Articles of Incorporation and Amended and Restated Bylaws to provide that directors will be elected by a majority vote in uncontested elections;
- vote to approve the 2014 Omnibus Equity and Incentive Compensation Plan; and
- vote on the ratification of the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm for Flowers Foods for the fiscal year ending January 3, 2015.

The shareholders will also transact any other business that may properly come before the meeting and any adjournment or postponement of the meeting. In addition, Flowers Foods' senior management team will report on the performance of the company and respond to questions from shareholders.

How do I attend the annual meeting in person?

Important note: If you plan to attend the annual meeting, you must follow these instructions to gain admission.

Pre-registration is required for attendance at the 2014 annual meeting, and you must be a Flowers Foods shareholder to register. The deadline for registration is May 14, 2014. All attendees will be required to present a valid, government-issued photo ID, such as a passport or driver's license to gain admission.

Please visit www.flowersfoods.com, and click on Shareholders Meeting Pre-Registration.

How does the board of directors recommend that I vote on each proposal?

The board of directors recommends that you vote:

- “FOR” the election of the director-nominees to serve as Class I director until 2017;
- “FOR” the approval, on an advisory basis, of the compensation of the company's Named Executives;
- “FOR” the approval of the proposal by the board of directors to amend our Restated Articles of Incorporation and Amended and Restated Bylaws to provide that directors will be elected by a majority vote in uncontested elections;
- “FOR” the approval of the 2014 Omnibus Equity and Incentive Compensation Plan; and
- “FOR” the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending January 3, 2015.

[Back to Contents](#)

PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION, DATED MARCH 26, 2014

What is a proxy?

A proxy is your legal designation of another person to vote the shares of Flowers Foods common stock you own as of the record date for the annual meeting. If you appoint someone as your proxy in a written document, that document is also called a proxy or a proxy card. We have designated four of our executive officers as proxies for the annual meeting. These four officers are George E. Deese, our executive chairman of the board, Allen L. Shiver, our president and chief executive officer, R. Steve Kinsey, our executive vice president and chief financial officer, and Stephen R. Avera, our executive vice president, secretary and general counsel.

Are the proxy materials available electronically?

Yes. Under SEC rules, Flowers Foods is making this proxy statement and its 2013 annual report available to its shareholders electronically on the Internet at www.proxyvote.com. On April , 2014, we mailed to our shareholders a notice (the "Notice") containing instructions on how to access this proxy statement and our 2013 annual report online. If you received a Notice by mail, you will not receive a printed copy of the proxy materials in the mail. Rather, the Notice instructs you on how to access and review all of the important information contained in the proxy statement and annual report on the Internet. The Notice also instructs you on how you may submit your proxy vote over the Internet.

If you received a Notice by mail but would like to receive a printed copy of the proxy statement and 2013 annual report, please follow the instructions contained on the Notice.

Who can vote?

To be eligible to vote, you must have been a shareholder of record of the company's common stock at the close of business on March 19, 2014, which is the record date for the annual meeting. There were 208,950,479 shares of our common stock outstanding and entitled to vote on the record date.

How many votes do I have?

You are entitled to one vote on each of the five director-nominees, and one vote on each other matter to be voted upon at the annual meeting, for each share of common stock you held on the record date for the annual meeting. For example, if you owned 100 shares of our common stock on the record date, you would be entitled to 100 votes for each of the five director-nominees and for each other matter to be voted upon at the annual meeting.

How do I vote?

You can vote in the following ways:

Voting by Mail. If you elect to receive your proxy materials by mail, you may vote by completing and signing the enclosed proxy card and promptly mailing it in the enclosed postage-paid envelope. The envelope does not require additional postage if you mail it in the United States.

Internet Voting. If you have Internet access, you may vote your shares from any location in the world by following the “Vote by Internet” instructions set forth on the Notice or the proxy card.

Telephone Voting. You may authorize the voting of your shares by following the “Vote by Telephone” instructions set forth on the proxy card.

Vote at the Meeting. If you attend the annual meeting and you are a registered shareholder, you may vote by delivering your completed proxy card in person or you may vote by completing a ballot, which will be available at the annual meeting. If your shares are held in “street name” through a broker, bank or other record holder, to be eligible to vote your shares in person, you must obtain a legal proxy from your bank, broker or agent that specifies the number of shares you owned on the record date and bring the legal proxy with you to the annual meeting.

By executing and returning your proxy (either by returning the proxy card or by submitting your proxy electronically by the Internet or by telephone), you appoint George E. Deese, Allen L. Shiver, R. Steve Kinsey and Stephen R. Avera to represent you at the annual meeting and to vote your shares at the annual meeting in accordance with your voting instructions. The Internet and telephone voting procedures are designed to authenticate shareholder identities, to allow shareholders to give voting instructions and to confirm that shareholders’ instructions have been recorded properly. Any shareholder voting by Internet should understand that there may be costs associated with electronic access, like usage charges from Internet access and telephone or cable service providers, that must be paid by the shareholder.

[Back to Contents](#)

PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION, DATED MARCH 26, 2014

If I am a registered holder, what if I do not give any instructions on a particular matter described in this proxy statement when voting by mail?

Registered shareholders should specify their choice for each matter on the proxy card. If no specific instructions are given, proxies that are signed and returned will be voted **“FOR”** the election of each director-nominee, the approval, on an advisory basis, of the compensation of the company’s Named Executives, the approval of the proposal by the board of directors to amend our Restated Articles of Incorporation and Amended and Restated Bylaws to provide that directors will be elected by a majority vote in uncontested elections, the approval of the 2014 Omnibus Equity and Incentive Compensation Plan and the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending January 3, 2015.

Can I change my vote after I have mailed my proxy card or after I have authorized the voting of my shares over the Internet or by telephone?

Yes. You can change your vote and revoke your proxy at any time before the polls close at the annual meeting by doing any one of the following things:

- Signing and delivering to our corporate secretary another proxy with a later date;
- Giving our corporate secretary a written notice before or at the annual meeting that you want to revoke your proxy; or
- Voting in person at the annual meeting.

Your attendance at the annual meeting alone will not revoke your proxy.

How do I vote my 401(k) shares?

If you participate in the Flowers Foods, Inc. 401(k) Retirement Savings Plan and you received the Notice, you may vote by Internet or telephone as previously described in this proxy statement. If you elect to receive your proxy materials by mail, you may vote by completing and signing the enclosed proxy card and promptly mailing it in the enclosed postage-paid envelope. In addition, if you received a Notice by mail but would like to receive a printed copy of the proxy statement and 2013 annual report, please follow the instructions contained on the Notice. By voting, you will direct Putnam Fiduciary Trust Company, the Trustee of the 401(k) plan, how to vote the shares of Flowers Foods

common stock allocated to your account. Any unvoted or unallocated shares will be voted by the Trustee in the same proportion on each proposal as the Trustee votes the shares of stock credited to the 401(k) plan participants' accounts for which the Trustee receives voting directions from the 401(k) plan participants. The number of shares you are eligible to vote is based on the number of shares in your account on the record date for the annual meeting.

Can I vote if my shares are held in "street name" by a bank or broker?

If your shares of Flowers Foods common stock are held in "street name" through a broker, bank or other holder of record, you will receive instructions from the registered holder that you must follow in order for your shares to be voted for you by that record holder. Telephone and Internet voting are offered to shareholders who own their Flowers Foods shares through certain banks and brokers.

The election of directors (Proposal I), the advisory proposal to approve the compensation of the company's Named Executives (Proposal II), the proposal by the board of directors to amend our Restated Articles of Incorporation and Amended and Restated Bylaws to provide that directors will be elected by a majority vote in uncontested elections (Proposal III) and the approval of the 2014 Omnibus Equity and Incentive Compensation Plan (Proposal IV) are considered non-discretionary matters under applicable NYSE Rules. A broker or other nominee cannot vote without instructions on non-discretionary matters, and therefore there may be broker "non-votes" on Proposal I, Proposal II, Proposal III and Proposal IV. The ratification of the appointment of our independent registered public accounting firm for fiscal 2014 (Proposal V) is considered a discretionary matter under applicable rules, and a broker or other nominee may (but is not required to) vote "**FOR**" Proposal V without instructions. Accordingly, it is important that you follow the voting instructions sent to you by the registered holder of your shares held in "street name" if you want your vote to be counted.

[Back to Contents](#)

PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION, DATED MARCH 26, 2014

How will broker “non-votes” be treated?

Broker “non-votes” will be counted as present in determining whether the quorum requirement is satisfied but will not be included in vote totals and will not affect the outcome of the vote. A “non-vote” occurs when a nominee holding shares for a beneficial owner does not vote on a proposal because the nominee has not received instructions from the beneficial owner and does not have discretionary power to vote.

In order for your shares to be voted on all matters presented at the annual meeting, including the election of directors, we urge all shareholders whose shares are held in street name by a brokerage firm to provide voting instructions to the brokerage firm.

How will abstentions be treated?

Abstentions will be counted as present in determining whether the quorum requirement is satisfied. Because directors are elected by a plurality of votes, an abstention will have no effect on the outcome of the vote with respect to the election of directors. Abstentions will be treated as votes cast and have the same effect as votes against Proposals II, III, IV and V.

What constitutes a quorum?

The holders of at least a majority of the shares of our common stock entitled to vote at the annual meeting are required to be present in person or by proxy to constitute a quorum for the transaction of business. Abstentions and broker “non-votes” will be counted as present in determining whether the quorum requirement is satisfied. The aggregate number of votes cast by all shareholders present in person or represented by proxy at the meeting, whether those shareholders vote for or against the proposals, and the total number of votes cast for each of these proposals will be counted for purposes of determining whether the proposals have been approved by the shareholders.

What if a quorum is not present at the meeting?

If a quorum is not present at the scheduled time of the annual meeting, we may adjourn or postpone the annual meeting until a quorum is present. The time and place of the adjourned or postponed annual meeting will be announced at the time the adjournment is taken, and, unless such adjournment or postponement is for more than 120 days, no other notice will be given. An adjournment or postponement will have no effect on the business that may be conducted at the annual meeting.

What vote is required for each matter to be voted upon at the annual meeting?

Once a quorum has been established, with respect to Proposal I, the four director-nominees in Class I receiving the highest number of votes cast at the annual meeting will be elected, regardless of whether that number represents a majority of the votes cast.

• Approval of Proposals II and V require the affirmative vote of the holders of a majority of the shares of our common stock present at the meeting in person or by proxy.

• Approval of Proposal III requires the affirmative vote of 66 2/3% of the outstanding shares of our common stock.

Proposal IV requires the affirmative vote of the holders of a majority of the shares of our common stock present at the meeting in person or by proxy. In addition, NYSE Rules require that the total votes cast on this proposal must represent greater than 50% of the outstanding shares of our common stock as of the record date.

Will any other business be conducted at the annual meeting or will other matters be voted on?

At this time, our board of directors does not know of any other business to be brought before the meeting, but if any other business is properly brought before the meeting, the persons named as proxies, Messrs. Deese, Shiver, Kinsey and Avera, will exercise their judgment in deciding how to vote or otherwise act at the annual meeting with respect to that matter or proposal.

[Back to Contents](#)

PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION, DATED MARCH 26, 2014

Where can I find the voting results from the annual meeting?

We will report the voting results on a current report on Form 8-K, which we expect to file with the SEC on or before May 28, 2014.

How and when may I submit a shareholder proposal for the 2015 annual meeting?

For information on how and when you may submit a shareholder proposal for the 2015 annual meeting, please refer to the section entitled "Shareholder Proposals" in this proxy statement.

Who pays the costs of soliciting proxies?

We will pay the cost of soliciting proxies. We have engaged Okapi Partners LLC to assist in the solicitation of votes for a fee of \$9,000, plus out-of-pocket expenses. In addition, our directors and officers may solicit proxies in person, by telephone or facsimile but will not receive additional compensation for these services. Brokerage houses, nominees, custodians and fiduciaries will be requested to forward soliciting material to beneficial owners of stock held of record by them, and we will reimburse those persons for their reasonable expenses in doing so.

How can I obtain an Annual Report on Form 10-K?

The notice of the annual meeting, the proxy statement and the annual report are available on the Internet at www.proxyvote.com. You may also receive a copy of the annual report free of charge by sending a written request to Flowers Foods, Inc., 1919 Flowers Circle, Thomasville, Georgia 31757, Attention: Investor Relations Department.

If you elected to receive your proxy materials by mail, a copy of Flowers Foods' annual report, which includes our Form 10-K and our financial statements for the fiscal year ended December 28, 2013, is included in the mailing of this proxy statement.

The annual report does not form any part of the material for the solicitation of proxies.

Can I elect to receive future notices and proxy materials electronically?

Yes. If you are a registered shareholder or if you participate in the Flowers Foods, Inc. 401(k) Retirement Savings Plan, go to the company's website, www.flowersfoods.com, and follow the instructions for signing up for electronic delivery of proxy materials. Those shareholders signing up for this service will receive all future proxy materials, including the Notice, proxy statement and annual report electronically. Please call Lisa Hay, our manager of shareholder relations, at (229) 226-9110 if you need assistance.

If you hold your shares in a brokerage account or bank you may also have the opportunity to receive these documents electronically. Please contact your brokerage service, bank or financial advisor to make arrangements for electronic delivery of your proxy materials.

FLOWERS FOODS, INC. - 2014 Proxy Statement 12

[Back to Contents](#)

PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION, DATED MARCH 26, 2014

If I cannot attend the annual meeting, will a webcast be available on the Internet?

Shareholders can listen to a live audio webcast of the annual meeting over the Internet on the company's website at www.flowersfoods.com. This webcast also will be archived on the site.

We have included the website address for reference only. The information contained on our website is not incorporated by reference into this proxy statement and does not form any part of the materials used for the solicitation of proxies.

Who should I contact if I have any questions?

If you have any questions about the annual meeting or your ownership of our common stock, please contact Marta J. Turner, our executive vice president of corporate relations, at the above address or by calling (229) 226-9110.

FLOWERS FOODS, INC. - 2014 Proxy Statement 13

[Back to Contents](#)

PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION, DATED MARCH 26, 2014

DIRECTORS AND CORPORATE GOVERNANCE

Class I Director-Nominees

Benjamin H. Griswold, IV, age 73, is partner and chairman of Brown Advisory. Mr. Griswold retired in February 2005 as senior chairman of Deutsche Bank Securities, a position he had held since 1999. Prior to that time, Mr. Griswold held several positions with Alex. Brown & Sons, ultimately being elected the firm's chairman of the board. Following the merger of Alex. Brown and Bankers Trust New York, he became senior chairman of BT Alex. Brown, which was acquired by Deutsche Bank in 1999. Mr. Griswold also served on the board of the New York Stock Exchange, completing his term in 1999. He has been non-executive chairman of W.P. Carey Inc. (NYSE) since 2012 and a director since 2006. He also serves as a director of Stanley Black & Decker, Inc. (NYSE) (2001-present) and as a trustee emeritus of Johns Hopkins University. Mr. Griswold joined our board of directors in February 2005. Mr. Griswold has extensive experience in investment banking, corporate finance and strategic planning.

Margaret G. Lewis, age 59, is the former president of HCA's Capital Division, which includes facilities in northern, central and southwestern Virginia, New Hampshire, Indiana and Kentucky. She began her career with HCA in 1978 and held several positions in nursing management and quality management before becoming chief nursing officer of HCA's Richmond Division in 1997. Ms. Lewis became chief operating officer of CJW Medical Center in 1998 and chief executive officer in 2001. She is a registered nurse and a diplomat of the American College of Healthcare Executives. Ms. Lewis has served as a director of the Federal Reserve Bank of Richmond since September 2013. She previously served as a director of Smithfield Foods from 2011 to 2013. Ms. Lewis brings extensive leadership experience and management skills to the board. Her variety of senior management roles provides expertise in executive decision-making and strategic planning.

Allen L. Shiver, age 58, was elected president and chief executive officer of the company effective May 22, 2013. Mr. Shiver was president of Flowers Foods from January 2010 to May 22, 2013. Mr. Shiver previously served as executive vice president and chief marketing officer of Flowers Foods from May 2008 to January 2010. He previously served as president and chief operating officer of the warehouse delivery segment from April 2003 until May 2008. Prior to that, he served as president and chief operating officer of Flowers Snack from July 2002 until April 2003. Prior to that Mr. Shiver served as executive vice president of Flowers Bakeries from 1998 until 2002, as a regional vice president of Flowers Bakeries in 1998 and as president of Flowers Baking Company of Villa Rica from 1995 until 1998. Prior to that time, Mr. Shiver served in various sales and marketing positions at Flowers Bakeries. Mr. Shiver joined the company in 1979. Mr. Shiver has extensive operational and financial experience as an executive in various capacities during his over 33-year career with the company.

C. Martin Wood III, age 70, has been a partner in Wood Associates, a private investment firm, since January 2000. He retired as senior vice president and chief financial officer of Flowers Industries, Inc. on January 1, 2000, a position that he had held since 1978. Mr. Wood has served as a director of Flowers Foods since March 2001 and he previously served as a director of Flowers Industries, Inc. from 1975 until March 2001. Mr. Wood joined the company in 1970. Mr. Wood also serves as senior active trustee at Archbold Memorial Hospital. Mr. Wood has a high degree of financial literacy and extensive knowledge of the company gained through his 43 years of service with the company, 22 of which he served as its chief financial officer.

Class II Directors Serving Until 2015

Joe E. Beverly, age 72, has been chairman of the board of directors of Commercial Bank in Thomasville, Georgia, a division of Synovus Bank, which is a wholly-owned subsidiary of Synovus Financial Corp. (NYSE), a financial services company, since 1989. He is also the retired vice chairman of the board of directors of Synovus Financial Corp. In addition, he previously served on the board of directors of Plum Creek Timber (NYSE). He was president of Commercial Bank from 1973 to 1989. Mr. Beverly has served as a director of Flowers Foods since March 2001, and he previously served as a director of Flowers Industries, Inc. from August 1996 until March 2001. Mr. Beverly has a high degree of financial literacy and an extensive background in banking and finance.

Amos R. McMullian, age 76, chairman emeritus of Flowers Foods, retired as chairman of the board of directors of Flowers Foods effective January 1, 2006, a position he had held since November 2000. He previously served as chief executive officer of Flowers Foods from November 2000 to January 2004. Mr. McMullian previously served as chairman of the board of directors of Flowers Industries, Inc. from 1985 until March 2001 and as its chief executive officer from 1981 until March 2001. Mr. McMullian previously served on the board of directors of Hughes Supply (2001-2006). Mr. McMullian has extensive operational and financial experience as an executive in various capacities during his 50-year career with the company, 24 years of which he served as the chief executive officer. Mr. McMullian joined the company in 1963.

[Back to Contents](#)

PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION, DATED MARCH 26, 2014

J.V. Shields, Jr., age 76, has been chairman of Wellington Shields & Co., LLC, a diversified financial services company and member of the New York Stock Exchange, since 2009, following the merger of Shields & Co. with H.G. Wellington & Co. Prior to the merger, Mr. Shields had been chairman of the board of directors and chief executive officer of Shields & Co. since 1982. Mr. Shields also is chairman of Capital Management Associates, Inc., and chairman of Wellington Shields Capital Management LLC, both registered investment advisors, and was chairman and director of The BBH Funds, the Brown Brothers Harriman mutual funds group, from 1990-January 2014. He has served as a director of Flowers Foods since March 2001, and he previously served as a director of Flowers Industries, Inc. from March 1989 until March 2001. Mr. Shields has extensive corporate finance and investing experience and has operational and financial experience from his service as a chief executive officer of Shields & Co.

David V. Singer, age 58, has served as the chief executive officer of Snyder's-Lance, Inc. (NASDAQ) since 2010, following the merger of Lance, Inc. and Snyder's of Hanover, Inc. He served as the president and chief executive officer of Lance, Inc. from 2005 until the merger with Snyder's in 2010. He was the executive vice president and chief financial officer of Coca-Cola Bottling Co. Consolidated, Charlotte, NC, from 2001 until 2005 and vice president and chief financial officer of Coca-Cola Bottling Co. Consolidated from 1987 until 2001. Mr. Singer has been a director of Snyder's-Lance, Inc. since 2010 and previously served as a director of Lance, Inc. from 2003-2010. He joined Flowers Foods' board on January 1, 2010. Mr. Singer was elected as a director of SPX Corporation (NYSE) in 2013. Mr. Singer has management and financial experience as well as operational and financial experience as the chief executive officer of a publicly traded consumer products company.

Class III Directors Serving Until 2016

Franklin L. Burke, age 72, has been a private investor since 1991. He is the former senior executive vice president and chief operating officer of Bank South Corp., an Atlanta, Georgia banking company, and the former chairman and chief executive officer of Bank South, N.A., the principal subsidiary of Bank South Corp. He has served as a director of Flowers Foods since March 2001. Mr. Burke previously served as a director of Flowers Industries, Inc. from 1994 until March 2001 and as a director of Keebler Foods Company from 1998 until March 2001. Mr. Burke has a high level of financial literacy and extensive experience in corporate finance and banking, as well as operational and financial experience as a chief executive officer.

George E. Deese, age 68, was elected executive chairman of the board of the company effective as of May 22, 2013. Mr. Deese was chief executive officer of Flowers Foods from January 2004 until May 2013. Mr. Deese has served as a director of Flowers Foods since June 2004 and chairman of the board since January 1, 2006. Previously, he served as

president and chief operating officer of Flowers Foods from May 2002 to January 2004 and as president and chief operating officer of Flowers Bakeries, the company's core business division, from 1983 to May 2002. Mr. Deese joined the company in 1964. He is a board member of the Grocery Manufacturers of America (GMA), and serves as a trustee of the Georgia Research Alliance. Mr. Deese previously served as chairman of the American Bakers Association (ABA) and on the ABA board and executive committee. He previously served as vice chairman of the board for Quality Bakers of America (QBA) and as a member of the QBA board for 15 years. Mr. Deese has gained extensive operational and financial experience as an executive in various capacities during his 49-year career with the company.

Manuel A. Fernandez, age 67, served as executive chairman of the board of Sysco Corporation (NYSE) from April 2012 to November 15, 2013. Previously he had served as non-executive chairman of Sysco since June 2009, and he has been a member of the Sysco board of directors since November 2006. Mr. Fernandez has been the managing director of SI Ventures, a venture capital firm, since 1998 and is the former chairman of Gartner, Inc. (NYSE), a leading information technology research and consulting company, since 2001. Prior to his present positions, Mr. Fernandez was chairman, president, and chief executive officer of Gartner. Previously, he was president and chief executive officer at Dataquest, Inc., Gavilan Computer Corporation, and Zilog Incorporated. He has served as a director of Flowers Foods since January 2005. Mr. Fernandez also serves on the board of directors of Brunswick Corporation (NYSE) as lead director (1997-present). Mr. Fernandez has extensive information technology experience gained through his experiences as an entrepreneur and investor as well as his leadership on the boards of other publicly traded companies. Mr. Fernandez also has operational and financial experience as a chief executive officer of a publicly traded company.

Melvin T. Stith, Ph.D., age 67, is professor of marketing at the Whitman School of Management at Syracuse University in New York. He previously served as dean of the Whitman School of Management from 2005 to 2013. Prior to that time, he was dean of the College of Business at Florida State University in Tallahassee and the Jim Moran Professor of Business Administration. He also is a director of Synovus Financial Corp. (NYSE) (1998-present) and Aflac Incorporated (NYSE) (2012-present). Dr. Stith previously served as a director of Keebler Foods Company from 1999 to 2001. He has served as a director of Flowers Foods since July 2004. Dr. Stith has a significant background in marketing and accounting, has a high level of financial literacy and brings a unique academic perspective to the board of directors.

[Back to Contents](#)

PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION, DATED MARCH 26, 2014

CORPORATE GOVERNANCE

General

We believe that good corporate governance is essential to ensure that the company is effectively managed for the long-term benefit of our shareholders. We have thoroughly reviewed our corporate governance policies and practices and compared them with those recommended by corporate governance advisors and the practices of other publicly-held companies.

Based upon this review we have adopted the following corporate governance documents:

- Corporate Governance Guidelines
- Audit Committee Charter
- Compensation Committee Charter
- Nominating/Corporate Governance Committee Charter
- Finance Committee Charter
- Code of Business Conduct and Ethics for Officers and Members of the Board of Directors
- Stock Ownership Guidelines for Executive Officers and Non-Employee Directors
- Flowers Foods, Inc. Employee Code of Conduct
- Disclosure Policy

You can access the full text of all these corporate governance documents on our website at www.flowersfoods.com by clicking on the “Investor Center” tab and selecting “Corporate Governance.” You can also receive a copy of these documents by writing to Flowers Foods, Inc., 1919 Flowers Circle, Thomasville, Georgia 31757, Attn: Investor Relations Department.

Determination of Independence

Pursuant to our corporate governance guidelines, the nominating/corporate governance committee and the board of directors are required to annually review the independence of each director and director-nominee. During this review, transactions and relationships among each director or any member of his or her immediate family and the company are considered, including, among others, all commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships and those reported in this proxy statement under “Transactions with Management and Others.” In addition, transactions and relationships among directors or their affiliates and members of senior management and their affiliates are examined. The purpose of this annual review is to determine whether each director meets the applicable criteria for independence in accordance with the SEC rules, NYSE Rules and our corporate governance guidelines. Only those directors who meet the applicable criteria for independence and the board of directors affirmatively determines to have no direct or indirect material relationship with the company are considered independent directors.

As part of our corporate governance guidelines, we have adopted categorical standards which provide that certain relationships will be considered material relationships and will preclude a director’s independence. Under these standards, an “independent” director is one who:

- has not been employed by the company or any of its subsidiaries or affiliates, or whose immediate family member has not been employed as an executive officer by the company, within the previous three years;
- does not, or whose immediate family member does not, receive more than \$120,000 per year in direct compensation from the company, other than director and committee fees and pension or other forms of deferred compensation for prior service, provided such compensation is not contingent in any way on continued service (such person is presumed not to be “independent” until three years after he or she (or their immediate family member) ceases to receive more than \$120,000 per year in such compensation); provided that compensation received by an immediate family member for service as an employee of the company (other than as an executive officer) need not be considered;
- is not affiliated with or employed by, or whose immediate family member is not affiliated with or employed, in a professional capacity by, a present or former internal or external auditor of the company (such person is not “independent” until three years after the end of either the affiliation or the auditing relationship);
- is not employed, or whose immediate family member is not employed, as an executive officer of another company where any of Flowers Foods’ present executives serve on such other company’s compensation committee (such person is not “independent” until three years after the end of such service or the employment relationship); and
- is not a current employee, or whose immediate family member is not a current executive officer, of a company that has made payments to, or received payments from, Flowers Foods for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or 2% of such other company’s consolidated gross revenues.

The nominating/corporate governance committee and the board of directors conducted the required annual independence review in February 2014. Upon the recommendation of the nominating/corporate governance committee, the board of directors affirmatively determined that a majority of our directors and director-nominees are

independent of the company and its management as required by the NYSE Rules and the corporate governance guidelines. Messrs. Griswold and Wood are independent directors and director-nominees. Ms. Lewis is an independent director-nominee. Messrs. Beverly, Burke, Fernandez, McMullian, Shields, Singer and Stith are independent directors. Mr. Deese is considered an inside director because he is currently executive chairman of the company and Mr. Shiver is an inside director-nominee because he is currently the president and chief executive officer of the company. Each director and director-nominee abstained from voting on his or her own independence.

The foregoing discussion of director independence is applicable only to service as a member of the board of directors, the compensation committee and the nominating/corporate governance committee. Additional guidelines apply to the members of the audit committee under the SEC rules and NYSE Rules.

[Back to Contents](#)

PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION, DATED MARCH 26, 2014

Presiding Director

Pursuant to the corporate governance guidelines, the board of directors created the position of “presiding director,” whose primary responsibilities are to preside over periodic executive sessions of the board of directors in which management directors and other members of management do not participate and to:

- serve as the liaison between the chairman of the board and the outside, independent directors of the company;
- oversee information sent by the company to the members of the board of directors;
- review meeting agendas and schedules for the board of directors;
- call meetings of the independent, non-management directors; and
- be available for consultation and director communication with shareholders.

Each year at the meeting of the board of directors following the annual meeting, a presiding director is appointed among the independent directors to serve until the company’s annual meeting of shareholders the following year. On May 22, 2013, Benjamin H. Griswold, IV was appointed to serve as the presiding director until the 2014 annual meeting of shareholders.

The Board of Directors and Committees of the Board of Directors

In accordance with the company’s amended and restated bylaws, the board of directors has set the number of members of the board of directors at twelve. The board of directors held 9 meetings in fiscal 2013, and no incumbent director attended fewer than 75% of the aggregate of:

- the total number of meetings of the board of directors held during the period for which he or she has been a director; and
- the total number of committee meetings held by all committees of the board on which he or she served during the periods that he or she served.

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Our board of directors has established several standing committees: an audit committee, a nominating/corporate governance committee, a compensation committee and a finance committee. The board of directors has adopted a written charter for each of these committees, all of which are available on the company's website at www.flowersfoods.com.

The following table describes the current members of each of the committees and the number of meetings held during fiscal 2013:

	Audit Committee	Nominating/Corporate Governance Committee	Compensation Committee	Finance Committee
Joe E. Beverly*	X			X
Franklin L. Burke*	Chair			X
George E. Deese				
Manuel A. Fernandez*		X	Chair	
Benjamin H. Griswold, IV*		X	X	
Amos R. McMullian*				
J.V. Shields, Jr.*		X	X	
Allen L. Shiver				
David V. Singer*	X			X
Melvin T. Stith*		X	X	
Jackie M. Ward*(1)		Chair	X	
C. Martin Wood III*	X			Chair
NUMBER OF MEETINGS	9	4	5	5

* *Independent Directors*

Ms. Ward's term as director will expire at the 2014 annual meeting and she will not serve another term in (1) accordance with the company's corporate governance guidelines relating to re-election after attaining the age of 75.

Audit Committee

Under the terms of the audit committee charter, the audit committee represents and assists the board of directors in fulfilling its oversight responsibilities with respect to:

- the integrity of our financial statements;
- our compliance with legal and regulatory requirements;
- the independent registered public accounting firm's qualifications and independence; and

- the performance of the company's internal audit function and the independent registered public accounting firm.

The audit committee's duties and responsibilities include:

- responsibility for overseeing our financial reporting process on behalf of the board of directors;
direct responsibility for the appointment, retention, termination, compensation and oversight of the work of the
- independent registered public accounting firm employed by the company, which reports directly to the committee, and sole authority to pre-approve all services to be provided by the independent auditor;

FLOWERS FOODS, INC. - 2014 Proxy Statement 17

[Back to Contents](#)

PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION, DATED MARCH 26, 2014

- review and discussion of our annual audited financial statements and quarterly financial statements with management and our independent registered public accounting firm;
- review of the internal audit function's organization, plans and results and of the qualifications and performance of our independent registered public accounting firm (our internal audit function and its compliance officer report directly to the audit committee);
- review with management the effectiveness of our internal controls;
- review with management any material legal matters and the effectiveness of our procedures to ensure compliance with our legal and regulatory responsibilities;
- discussion of guidelines and policies with respect to risk assessment and risk management to assess and manage the company's exposure to risk; and
- oversight of the company's enterprise risk management activities ("ERM"), with the full understanding that responsibility for ERM continues to be shared by the entire board of directors and all directors have the authority and obligation to scrutinize the company's ERM efforts.

The board of directors has determined that all audit committee members are "independent" under NYSE Rules, SEC rules and regulations and our corporate governance guidelines. The board of directors has also determined that Mr. Wood is an "audit committee financial expert" under Item 407(d)(5) of Regulation S-K of the Securities Act of 1933. Each member of the audit committee is financially literate, knowledgeable and qualified to review financial statements.

Nominating/Corporate Governance Committee

Under the terms of its charter, the nominating/corporate governance committee is responsible for considering and making recommendations to the board of directors with regard to the function and needs of the board, and the review and development of our corporate governance guidelines. In fulfilling its duties, the nominating/corporate governance committee shall:

- receive identification of individuals qualified to become board members;
- select, or recommend that the board select, the director-nominees for our next annual meeting of shareholders;
- evaluate incumbent directors;
- develop and recommend corporate governance principles applicable to the company;

- review possible conflicts of interest of directors and management and make recommendations to prevent, minimize or eliminate such conflicts;
- make recommendations to the board regarding the independence of each director;
- review director compensation;
- oversee the evaluation of the board and management;
- oversee risks related to ethics issues, shareholder activism, change in control, investor relations, loss of separate employer status and corporate structure; and
- perform any other duties and responsibilities delegated to the committee from time to time.

Our board has determined that all members of the nominating/corporate governance committee are “independent” under the NYSE Rules and our corporate governance guidelines. For information relating to nomination of directors by shareholders, please see “Selection of Director-Nominees.”

Compensation Committee

Under the terms of its charter, the compensation committee has overall responsibility for evaluating and approving the company’s compensation plans, policies and programs. The compensation committee’s duties and responsibilities include:

- review and approval of corporate goals and objectives relevant to our chief executive officer’s compensation, evaluation of our chief executive officer’s performance in light of these goals and objectives, and, either as a committee or together with the other independent directors (as directed by the board), determination and approval of our chief executive officer’s compensation level based on this evaluation;
- making recommendations to the board with respect to non-chief executive officer compensation, incentive-compensation plans and equity-based plans;
- administration of equity-based incentive plans and other plans adopted by the board that contemplate administration by the compensation committee;
- overseeing regulatory compliance with respect to compensation matters;
- review of employment agreements, severance agreements and any severance or other termination payments proposed with respect to any of our executive officers;
- overseeing risks related to executive compensation disclosures, human capital needs, intellectual capital loss, labor relations, employee retention and public compensation disclosures; and

- production of a report on executive compensation for inclusion in our proxy statement for the annual meeting of shareholders.

For fiscal 2013, the compensation committee completed its annual review of our compensation philosophies and practices with respect to our employees and concluded that the risk arising from such policies and practices are not reasonably likely to have a material adverse affect on us. While risk is inherent in any strategy for growth, the company's compensation programs minimize risk through the following design elements, among others:

- balanced incentive plans designed to reward both annual and long-term performance, and both internal and stock price performance;
- incentive goals set at the corporate level;
- capped incentives;
- stock ownership guidelines requiring the Named Executives to own a significant amount of our stock; and
- a recoupment (clawback) policy for equity grants and cash bonuses if they are paid based on incorrect financial results due to knowing misconduct by a participant.

Our board has determined that all members of the compensation committee are "independent" under NYSE Rules, SEC rules and regulations and our corporate governance guidelines.

[Back to Contents](#)

PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION, DATED MARCH 26, 2014

Finance Committee

The duties and responsibilities of the finance committee are to:

- make recommendations to the board with respect to (i) management's capital expenditure plans and other uses of the company's cash flows (including the financial impact of stock repurchases, acquisitions and the payment of dividends), (ii) the company's credit facilities, (iii) commodities hedging and (iv) liquidity matters;
- make plan design recommendations to the board with respect to the approval, adoption and any significant amendment of all defined benefit and defined contribution retirement plans;
- recommend to the board appointments to and have oversight over the Fiduciary Oversight Committee; and
- be responsible for oversight of risks regarding the following matters:
 - Leverage and debt service/cash flow
 - Access to capital
 - Deployment of capital
 - Mergers and acquisitions
 - Benefit plan funding and multi-employer pension plan funding
 - Use of derivatives, including for commodity and foreign currency exchange
 - Global procurement and interruption of supply chain
 - Volatility of inventory because of inflation or deflation
 - Energy availability and cost, including unstable fuel costs

Board Leadership Structure

The board of directors elected Mr. Deese executive chairman of the board effective May 22, 2013 and Mr. Shiver president and chief executive officer effective the same date. Mr. Shiver, in his role as president and chief executive officer, has primary responsibility for the day-to-day operations of the company. As executive chairman of the board, Mr. Deese will work with Mr. Shiver regarding the strategic direction of the company and continue to provide

leadership on the company's key strategic objectives. In his role as executive chairman of the board, Mr. Deese will continue to set the strategic priorities for the board (with input from the presiding director), preside over its meetings and communicate its strategic findings and guidance to management. The board believes that the close working relationship between the chief executive officer and executive chairman of the board will continue to provide consistent communication and coordination throughout the organization, which results in a more effective and efficient implementation of corporate strategy. The board further believes that Mr. Deese's continued active role in the company is important in unifying the company's strategy behind a consistent vision as the company transitions through its established succession plans.

As noted earlier, the independent non-management directors appointed Mr. Griswold as independent presiding director in fiscal 2013, which provides balance to the board's structure. With a supermajority of independent directors, an audit committee, compensation committee, nominating and corporate governance committee and finance committee each comprised entirely of independent directors, and an independent presiding director to oversee all meetings of the non-management directors, the company's board of directors believes the existing leadership structure provides for an appropriate balance that best serves the company and its shareholders. The board of directors annually reviews its leadership structure to ensure that it remains the optimal structure for the company and our shareholders.

Risk Management

The board of directors is actively involved in oversight of risks that could affect the company. This oversight is conducted primarily through the audit committee, as described above and in the audit committee charter, but the full board has retained responsibility for general oversight of risks. Specifically, the board has responsibility for overseeing, reviewing and monitoring the company's overall risks, and each board committee is responsible for the oversight of specific risk areas relevant to its purpose as provided in the committee charters. The overall responsibility of the board and its committees is enabled by an enterprise risk management model and process implemented by management that is designed to identify, assess, manage and mitigate risks. The board satisfies this responsibility through full reports by each committee chair regarding the committee's considerations and actions, as well as through regular reports to the board directly from executive officers responsible for oversight of particular risks within the company. In addition, the compensation committee, nominating/corporate governance committee and finance committee are responsible for the oversight of specific risks, as described above and in each committee's charter. The company believes that its leadership structure, discussed in detail above, supports the risk oversight function of the board. Strong directors chair the various board committees involved with risk oversight, there is open communication between management and directors and all directors are actively involved in the risk oversight function.

Relationships Among Certain Directors

J.V. Shields, Jr. and C. Martin Wood III are married to sisters.

[Back to Contents](#)

PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION, DATED MARCH 26, 2014

Attendance at Annual Meetings

In accordance with our corporate governance guidelines, directors are expected to rigorously prepare for, attend and participate in all meetings of the board of directors and meetings of the committees on which they serve and to devote the time necessary to appropriately discharge their responsibilities. Aside from these requirements, the company does not maintain a formal policy for attendance by directors at annual meetings of shareholders. However, all of our directors attended the annual meeting of shareholders held on May 22, 2013.

Selection of Director-Nominees

The nominating/corporate governance committee identifies and considers director candidates recommended by its members and other board members, as well as management and shareholders. A shareholder who wishes to recommend a prospective director-nominee for the committee's consideration should submit the candidate's name and qualifications to Flowers Foods, Inc., 1919 Flowers Circle, Thomasville, Georgia 31757, Attention: Executive Vice President, Secretary and General Counsel. The nominating/corporate governance committee will also consider whether to recommend for nomination any person identified by a shareholder pursuant to the provisions of our amended and restated bylaws relating to shareholder nominations. Recommendations by shareholders that are made in accordance with these procedures will receive the same consideration given to nominees of the nominating/corporate governance committee.

The nominating/corporate governance committee believes that any director-nominee must meet the director qualification criteria set forth in our corporate governance guidelines before such director-nominee can be recommended for election to the board of directors. These factors include:

- integrity and demonstrated high ethical standards;
- the ability to express opinions, raise tough questions and make informed, independent judgments;
- experience managing or operating public companies;
- knowledge, experience and skills in at least one specialty area;
- ability to devote sufficient time to prepare for and attend board of directors meetings;
- willingness and ability to work with other members of the board of directors in an open and constructive manner;

- ability to communicate clearly and persuasively; and
- diversity in background, personal and professional experience, viewpoints or other demographics.

In addition, no person may stand for election or reelection to the board of directors after turning 75 years old. The nominating/corporate governance committee considers these factors as it deems appropriate, as well as other factors it determines are pertinent in light of the current needs of the board of directors. The nominating/corporate governance committee may use the services of a third-party executive search firm to assist it in identifying and evaluating possible director-nominees.

Shareholder & Other Interested Party Communication with Directors

The board of directors will give proper attention to written communications that are submitted by shareholders and other interested parties and will respond if appropriate. Shareholders and other interested parties interested in communicating directly with the board of directors as a group, the independent, non-management directors as a group or any individual director may do so by writing to Presiding Director, Flowers Foods Inc., 1919 Flowers Circle, Thomasville, GA 31757. Absent circumstances contemplated by committee charters, the chair of the nominating/corporate governance committee and the presiding director, with the assistance of our executive vice president, secretary and general counsel will monitor and review all correspondence from shareholders and other interested parties and provide copies or summaries of such communications to other directors as they deem appropriate.

DIRECTOR COMPENSATION

General

Based upon the recommendations of the nominating/corporate governance committee, the board considers and establishes director compensation. An employee of the company who also serves as a director does not receive any additional compensation for serving as a director or as a member or chair of a board committee.

[Back to Contents](#)

PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION, DATED MARCH 26, 2014

2013 Director Compensation Package

The nominating/corporate governance committee periodically reviews the status of director compensation in relation to other comparable companies and other factors it deems appropriate. In addition, in 2013 the nominating/corporate governance committee engaged Meridian Compensation Partners (“Meridian”), an independent compensation consultant, to assist the committee in its assessment of the competitiveness of director compensation. During 2013, the directors’ compensation package for non-employee directors was based on the following principles:

- a significant portion of director compensation should be aligned with creating and sustaining shareholder value;
- directors should have an equity interest in the company; and
- total compensation should be structured to attract and retain a diverse and truly superior board of directors.

Cash and Stock Compensation

With the above principles in mind, the compensation package in 2013 for non-employee directors comprised the following:

- an annual cash retainer of \$80,000 through May 21, 2013; increased to \$95,000 effective May 22, 2013 for all non-employee directors;
- an annual cash retainer of \$12,500 through May 21, 2013; increased to \$15,000 effective May 22, 2013 for the chairman of the audit committee;
- an annual cash retainer of \$10,000 through May 21, 2013; increased to \$12,500 effective May 22, 2013 for the chairman of the compensation committee;
- an annual cash retainer of \$5,000 through May 21, 2013; increased to \$10,000 effective May 22, 2013 for the chair of the nominating/corporate governance committee;
- an annual cash retainer of \$5,000 through May 21, 2013; increased to \$10,000 effective May 22, 2013 for the chairman of the finance committee;
- an annual cash retainer of \$5,000 for each member of the audit committee;
-

an annual cash retainer of \$15,000 through May 21, 2013; increased to \$17,500 effective May 22, 2013 for the presiding director; and

• an annual award of deferred stock valued at \$120,000 (which vests one year from the date of grant) based upon the closing price of the company's common stock on the Tuesday following the annual meeting of shareholders.

Participation in Company Plans

Non-employee directors are eligible to participate in the 2001 Executive Performance Incentive Plan, as amended and restated as of April 1, 2009 (the "EPIP"), our Stock Appreciation Rights Plan (the "SAR Plan") and the Executive Deferred Compensation Plan (the "EDCP").

Under the EPIP, non-employee directors received deferred stock grants as described above. These grants of deferred stock vest one year from the date of grant. Directors also have the option to convert their annual board retainer fees into deferred stock in which case the vesting period is two years from the date of grant.

Stock appreciation rights granted in years prior to 2007 under the SAR Plan do not give the director an equity interest in the company. Instead, they offer the directors a cash payment equal to the difference between the value of the shares underlying the stock appreciation rights on the exercise date and the exercise price. Stock appreciation rights vest one year from the date of issuance, and the director has ten years from the date of issuance to exercise these rights. Additionally, the holder of stock appreciation rights receives an amount equal to the dividends that would have been paid on an equivalent number of shares of the company's common stock at the same time dividends are paid to all other shareholders. In 2013, these payments to all directors in the aggregate totaled \$73,412. Outstanding stock appreciation rights that vested prior to December 31, 2004 will continue to accumulate these payments in an account for distribution at the date of exercise. Stock appreciation rights are expensed in accordance with the fair value provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Certification ("ASC") Topic 718, Stock Compensation.

Under the EDCP, non-employee directors may elect to defer all or any portion of their annual retainer and cash committee fees. All deferrals earn interest until paid to the director. Generally, the deferral plus interest is paid to the director upon retirement or termination from the company's board of directors. During 2008, participants were given a one-time, irrevocable opportunity to convert their EDCP cash account for some or all prior years' deferrals to an account that tracks the performance of our common stock. Balances as of the end of the fiscal year were converted, based on the closing price of our common stock on January 2, 2009. The EDCP tracking account will be distributed in shares of our common stock at the time elected by the participant for the deferral year(s) in question. The EDCP tracking account will be credited with dividends paid on our common stock for the number of shares deemed held in such account, and such dividends will then be deemed to be invested in the cash account and will earn interest as described above.

If approved by the shareholders, non-employee directors will be eligible to participate in the 2014 Omnibus Equity and Incentive Plan. See Proposal IV—Approval of the 2014 Omnibus Equity and Incentive Compensation Plan.

FLOWERS FOODS, INC. - 2014 Proxy Statement 21

[Back to Contents](#)

PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION, DATED MARCH 26, 2014

Stock Ownership Guidelines

The board believes that the economic interests of directors should be aligned with those of shareholders. To achieve this, all directors are expected to hold shares of common stock in the company. A non-employee director must own shares of common stock with a value of at least six times the annual cash retainer paid to the non-employee directors. All direct holdings of our common stock and all vested shares of deferred stock are included for purposes of determining compliance. These guidelines may be revised or terminated by the nominating/corporate governance committee at any time with thirty days written notice to the affected directors. Directors have four years to meet the required guidelines. All non-employee directors were in compliance with the guidelines as of March 19, 2014.

Other Arrangements

We reimburse all directors for out-of-pocket expenses incurred in connection with attendance at board meetings, or when traveling in connection with the performance of their services for the company.

[Back to Contents](#)**PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION, DATED MARCH 26, 2014**

DIRECTOR SUMMARY COMPENSATION TABLE

The following table details compensation to non-employee members of the board of directors for the 2013 fiscal year:

Name	Fees Earned or Paid in Cash (\$) ⁽¹⁾	Stock Awards (\$) ⁽²⁾	Change in Pension Value and Nonqualified Deferred Comp. Earnings (\$) ⁽³⁾		All Other Comp. (\$) ⁽⁴⁾	Total (\$)
Joe E. Beverly	93,750	120,000	-	-	-	213,750
Franklin L. Burke	107,708	120,000	15,273	-	-	242,981
Manuel A. Fernandez	100,208	120,000	962	-	-	221,170
Benjamin H. Griswold, IV	105,208	120,000	-	-	-	225,208
Amos R. McMullian	88,750	120,000	40,854	-	148,627	398,231
J.V. Shields, Jr.	88,750	120,000	-	-	-	208,750
David V. Singer	93,750	120,000	-	-	-	213,750
Melvin T. Stith, Ph. D.	88,750	120,000	-	-	-	208,750
Jackie M. Ward ⁽⁵⁾	96,667	120,000	-	-	-	216,667
C. Martin Wood III	101,667	120,000	1,538	-	-	223,205

Directors have the option to convert their annual board retainer fees into deferred stock. Directors may also elect to defer all or a portion of their annual retainer and cash committee fees, if any, through the EDCP. In fiscal 2013, Ms. Ward and Messrs. Burke, Fernandez, Shields and Singer elected to convert all of their annual board retainer (1) fees to deferred stock. Ms. Ward and Mr. Fernandez deferred all of their committee fees to the EDCP in fiscal 2013. The deferred stock vests two years from the date of grant, and is delivered to the grantee along with accumulated dividends at a designated time selected by the grantee at the date of the grant. The deferred stock is accounted for under ASC 718.

The stock awards represent the grant date fair value computed in accordance with ASC 718 of deferred stock (2) granted to each non-employee director in fiscal 2013. The deferred stock award vests one year from the date of grant. Details regarding the number of stock appreciation rights and deferred stock outstanding (vested and non-vested) by director as of December 28, 2013 is as follows:

Name	Stock		
	Appreciation Rights (#)	Deferred Stock (#)	Deferred Stock (\$)
Joe E. Beverly	-	47,887	1,021,430
Franklin L. Burke	32,905	87,797	1,872,710
Manuel A. Fernandez	49,780	40,297	859,535

Benjamin H. Griswold, IV	7,762	5,415	115,502
Amos R. McMullian	-	13,470	287,315
J.V. Shields, Jr.	50,793	22,755	485,364
David V. Singer	-	22,755	485,364
Melvin T. Stith, Ph. D.	-	38,842	828,500
Jackie M. Ward	-	106,884	2,279,836
C. Martin Wood III	-	5,415	115,502

(3) *Amounts reported in this column represent above-market earnings on deferred compensation and, for Messrs. McMullian and Wood, distributions under the Retirement Plan.*

(4) *Amounts reported as "All Other Compensation" in the Director Compensation Table above, include the following for the relevant directors:*

Name	Distributions		
	from EDCP \$(a)	Miscellaneous \$(b)	Total (\$)
Amos R. McMullian 2013	78,387	70,240	148,627

(a) *Distributions to Mr. McMullian under the EDCP were earned during his service as an employee of the company. Mr. McMullian retired as chief executive officer in 2004.*

(b) *Administrative support provided to Mr. McMullian by the company for his service as chairman emeritus of the board.*

(5) *Ms. Ward's term as director will expire at the 2014 annual meeting and she will not serve another term in accordance with the company's corporate governance guidelines relating to re-election after attaining the age of 75.*

[Back to Contents](#)

PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION, DATED MARCH 26, 2014

TRANSACTIONS WITH MANAGEMENT AND OTHERS

A. Ryals McMullian, the son of Amos R. McMullian, a director, was employed by the company throughout fiscal 2013 as vice president and associate general counsel. He was paid an aggregate salary and bonus of \$221,903 in fiscal 2013. Also in fiscal 2013, Mr. McMullian was granted 2,550 shares of performance-contingent restricted stock pursuant to the EPIP. Michael Lord, a son of Gene D. Lord, the executive vice president and chief operating officer of the company, was employed by the company throughout fiscal 2013 as a vice president of sales for a portion of the year, and a plant president for a portion of the year. He was paid an aggregate salary and bonus of \$153,963 in fiscal 2013. Also in fiscal 2013, Mr. Lord was granted 1,350 shares of performance-contingent restricted stock pursuant to the EPIP. Mark Lord, a son of Gene D. Lord, the executive vice president and chief operating officer of the company, was employed by the company throughout fiscal 2013 as a vice president of sales. He was paid an aggregate salary and bonus of \$123,212. Also in 2013, Mr. Lord was granted 1,050 shares of performance-contingent restricted stock pursuant to the EPIP. Chris Mulford, the son-in-law of George E. Deese, the executive chairman of the company, was employed by the company throughout fiscal 2013 as a vice president of sales. He was paid an aggregate salary and bonus of \$120,771. Also in fiscal 2013, Mr. Mulford was granted 1,050 shares of performance-contingent restricted stock pursuant to the EPIP.

Any transaction between the company and a related party is disclosed to the nominating/corporate governance committee and then presented to the full board for evaluation and approval. The company's policies with respect to related party transactions are set forth in our corporate governance guidelines and our code of business conduct and ethics, which states that the company does not engage in transactions with related parties if such a transaction would cast into doubt the independence of the director, present the appearance of a conflict of interest or violate any applicable law. Each of the transactions set forth above were reviewed and approved by our board in accordance with the company's policy.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Principal Shareholders

The following table lists information regarding the ownership of our common stock by the only non-affiliated individuals, entities or groups known to us to be the beneficial owner of more than 5% of our common stock:

Shares of Common Stock Beneficially	Percent
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Name and Address of Beneficial Owner	Owned	of Class ⁽¹⁾	
T. Rowe Price Associates, Inc. 100 E. Pratt Street Baltimore, MD 21202 ⁽²⁾	14,214,469	6.8	%
The Vanguard Group 100 Vanguard Blvd. Malvern, PA 19355 ⁽³⁾	11,126,194	5.3	%
BlackRock, Inc. 40 East 52 nd Street New York, NY 10022 ⁽⁴⁾	11,042,835	5.3	%

(1) *Percent of class is based upon the number of shares of Flowers Foods common stock outstanding on March 19, 2014.*

Based solely on a Schedule 13G/A filed by T. Rowe Price Associates, Inc. ("Price Associates") on February 11, 2014, these securities are owned by various individual and institutional investors to which Price Associates serves as an investment advisor with power to direct investments and/or sole power to vote the securities. For purposes of the (2) reporting requirements of the Securities Exchange Act of 1934, Price Associates is deemed to be a beneficial owner of such securities; however, Price Associates expressly disclaims that it is, in fact, the beneficial owner of such securities. The Schedule 13G/A indicates that Price Associates has sole dispositive power as to all shares reported and sole voting power as to 2,740,700 shares.

The beneficial ownership reported is based upon a Schedule 13G filed by The Vanguard Group on February 11, 2014. The Schedule 13G indicates that (a) The Vanguard Group has sole dispositive power as to 11,030,351 shares reported, sole voting power as to 109,794 shares and shared dispositive power as to 95,844 shares reported, (b) Vanguard Fiduciary Trust Company, a wholly-owned subsidiary of The Vanguard Group, Inc., is the (3) beneficial owner of 95,844 shares, as a result of its serving as investment manager of collective trust accounts, and (c) Vanguard Investments Australia, Ltd., a wholly-owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 13,950 shares, as a result of its serving as investment manager of Australian investment offerings.

The beneficial ownership reported is based upon a Schedule 13G filed by BlackRock, Inc. on January 29, 2014. (4) The Schedule 13G indicates that BlackRock, Inc. has sole dispositive power as to all shares reported and sole voting power as to 10,396,032 shares.

[Back to Contents](#)**PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION, DATED MARCH 26, 2014****Share Ownership of Certain Executive Officers, Directors and Director-Nominees**

The following table lists information as of March 19, 2014 regarding the number of shares owned by each director, each director-nominee, each executive officer listed on the summary compensation table included later in this proxy statement and by all of our directors, director-nominees and executive officers as a group:

Name of Beneficial Owner	Amount and Nature		Percent of Class	
	of Beneficial Ownership ⁽¹⁾			
Stephen R. Avera	840,670	(2)		*
Joe E. Beverly	329,746	(3)		*
Franklin L. Burke	197,839	(4)		*
George E. Deese	5,095,355	(5)	2.4	%
Manuel A. Fernandez	104,799			*
Benjamin H. Griswold, IV	294,771	(6)		*
R. Steve Kinsey	668,776	(7)		*
Gene D. Lord	1,359,977	(8)		*
Amos R. McMullian	3,624,285		1.7	%
J. V. Shields, Jr.	15,288,004	(9)	7.3	%
Allen L. Shiver	1,360,447	(10)		*
David V. Singer	56,767			*
Melvin T. Stith, Ph.D.	40,586			*
Jackie M. Ward	217,965	(11)		*
C. Martin Wood III	7,884,407	(12)	3.8	%
All Directors, Director-Nominees and Executive Officers as a Group (15 persons)	37,324,394		17.9	%

* Represents beneficial ownership of less than 1% of Flowers Foods common stock

(1) Unless otherwise indicated, each person has sole voting and dispositive power with respect to all shares listed opposite his or her name.

(2) Includes (i) performance-contingent restricted stock awards of 49,750 shares all of which are subject to forfeiture and (ii) unexercised stock options for 379,011 shares. Also includes (i) 675 shares owned by Mr. Avera's spouse as custodian for their minor children and (ii) 70,670 shares held by a trust of which Mr. Avera is a co-trustee, as to which shares Mr. Avera disclaims any beneficial ownership.

(3) Includes 104,746 shares owned by the spouse of Mr. Beverly, as to which shares Mr. Beverly disclaims any beneficial ownership.

(4) Includes 63,257 shares owned by the spouse of Mr. Burke, over which Mr. Burke and his spouse share investment authority and 6,787 shares held in Mr. Burke's stock tracking account.

- Includes (i) 50,301 shares owned by the spouse of Mr. Deese, as to which Mr. Deese disclaims any beneficial ownership and (ii) performance-contingent restricted stock awards of 260,900 shares all of which are subject to forfeiture and (iii) unexercised stock options for 2,464,199 shares.*
- (5) *Includes 5,062 shares owned by the spouse of Mr. Griswold, as to which Mr. Griswold disclaims any beneficial ownership.*
- (6) *Includes (i) performance-contingent restricted stock awards of 62,600 shares all of which are subject to forfeiture and (ii) unexercised stock options for 424,012 shares.*
- (7) *Includes performance-contingent restricted stock awards of 73,350 shares all of which are subject to forfeiture and unexercised stock options for 584,436 shares.*
- (8) *Includes: (i) 6,244,657 shares held by investment advisory clients of Wellington Shields Capital Management Associates, LLC, of which Mr. Shields is the chairman; (ii) 741,659 shares held by trusts of which Mr. Shields is trustee; (iii) 7,730,939 shares owned by the spouse of Mr. Shields (iv) 129,553 shares held by investment advisory clients of Wellington Shields & Co., LLC, of which Mr. Shields is chairman and (v) 21,100 shares held by Capital Management Associates of which Mr. Shields is chairman, in each case as to which Mr. Shields disclaims any beneficial ownership. Mr. Shields' business address is Wellington Shields & Company, LLC 140 Broadway, New York, NY 10005.*
- (9) *Includes performance-contingent restricted stock awards for 197,950 shares and time-based restricted stock of 58,500 shares, all of which are subject to forfeiture and unexercised stock options for 577,518 shares. Also includes 7,282 shares held by Mr. Shiver as custodian for his child and 4,437 shares held by the spouse of Mr. Shiver, as to which shares Mr. Shiver disclaims any beneficial ownership.*
- (10) *Includes 23,982 shares held in Ms. Ward's stock tracking account.*
- (11) *Includes 116,865 shares held by a trust of which Mr. Wood is trustee and 6,527,872 shares owned by the spouse of Mr. Wood, as to which shares Mr. Wood disclaims any beneficial ownership.*
- (12)

[Back to Contents](#)

PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION, DATED MARCH 26, 2014

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Except as noted below, based solely upon a review of our records and written representations by the persons required to file these reports, all stock transaction reports required to be filed by Section 16(a) of the Securities Exchange Act of 1934, (the “Exchange Act”), with the SEC were timely filed in fiscal 2013 by directors and executive officers.

On May 22, 2013, the board of directors approved a \$15,000 increase to the directors’ annual retainers. Messrs. Burke, Fernandez, Shields, Singer and Ms. Ward had previously elected to convert their 2013 annual retainers into shares of deferred stock and each received an award of 630 shares of deferred stock in lieu of the additional cash retainer. Due to an administrative error, Forms 4 for these issuances of deferred stock were not filed until June 5, 2013.

Due to an administrative error, a Form 5 correcting for a late Form 4 was filed on January 3, 2014 in connection with transactions involving shares of Flowers Foods common stock in Bradley K. Alexander’s 401(k) account.

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

2013 In Brief

Under our pay-for-performance program, our Named Executives earned the following for 2013 performance:

An increase of 23.7% for Mr. Shiver; 3.9% for Mr. Kinsey; 3.0% for Mr. Lord; 3.0% for Mr. Avera; and a decrease of 15.4% for Mr. Deese in base salary in 2013 as compared to 2012. The increase for Mr. Shiver was the result of his promotion from president to president and chief executive officer. The decrease for Mr. Deese was the result of being named to the post of executive chairman of the board from chairman of the board and chief executive officer.

Payment of cash bonuses at 85.25% of our Named Executives’ respective Target Bonus Percentages (as defined below) under our bonus plan, based upon achievement of 97.05% of the target performance goal.

Vesting in 2014 of the ROIC Performance-Contingent Restricted Stock Award issued in 2012 at 125.0% of target as a result of the company's average return on invested capital (the "Company ROIC") during the 17 month performance period ending December 28, 2013 exceeding the company's average "weighted average cost of capital" (the "Company WACC") by 613 basis points.

Vesting in 2014 of the TSR-Based Performance-Contingent Restricted Stock Award issued in 2012 at 195.0% of target as a result of the company's TSR from January 1, 2012 through each of the last four quarters ending December 31, 2013 placing, in three quarters, at the 100th percentile compared to the TSR of the TSR Peer Group (as defined below) and the 82nd percentile in one quarter. We ended the 2-year performance period with TSR of 54.8%.

Consideration of 2013 Say on Pay Vote

At our 2013 annual meeting of shareholders, more than 99% of the shares voted were cast in support of the company's executive compensation program. As a result of the significant level of approval, we continued to apply similar principles to our executive compensation decisions during the remainder of 2013 and in early 2014.

[Back to Contents](#)

PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION, DATED MARCH 26, 2014

Summary of Our Compensation Practices

Practices We Have Adopted

- Moderate pay with a focus on the size-adjusted 50th percentile of market data
- Pay mix that is heavily performance-based
- Multiple measures used in incentive plans
- Capped incentives
- Clawback policy
- No perquisites
- Stock ownership guidelines for our executives and outside directors
- Moderate change-in-control severance arrangements
- Annual review of tally sheets by the compensation committee
- Incentives that are risk-mitigated through plan design and administration
- Compensation committee comprised solely of independent directors
- Independent compensation consultant who reports directly to the committee
- Anti-hedging policy for executives and outside directors

Practices We Do Not Engage in

- Employment agreements
- Dividend equivalents on unvested performance shares
- Income tax gross-ups
- Excise tax gross-ups on change in control severance
- Backdating or repricing of stock options
- Pension credited service for years not worked

Executive Compensation Generally

Objectives of Executive Compensation

The primary objective of our executive compensation program is to attract, retain and motivate qualified executives necessary for the future success of the company and the maximization of shareholder value. Our compensation

program is designed to motivate our executives by rewarding them for the achievement of specific annual, long-term and strategic goals of the company. Moreover, the program aligns our executives' interests with those of the shareholders by rewarding performance above established goals, with the ultimate objective of improving shareholder value. Finally, we strive to foster a sense of ownership among our executives by establishing stock ownership guidelines that require them to maintain ownership of a specified amount of our common stock.

The compensation committee evaluates both performance and compensation to ensure that (i) the company maintains its ability to attract and retain the most qualified executives; (ii) each executive's compensation remains competitive relative to the compensation paid to similarly situated executives in comparable companies and (iii) each of the company's primary objectives with respect to compensation is being fulfilled. To meet those goals, our compensation program includes three primary components:

- base salary;
- annual cash bonuses; and
- long-term incentives, through stock-based compensation.

Certain retirement and other post-employment benefits are also included in the executives' compensation package. In addition, see the section entitled "Potential Payments Upon Termination or Change in Control" of this proxy statement for details on payments and benefits payable (or realizable) upon termination of employment and a change in control of the company. We do not offer perquisites as part of our executive compensation program.

Each element of our compensation program is described in greater detail below, including a discussion of why the company chooses to pay each element, how we determine the amount of each element to pay and how each element and the company's decisions regarding that element fit into our overall compensation objectives.

Mix of Compensation Opportunity

The objectives of our executive compensation program are accomplished through a balance of pay components that are competitive with market practice and place considerable emphasis on performance-based compensation. Salary and non-equity incentive compensation, equity compensation, and other compensation expressed as a percentage of total compensation for each Named Executive for the fiscal year ended December 28, 2013 were as shown below. There is no prescribed mix of our compensation elements; the mix below is driven by Relevant Market Data (as defined below) for each element of pay. In addition, the figures for our new president and chief executive officer reflect a special one-time equity grant made at the time of his promotion, which is further discussed on page 32.

[Back to Contents](#)**PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION, DATED MARCH 26, 2014**

Name and Principal Position	Salary Percentage	Non-Equity Incentive Comp. Percentage	Equity Comp. Percentage	Other Comp. Percentage	Total %	
Allen L. Shiver President and Chief Executive Officer	18	% 14	% 67	% 1	% 100	%
George E. Deese Executive Chairman of the Board	19	% 16	% 59	% 6	% 100	%
R. Steve Kinsey Executive Vice President and Chief Financial Officer	33	% 20	% 43	% 4	% 100	%
Gene D. Lord Executive Vice President and Chief Operating Officer	34	% 19	% 44	% 3	% 100	%
Stephen R. Avera Executive Vice President, Secretary and General Counsel	37	% 19	% 40	% 4	% 100	%

Role of Executive Officers in Compensation Decisions

The compensation committee of the board of directors, which is comprised entirely of independent directors, has overall responsibility for evaluating, analyzing and approving the company's compensation plans, policies and programs. In addition, the chief executive officer consults with and advises the compensation committee with respect to the company's compensation philosophy and makes recommendations to the compensation committee regarding the compensation of the other executive officers, including other Named Executives. All recommendations of the chief executive officer to the compensation committee regarding compensation of executive officers are independently evaluated by the committee. The chief financial officer, or his designee, assists the compensation committee in understanding the key drivers of company performance, particularly those measures used in our cash bonus and long-term incentive plans and also provides the compensation committee with regular updates on company performance as it relates to certain performance measures used in our bonus and long-term incentive plans.

Compensation Consultants

For fiscal 2013, the compensation committee engaged Meridian as its independent compensation consultant. At the compensation committee's request, Meridian evaluated the competitiveness of the base salaries, annual bonuses and long-term incentives awarded to the company's Named Executives, provided competitive market data on new compensation arrangements and evaluated the continued appropriateness of existing arrangements. Meridian attended

compensation committee meetings at the committee's request and was available to provide guidance to the compensation committee on compensation questions and issues as they arose.

In December 2013 the compensation committee, in accordance with SEC rules, considered various factors having to do with consultant conflicts of interest. In connection with this review, the compensation committee considered the following six factors established by the SEC:

- the provision of other services to the company by the consultant's employer;
- the amount of fees received from the company by the consultant's employer as a percentage of total revenue;
- the policies and procedures of the consultant's employer designed to prevent conflicts of interest;
- any business or personal relationship of the consultant with a member of the compensation committee;
- any stock of the company owned by the consultant; and
- any business or personal relationship of the consultant or the consultant's employer with an executive officer of the company.

As a result of its review of these six factors, the committee determined that the work of the compensation consultant did not raise any conflicts of interest.

Compensation Benchmarking

Because there are not many food companies the size of Flowers Foods, a specific set of peer companies is not used for market compensation comparisons. We use market pay rates (*i.e.*, base salary, bonus and long-term incentives) based on available food industry and general industry peers' pay data from published surveys. We use an average of food industry and general industry (the "Relevant Market Sector") survey data when making market comparisons, and the data is adjusted to reflect pay for companies with annual revenues comparable to the company (the "Relevant Market Data"). For fiscal 2013, the Relevant Market Sector consisted of food and general industry peer groups in the Towers Watson Executive Compensation Database, Towers Watson Top Management Compensation Survey and the Mercer Executive Compensation Survey.

[Back to Contents](#)

PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION, DATED MARCH 26, 2014

Food industry data was used from the following surveys and represented data from the following companies:

TOWERS WATSON EXECUTIVE COMPENSATION DATABASE — FOOD & BEVERAGE COMPANIES

ACH Food Companies, Inc.	General Mills, Inc.	
American Sugar Refining	Green Mountain Coffee Roasters	MillerCoors
Beam	Hershey	Molson Coors Brewing
Bush Brothers & Company	Hormel Foods	Nestle USA
The Coca-Cola Company	J.M. Smucker	Schreiber Foods
ConAgra Foods, Inc.	J.R. Simplot	Schwan's
Cott Corporation	Kellogg	Sodexo USA
Dean Foods	Keystone Foods	Starbucks Coffee
Diageo North America, Inc.	Land O' Lakes	Ventura Foods
Dr. Pepper Snapple	Leprino Foods	

TOWERS WATSON TOP MANAGEMENT COMPENSATION SURVEY — U.S. — FOOD INDUSTRY COMPANY LISTING

Coca-Cola Bottling	J.R. Simplot	Schwan's
Coca-Cola Refreshments	Little Lady Foods	Snyders-Lance
Community Coffee	LSG Sky Chefs	Stonyfield Farm Inc.
E.A. Sween Company	McCain Foods USA	Wayne Farms
Farmland Foods	RiceTec, Inc.	The Wornick Company
Godiva Chocolatier	Rich Products	Wells' Dairy
Grande Cheese	Sazerac	

General industry data were used from the following surveys to capture the broadest possible market perspective:

- Towers Watson Executive Compensation Database: 700+ companies
- Towers Watson Top Management Compensation Survey: 1,500+ companies
- Mercer Executive Compensation Survey: 1,100+ companies

The Relevant Market Data obtained from the companies above was for pay opportunity, not actual payout, and was regressed (size-adjusted) to reflect the appropriate Named Executive's duties and scope of revenue responsibility. The Relevant Market Data is calculated using the simple average of the regressed food industry and general industry market rates. Both are established at levels that approximate the size-adjusted 50th percentile for each component of pay opportunity (*i.e.*, base salary, target bonus and long-term incentive opportunity). This sets executive pay opportunities high enough to be competitive and to attract and retain a strong motivated leadership team but not so high that they create negative perception among other constituencies.

The compensation committee concluded that the proposed 2013 compensation levels under the company's incentive and equity compensation plans for each Named Executive, and their total compensation opportunities, were consistent with the pay philosophy, as well as appropriate to meet the company's goal to retain each Named Executive and to align his interests with those of the company's shareholders.

Cash Compensation

Base Salary

Base salary represents the fixed and recurring part of each Named Executive's annual compensation. Its objective is to reward experience and expertise, functional progression (*i.e.*, the development of the executive through a series of work experiences and duties and accountabilities relevant to the current position held), career development, skills and competencies. It rewards core competence in the executive role. We choose to pay base salary because it is a standard element of pay for executive positions and is required to attract and retain talent.

We have established a system of tiered salary grades, and executives are assigned an appropriate salary grade considering the position's internal value as well as external comparisons to the Relevant Market Data. With respect to the position's "internal value," we have developed salary grades on the basis that a given position is at least one salary grade below that of the supervising position, which is the only weight assigned to internal value in establishing the salary grades.

Named Executives' base salaries are related to a salary grade and the base salaries for the grades are determined based on (i) external competitive market base salaries, as determined through benchmarking analysis of the Relevant Market Data and (ii) the internal relationships (*i.e.*, value and progression) of these positions. We periodically make adjustments to the base salaries based on the factors discussed above as well as the performance of the respective Named Executive.

Individual salaries for Named Executives reporting directly to the president and chief executive officer are subject to approval by the compensation committee after consideration of the recommendations he submits. The president and chief executive officer's and the executive chairman of the board's salaries are subject to review and approval by the compensation committee and the board of directors. Base salaries for all Named Executives are reviewed annually by the compensation committee and the board of directors.

Base salary increased 23.7% for Mr. Shiver; 3.9% for Mr. Kinsey; 3.0% for Mr. Lord; and 3.0% for Mr. Avera; and decreased 15.4% for Mr. Deese in 2013 as compared to 2012. The increase for Mr. Shiver was the result of his promotion from president to president and chief executive officer. The decrease for Mr. Deese was the result of being named to the post of executive chairman of the board after previously serving the company as chairman of the board and chief executive officer.

[Back to Contents](#)

PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION, DATED MARCH 26, 2014

Annual Executive Bonus Plan

The objective of our Annual Executive Bonus Plan (the “Bonus Plan”) is to provide an incentive to achieve critical annual goals that lead to our long-term success. It provides for an annual incentive bonus to reward performance measured over the company’s fiscal year. We choose to pay it in order to motivate achievement of annual performance metrics critical to continued company growth and shareholder value creation.

For each fiscal year, the compensation committee establishes target bonus levels under the Plan, which are expressed as a percentage of each Named Executive’s base salary (the “Target Bonus Percentage”). Target Bonus Percentages for each Named Executive were the same in 2013 as 2012, with the exception of Mr. Shiver, whose Target Bonus Percentage increased to 100% from 80% effective May 2013 due to his promotion to president and chief executive officer, and Mr. Kinsey, whose Target Bonus Percentage increased to 70% from 65% for the entire year based on the Relevant Market Data applicable to his position.

For 2013, based upon performance projections presented by management, the compensation committee also set a target EBITDA performance goal (the “EBITDA Goal”). We used EBITDA (earnings before interest, taxes, depreciation and amortization), as the performance measure in the Bonus Plan for all participating employees, including the Named Executives, because it is a useful tool for managing the operations of our business and is an indicator of the company’s ability to incur and service indebtedness and generate free cash flow.

For 2013, a bonus was awarded to participating executives based on the following formula:

- the Named Executive’s base salary; *multiplied by*
- the Target Bonus Percentage; *multiplied by*
- the “Bonus Percentage,” a percentage based upon the company’s actual EBITDA for the fiscal year divided by the EBITDA Goal determined as follows:
 - if actual EBITDA is equal to the EBITDA Goal, the resulting Bonus Percentage is 100%;
 - if actual EBITDA is less than the EBITDA Goal, the applicable Bonus Percentage will drop by 5% for every 1% by which actual EBITDA is less than the EBITDA Goal; or

if actual EBITDA exceeds the EBITDA Goal, the Bonus Percentage will increase by 5% for every 1% by which the actual EBITDA exceeds the EBITDA Goal.

Each Named Executive's 2013 bonus payment could not exceed 150% of his base salary nor \$3.0 million. The Bonus Percentage would have been zero if actual EBITDA were 80% or less of the EBITDA Goal. This mechanism provided motivation for each Named Executive to continue to strive for improved company performance in 2013 even if the EBITDA Goal itself were not attained.

For 2013, the percentage of EBITDA Goal achieved and the related Bonus Percentages are shown below:

Level of Achievement	% of EBITDA Goal Achieved	Bonus Percentage		
Maximum	110	%	150	%
Target	100	%	100	%
Actual	97.05	%	85.25	%
Threshold	80	%	0	%

The 2013 EBITDA Goal was \$432.5 million, which was 34.7% higher than actual 2012 EBITDA. Actual 2013 EBITDA was equal to 97.05% of the EBITDA Goal and accordingly bonuses were paid at less than target.

The company does not pay bonuses under the Bonus Plan to any Named Executive until such time as the compensation committee has certified the Bonus Percentage and the Annual Report on Form 10-K for the applicable fiscal year has been filed with the SEC.

Long-Term Incentive Compensation

The objective of providing long-term incentive compensation is to focus executives on metrics that lead to increased shareholder value over a longer period of time. It rewards achievement of the specific metrics described below. We choose to pay long-term incentive compensation because it aligns executives' interests with those of shareholders and helps to retain a stable management team.

Equity and Performance Incentive Plan

In keeping with the compensation committee's pay-for-performance philosophy, stock-based incentives comprise our entire long-term incentive program, and a significant portion of total compensation opportunity for Named Executives. We believe our stock-based incentives, as designed, are fundamental to the enhancement of shareholder value, reward performance over the long-term and align the Named Executives' interests with those of our shareholders. The design of the long-term compensation programs and the individual grants thereunder are reviewed annually and approved by the compensation committee with reference to the Relevant Market Data it receives from its compensation consultant.

The EPIP is the company's ongoing intermediate and long-term incentive plan. The EPIP was approved by the company's shareholders and provides the compensation committee with an opportunity to make a variety of stock based awards, while selecting the form that is most appropriate for the company and the executive group. The awards under the EPIP contain elements that we believe help focus the executive's attention on one of the company's primary goals — the long-term success of the company and, ultimately, the enhancement of shareholder value.

[Back to Contents](#)

PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION, DATED MARCH 26, 2014

Ongoing Stock-Based Incentive Grants

As in 2012, in 2013 the compensation committee allocated equity-based awards between two types of performance-contingent restricted stock, as described below, and did not grant any stock options. The use of performance-contingent restricted stock is intended to ensure that Named Executives focus on capital investments that produce returns in excess of the Company WACC and that enhance the company's total shareholder return relative to food industry peers.

The determination of 2013 performance-contingent restricted stock award levels for the Named Executives was based on the Relevant Market Data, the expected allocation of value between types of equity award, and a value of 100.9% of face value for both types of performance-contingent restricted stock. Mr. Deese's grant size reflects his position of chairman and chief executive officer on the grant date. Similarly, Mr. Shiver's grant reflects his position as president on grant date.

The 2013 restricted stock agreement (the "Restricted Stock Agreement") provides the terms and conditions under which the shares of restricted stock will vest. Vesting of the awards occurs approximately two years from the date of grant (after the filing of the company's Annual Report on Form 10-K), and the shares become nonforfeitable if, and to the extent that, on that date, the vesting conditions described below are satisfied.

ROIC-Based Performance-Contingent Restricted Stock Awards. The Restricted Stock Agreement provides that, as to 50% of the restricted stock underlying each executive's performance-contingent restricted stock award (the "ROIC-Based Award"), vesting will occur in the manner set forth below:

- if Company ROIC during the 24 month performance period ending January 3, 2015 (the "Performance Period") exceeds the Company WACC by less than 175 basis points during the Performance Period, 0% of the ROIC-Based Award will vest;
- if Company ROIC exceeds Company WACC during the Performance Period by 175 basis points, 50% of the ROIC-Based Award will vest;
- if Company ROIC exceeds Company WACC during the Performance Period by 375 basis points, 100% of the ROIC-Based Award will vest; and
- if Company ROIC exceeds Company WACC during the Performance Period by 475 basis points or more, 125% of the ROIC-Based Award will vest.

For performance between the levels described above, the degree of vesting is interpolated on a linear basis.

TSR-Based Performance-Contingent Restricted Stock Awards. The Restricted Stock Agreement provides that, as to the remaining 50% of the restricted stock underlying each Named Executive’s performance-contingent restricted stock award (the “TSR-Based Award”), vesting will occur based on the company’s performance, measured by Company TSR, as compared to the total shareholder return of the companies in a specified peer group (the “TSR Peer Group”).

For 2013, the TSR Peer Group consisted of the following 19 publicly traded packaged food and meats companies, two of which (H. J. Heinz and Ralcorp), have since been acquired and removed from the group as provided under the terms of the Restricted Stock Agreement:

B&G Foods	J&J Snack Foods
Campbell Soup	J.M. Smucker
Conagra Foods	Kellogg
Dean Foods	Lancaster Colony
General Mills	McCormick & Co.
Hain Celestial Group	Mondelez International Inc
H. J. Heinz Co.	Ralcorp Holdings, Inc.
Hershey Co.	Snyders-Lance
Hillshire Brands	Treehouse Foods
Hormel Foods	

Hypothetical payouts based on the total shareholder return for the company and each member of the TSR Peer Group are calculated at the end of each of the last four quarters during the Performance Period using the performance/payout schedule below and then averaged to determine the actual payout:

Percentile of Company TSR vs. Peer Group TSR	Payment	
	Percentage (% of Target)	
Less than 30 th	0	%
30 th	50	%
50 th	100	%
70 th	150	%
90 th or above	200	%

For performance between the percentiles described above, the degree of vesting is interpolated on a linear basis.

Vesting Upon Death, Disability, Retirement or Change in Control. For the 2013 grant, if the grantee dies or becomes disabled, the performance-contingent restricted stock awards generally vest at the target level immediately. If the grantee retires at age 65 (or age 55 with at least ten years of service with the company) or later, on the normal vesting date the grantee will receive a pro rated number of shares based upon the retirement date and actual performance for the entire performance period. If the company undergoes a change in control (whether or not the executive is terminated following the change in control), the awards will immediately vest at the target level, provided that as to the TSR-Based Awards, if 12 months of the Performance Period have been completed, vesting will be determined based on total shareholder return as of the date of the change in control without application of four-quarter averaging. This “single trigger” treatment of equity upon a change in control is considered appropriate because in most situations the performance on which the awards are based will no longer be calculable after a change in control has occurred.

Dividends. Dividends accrue on the restricted stock and are paid to the executive on the vesting date on all shares of restricted stock that vest. At the time of vesting, the executive will receive the shares of stock and will be liable for his or her portion of all federal and state income and payroll taxes based on the fair market value of the shares awarded on the vesting date.

Timing of Grants. Grants of performance-contingent restricted stock were made on January 1, 2013. It is expected that this timing of granting awards will continue for consistency and planning purposes. Except in unusual circumstances, we typically do not grant equity awards to the Named Executives at other dates. The grant price of our performance-contingent restricted stock grants is the closing market price on the grant date.

Vesting of 2012 Awards:

The ROIC Performance-Contingent Restricted Stock Award issued in 2012 vested in early 2014 at 125.0% of target •as a result of Company ROIC during the 17 month performance period ending December 28, 2013 exceeding Company WACC by 613 basis points.

The TSR-Based Performance-Contingent Restricted Stock Award issued in 2012 vested in early 2014 at 195% of target as a result of the company’s TSR from January 1, 2012 through each of the last four quarters ending December •31, 2013 placing, in three quarters, at the 100th percentile as compared to average TSR of the TSR Peer Group and the 82nd percentile in one quarter. We ended the 2-year performance period with TSR of 54.8%.

[Back to Contents](#)

PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION, DATED MARCH 26, 2014

Special 2013 Grant to Mr. Shiver

Mr. Shiver was promoted from president to president and chief executive officer in May 2013. On June 2, 2013 the compensation committee granted him a special one-time award of \$1.3 million of restricted stock under the EPIP. The purpose of the award was to bring Mr. Shiver's 2013 compensation nearer to the market level of a chief executive officer and to enhance the likelihood of retaining him for a several-year period during the leadership transition. The award will vest 100% on the fourth anniversary of the date of grant provided that Mr. Shiver remains employed by the company during this period, and the value of the restricted stock at vesting may not exceed 0.5% of the company's cumulative EBITDA over the performance period. If Mr. Shiver dies or becomes disabled, the restricted stock award will vest immediately at the target level. Dividends will accrue on the restricted stock and will be paid to Mr. Shiver on the vesting date for all shares that vest.

Recoupment ("Clawback") Policy

The EPIP and the Bonus Plan provide for the recoupment of grants made under the EPIP and bonuses awarded under the Bonus Plan. The recoupment policy provides that if the board of directors has reliable evidence of knowing misconduct by a participant that results in the incorrect overstatement of the company's earnings or other financial measurements that were taken into consideration in awarding grants or bonuses and as a result of such overstatement the participant (i) received a bonus and/ or (ii) either received a grant under the EPIP or had a prior grant vest or become nonforfeitable, the participant shall be required to reimburse (or forfeit, as the case may be) the full amount of any grants or bonuses that resulted from the overstatement.

Anti-Hedging Policy

The company's Insider Trading policy generally prohibits short-term, speculative trading practices and hedging by executive officers, including any Named Executives, and directors.

Retirement & Other Post-Employment Benefits

We provide retirement benefits to our Named Executives and other executives as noted below. The objective is to provide a competitive array of benefits that is affordable to the company. Retirement benefits reward continued employment and indirectly reward achievement of the metrics in the Bonus Plan. We choose to pay them to remain

competitive in the marketplace and to provide compensation that extends into employees' non-earning years.

Pension benefits are provided to executives under the Flowers Foods, Inc. Retirement Plan No. 1 (the "Retirement Plan"). The company also provides a defined contribution benefit to executives through the EDCP.

Retirement Plan

The Retirement Plan is a qualified defined benefit pension plan that provides a pension upon retirement to eligible employees of participating subsidiaries (but not to employees of the company) that is based upon each year of service with the participating subsidiary through December 31, 2005. Additionally, the Retirement Plan provides a pension upon retirement to eligible employees (including employees of non-participating subsidiaries and of the company) who were participants under the Flowers Industries, Inc. Retirement Plan No. 1 prior to the company's spin-off from Flowers Industries, Inc., which is based upon each year of service with Flowers Industries, Inc. and/or certain of its subsidiaries. No additional years of credited service have been granted other than for actual years of credited service in the Retirement Plan.

Participation in the Retirement Plan was closed to new employees beginning January 1, 1999, and effective December 31, 2005 benefits under the Retirement Plan were frozen and no additional benefits will accrue under the Retirement Plan. The frozen pension benefit is the sum of annual credits earned during eligible employment. The basic credit formula at the time the Retirement Plan was frozen was 1.35% of the first \$10,000 of W-2 earnings (subject to certain exclusions) plus 2% of W-2 earnings (subject to certain exclusions) in excess of \$10,000 for each year of service up to 35 years. For each year of service in excess of 35 years, 1.8% of W-2 earnings (subject to certain exclusions) was credited. Certain additional fixed benefit amounts were provided for a limited group of participants in the Retirement Plan, including certain of the Named Executives.

[Back to Contents](#)

PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION, DATED MARCH 26, 2014

Benefits can be paid in many forms under the terms of the Retirement Plan, including a life annuity option, joint and survivor option, period certain and life options, level income option and a lump sum option of up to \$7,500. The payout option must be elected by the participant before benefit payments begin. Each available payout option is actuarially equivalent. Early retirement benefit payments are available to participants upon attainment of age 55 and completion of five years of vesting service. A participant's full benefit under the Retirement Plan is payable at age 65. Benefits are reduced by 1/15 for each of the first five years and 1/30 for each of the next five years by which benefit commencement precedes age 65. The same benefits are payable upon retirement, termination, or disability with the adjustments described above for commencement before age 65 but on or after age 55. A 50% survivor annuity is payable to a participant's spouse upon death prior to retirement. Messrs. Deese and Lord are currently eligible for their full benefits under the Retirement Plan. All other Named Executives have fulfilled the required service period and are either eligible for early retirement benefits currently or will become eligible upon attainment of age 55. No payments were made to the Named Executives under the terms of the Retirement Plan during the 2013 fiscal year.

Executive Deferred Compensation Plan

The EDCP allows certain members of management to defer the receipt of a percentage of their salary and bonus. The purpose of the EDCP is to provide deferred compensation to certain members of management whose contributions to the company's 401(k) defined contribution plan, a tax qualified plan, are limited by statutory restrictions. The EDCP is not a tax-qualified plan. The participants' deferrals are credited to a book keeping account established for the participant that is deemed to be credited with interest until paid. Additionally, the company allocates matching contributions pursuant to the plan on behalf of the participant that are also deemed to be credited with interest until paid. Interest credited on deemed participant deferrals and company contributions to the EDCP are based on the Merrill Lynch U.S. Corp., BBB-rated Fifteen-Year Bond Index plus 150 basis points. Interest is considered above-market if earned at a rate which is 120% or more of the applicable federal long-term rate. Earnings in the EDCP are interest-based credits that exceed this threshold. The company credits interest at above market rates because participants' EDCP accounts are unfunded and unsecured and therefore subject to substantial risk of loss should events ever befall the company causing it to reorganize or liquidate. Generally, the deemed deferrals and company contributions plus interest are paid to the participant upon termination of employment. Distributions from the EDCP are made from the company's general assets. Amounts deemed to be credited to the EDCP on behalf of the Named Executives amounted to \$482,595 in fiscal 2013. During 2008, participants were given a one-time, irrevocable opportunity to convert their EDCP deemed cash account for some or all prior years' deferrals to an account that tracks the performance of our common stock. Balances as of the end of the fiscal year for participants making such an election were converted, based on the closing price of our common stock on January 2, 2009. The EDCP tracking account will be distributed in shares of our common stock at the time elected by the participant for the deferral year(s) in question. The EDCP tracking account will be credited with dividends paid on company common stock for the number of shares deemed held in such account, and such dividends will then be deemed to be invested in the cash account and will earn interest as described above.

Change in Control Severance

We maintain change-in-control severance arrangements with our executives, including the Named Executives as set forth in the Flowers Foods, Inc. Change of Control Plan, which superseded the continuation of employment agreements for the Named Executives, effective February 28, 2012 (the “Change of Control Plan”). Such arrangements have several business objectives important to the company, including stability of the executive team in the event of a threatened or pending change in control, and post-employment restrictive covenants (non-competition, non-solicitation and trade secret protection, among others). The Change of Control Plan rewards executives for remaining employed with the company on a timetable convenient to the company rather than to the executive. We choose to pay them to obtain the business objectives mentioned. The Change of Control Plan provides double-trigger severance at market-level amounts, has no excise tax gross-up provisions and is consistent with current corporate governance norms (See the Potential Payments upon Termination or Change in Control section of this proxy statement for additional details.)

Executive Share Ownership Guidelines

Based on the view of the compensation committee that the ownership of an equity interest in the company by executives, including Named Executives, is a component of good corporate governance and aligns executive and shareholder interests, share ownership guidelines were adopted that require key members of the company’s management team to directly own minimum amounts of the company’s common stock. The guidelines for the Named Executives are set forth below:

- President and Chief Executive Officer: 6 times base salary
- Executive Chairman of the Board: 6 times base salary
- Executive Vice President and Chief Financial Officer: 3 times base salary
- Executive Vice President and Chief Operating Officer: 3 times base salary
- Executive Vice President, Secretary and General Counsel: 3 times base salary

The holdings of each of the Named Executives are currently either at the guideline or on track to meet it.

The guidelines were originally established on January 1, 2006, and are reviewed every four years for all direct stock holdings. The 6 times base salary guidelines for the president and chief executive officer and the executive chairman of the board, were increased from 5 times during 2013. Members of management subject to the guidelines or new participants have four years from appointment to reach the stated minimums. These guidelines may be revised or terminated by the compensation committee at any time with thirty days’ written notice to the affected employees.

[Back to Contents](#)

PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION, DATED MARCH 26, 2014

Tax Deductibility of Executive Compensation

Companies are not allowed a federal income tax deduction for compensation paid to certain executive officers in excess of \$1 million, except to the extent that such compensation constitutes “performance-based compensation” (as defined in Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Code”). The compensation committee retains the ability to consider factors, including tax deductibility, as it structures coordinated compensation packages of current and long-term compensation, to retain flexibility in rewarding efforts which prove to be of immediate or future benefit to the company and its shareholders. Certain incentive opportunities in 2012 were structured with the intention to qualify as “performance-based” compensation under Code Section 162(m).

COMPENSATION COMMITTEE REPORT

The compensation committee has reviewed and discussed the Compensation Discussion and Analysis contained in this proxy statement with the company’s management and, based on this review and discussion, recommended to the board of directors that the Compensation Discussion and Analysis be included in the company’s Annual Report on Form 10-K for the fiscal year ended December 28, 2013 filed with the SEC and proxy statement for the 2014 annual meeting of shareholders.

The Compensation Committee of the Board of Directors:

Manuel A. Fernandez, *Chairman*
Benjamin H. Griswold, IV
Joseph V. Shields, Jr.
Melvin T. Stith, Ph.D.
Jackie M. Ward

[Back to Contents](#)**PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION, DATED MARCH 26, 2014**

SUMMARY COMPENSATION TABLE

The following table summarizes the compensation of the chief executive officer, chief financial officer and each of the three other most highly compensated executive officers of Flowers Foods (the "Named Executives") for the fiscal years ended December 28, 2013, December 29, 2012 and December 31, 2011:

Name and Principal Position	Year	Salary (\$) ⁽¹⁾	Stock Awards (\$) ⁽²⁾	Option Awards (\$) ⁽²⁾	Non-Equity Incentive Plan Comp. (\$) ⁽³⁾	Change in Pension Value and Nonqualified Deferred Comp. Earnings (\$) ⁽⁴⁾	All Other Comp. (\$) ⁽⁵⁾	Total (\$)
Allen L. Shiver	2013	689,673	2,610,139	0	548,968	14,071	41,134	3,903,985
President and Chief	2012	557,615	463,059	0	373,379	72,768	47,960	1,514,781
Executive Officer	2011	550,000	363,280	522,600	216,656	64,704	59,575	1,776,815
George E. Deese	2013	820,494	2,533,557	0	699,508	77,364	151,060	4,281,983
Executive Chairman	2012	969,359	1,279,564	0	811,353	118,654	103,320	3,282,250
of the Board	2011	956,120	1,187,830	1,708,980	470,793	123,395	114,116	4,561,234
R. Steve Kinsey	2013	447,852	574,469	0	267,270	10,821	49,482	1,349,894
Executive Vice President	2012	430,885	219,226	0	234,423	42,232	35,898	962,664
and Chief Financial Officer	2011	425,000	240,195	345,280	136,026	34,862	36,606	1,217,969
Gene D. Lord	2013	523,957	680,034	0	290,353	13,500	31,420	1,539,264
Executive Vice President	2012	508,696	335,550	0	276,756	82,126	43,117	1,246,245
and Chief Operating Officer	2011	501,749	332,210	477,620	160,590	119,924	44,521	1,636,614
Stephen R. Avera	2013	417,705	454,175	0	213,667	2,982	43,190	1,131,719
Executive Vice President,	2012	405,539	181,197	0	203,661	52,577	32,972	875,946
Secretary and General	2011	400,000	185,225	266,240	118,176	48,794	34,264	1,052,699
Counsel								

(1) Executives may elect to defer amounts into Flowers Foods' 401(k) plan (up to IRS limits) and into the EDCP. Amounts of salary deferred during fiscal 2013 were as follows:

Name:	Salary Deferrals into 401(k) Plan (\$)	Salary Deferrals into EDCP (\$)	Total (\$)
Allen L. Shiver	23,000	27,423	50,423
George E. Deese	23,000	41,299	64,299
R. Steve Kinsey	17,500	13,588	31,088
Gene D. Lord	23,000	20,946	43,946
Stephen R. Avera	23,000	12,524	35,524

- Grant date fair value of performance-contingent restricted stock (reported in the “Stock Awards” column) and options (reported in the “Options Award” column) made in the fiscal year indicated and compiled in accordance with FASB ASC Topic 718. See Note 15 to the company’s consolidated financial statements in the company’s Annual Report on Form 10-K for the year ended December 28, 2013 for a description of the assumptions made in the valuation of stock awards under FASB ASC Topic 718. Based on the maximum allowable payout value of the ROIC-based performance-contingent restricted stock awards, if the maximum number of shares are earned under (2) the plan for the two-year performance period ending January 3, 2015 using the price of the company’s common stock at December 27, 2013, the awards would have the following values: Mr. Shiver, \$1,065,839; Mr. Deese, \$2,063,678; Mr. Kinsey, \$467,938; Mr. Lord, \$553,919; and Mr. Avera, \$369,948. Based on the maximum allowable payout value of the TSR-based performance-contingent restricted stock awards, if maximum performance is achieved under the plan for the two-year performance period ending December 31, 2014, the awards would have the following values: Mr. Shiver, \$1,705,334; Mr. Deese, \$3,301,884; Mr. Kinsey, \$748,683; Mr. Lord, \$886,262; and Mr. Avera, \$591,908.
- (3) Non-equity incentive plan compensation includes all performance-based cash awards earned by the Named Executives during the fiscal year under the Bonus Plan. Amounts reported in the “Change in Pension Value and Nonqualified Deferred Comp. Earnings” column for 2013 are as follows. The change in pension value below is negative for each Named Executive as follows: Mr. Shiver (4) \$(27,777); Mr. Kinsey \$(17,997); Mr. Deese \$(104,636); Mr. Lord \$(86,328); and Mr. Avera \$(23,963). Accordingly, pursuant to SEC guidance, a \$0 change in pension value is reflected in the Summary Compensation Table and is shown for each Named Executive in the table set forth below:

Name	Change in Pension Value (\$)	Above-Market Nonqualified Deferred Comp. Earnings (\$)	Total (\$)
Allen L. Shiver	0	14,071	14,071
George E. Deese	0	77,364	77,364
R. Steve Kinsey	0	10,821	10,821
Gene D. Lord	0	13,500	13,500
Stephen R. Avera	0	2,982	2,982

- (5) Amounts reported in the “All Other Comp.” column for 2013 are reported in the table below.

Name	Employer Contributions to Section 401(k) Plan (\$)	Employer Contributions to Nonqualified Deferred Comp. Plan (\$)	Total (\$)
Allen L. Shiver	15,300	25,834	41,134
George E. Deese	15,300	135,760	151,060
R. Steve Kinsey	15,300	34,182	49,482
Gene D. Lord	15,300	16,120	31,420
Stephen R. Avera	15,300	27,890	43,190

[Back to Contents](#)**PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION, DATED MARCH 26, 2014**

GRANTS OF PLAN-BASED AWARDS

The following table details grants made during the fiscal year ended December 28, 2013 pursuant to incentive plans in place at Flowers Foods as of that date:

Name and Grant	Grant Date for Equity- Based Awards	Estimated Future Payouts Under Non-Equity Incentive Plan Awards ⁽¹⁾			Estimated Future Payouts Under Equity Incentive Plan Awards ⁽²⁾			All Other Stock Awards (#)	Grant Date Fair Value of Equity Incentive Plan Awards (\$) ⁽³⁾
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)		
Allen L. Shiver Non-Equity Incentive Plan Award		0	643,917	965,876					
ROIC-Based Performance Contingent Restricted Stock Grant	1/1/2013				0	39,975	49,969	620,144	
TSR-Based Performance Contingent Restricted Stock Grant	1/1/2013				0	39,975	79,950	688,370	
Time-Based Restricted Stock Award	6/2/2013						58,500	1,301,625	
George E. Deese Non-Equity Incentive Plan Award		0	820,494	1,230,741					
ROIC-Based Performance Contingent Restricted Stock Grant	1/1/2013				0	77,400	96,750	1,200,729	
TSR-Based Performance Contingent Restricted Stock Grant	1/1/2013				0	77,400	154,800	1,332,828	

Contingent Restricted Stock Grant R. Steve Kinsey Non-Equity Incentive Plan Award ROIC-Based Performance		0	313,496	470,244				
Contingent Restricted Stock Grant TSR-Based Performance	1/1/2013				0	17,550	21,938	272,258
Contingent Restricted Stock Grant Gene D. Lord Non-Equity Incentive Plan Award ROIC-Based Performance		0	340,572	510,858				
Contingent Restricted Stock Grant TSR-Based Performance	1/1/2013				0	20,775	25,969	322,289
Contingent Restricted Stock Grant Stephen R. Avera Non-Equity Incentive Plan Award ROIC-Based Performance		0	250,623	375,935				
Contingent Restricted Stock Grant TSR-Based Performance	1/1/2013				0	13,875	17,344	215,247
Contingent Restricted Stock Grant	1/1/2013				0	13,875	27,750	238,928

(1) *Under the terms of the Bonus Plan, bonuses are awarded based on the achievement of a specified EBITDA goal.*

(2)

Under the terms of the EPIP and the Restricted Stock Agreement, receipt of this award requires that the company meet certain performance requirements. Amounts shown under “threshold,” “target” and “maximum” headings above represent the minimum, expected and maximum possible number of shares of stock transferred to the Named Executive assuming that such requirement is met.

- (3) *Calculated in accordance with FASB ASC Topic 718 at (i) 111% of the company’s stock price (\$15.51) on the grant date for the TSR-based performance contingent restricted stock award and (ii) the company’s grant date stock price of \$15.51 for the ROIC-based performance contingent restricted stock award.*

[Back to Contents](#)**PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION, DATED MARCH 26, 2014**

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR END

The following table details all equity awards granted and outstanding as of December 28, 2013, the company's most recent fiscal year end:

Name and Grants	Option Awards		Equity Incentive Plan Awards:		Stock Awards	
	Number of Securities Underlying Unexercised Options: (#) Exercisable	Number of Securities Underlying Unexercised Options: (#) Unexercisable	Number of Securities Underlying Unexercised Options: (#)	Options	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$) ⁽¹⁾
Allen L. Shiver						
2008 Nonqualified Stock Option Award ⁽²⁾	82,125			11.00	2/4/2015	
2009 Nonqualified Stock Option Award ⁽³⁾	117,168			10.59	2/9/2016	
2010 Nonqualified Stock Option Award ⁽⁴⁾	152,100			11.11	2/9/2017	
2011 Nonqualified Stock Option Award ⁽⁵⁾		226,125		10.87	2/10/2018	
2012 Performance-Contingent Restricted Stock Award ⁽⁶⁾						31,050
2013 Performance-Contingent Restricted Stock Award ⁽⁷⁾						79,950
Time- Based Restricted Stock Award ⁽⁸⁾						1,705,334
George E. Deese						58,500
						1,247,805

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2008 Nonqualified Stock Option Award ⁽²⁾	528,975	11.00	2/4/2015		
2009 Nonqualified Stock Option Award ⁽³⁾	608,175	10.59	2/9/2016		
2010 Nonqualified Stock Option Award ⁽⁴⁾	587,587	11.11	2/9/2017		
2011 Nonqualified Stock Option Award ⁽⁵⁾	739,462	10.87	2/10/2018		
2012 Performance-Contingent Restricted Stock Award ⁽⁶⁾				85,800	1,830,114
2013 Performance-Contingent Restricted Stock Award ⁽⁷⁾				154,800	3,301,884
R. Steve Kinsey					
2008 Nonqualified Stock Option Award ⁽²⁾	70,762	11.00	2/4/2015		
2009 Nonqualified Stock Option Award ⁽³⁾	90,450	10.59	2/9/2016		
2010 Nonqualified Stock Option Award ⁽⁴⁾	113,400	11.11	2/9/2017		
2011 Nonqualified Stock Option Award ⁽⁵⁾	149,400	10.87	2/10/2018		
2012 Performance-Contingent Restricted Stock Award ⁽⁶⁾				14,700	313,551
2013 Performance-Contingent Restricted Stock Award ⁽⁷⁾				35,100	748,683

[Back to Contents](#)**PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION, DATED MARCH 26, 2014**

Name and Grants	Option Awards		Equity Incentive Plan Awards:		Stock Awards		
	Number of Securities Underlying Unexercised Options: (#) Exercisable	Number of Securities Underlying Unexercised Options: (#) Inexercisable	Number of Securities Underlying Unexercised Options: (#)	Option Price (\$)	Expiration Date	Equity Incentive Plan Awards: Number of Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$) ⁽¹⁾
Gene D. Lord							
2008 Nonqualified Stock Option Award ⁽²⁾	104,287			11.00	2/4/2015		
2009 Nonqualified Stock Option Award ⁽³⁾	126,112			10.59	2/9/2016		
2010 Nonqualified Stock Option Award ⁽⁴⁾	147,375			11.11	2/9/2017		
2011 Nonqualified Stock Option Award ⁽⁵⁾		206,662		10.87	2/10/2018		
2012 Performance-Contingent Restricted Stock Award ⁽⁶⁾						22,500	479,925
2013 Performance-Contingent Restricted Stock Award ⁽⁷⁾						41,550	886,262
Stephen R. Avera							
2008 Nonqualified Stock Option Award ⁽²⁾	78,862			11.00	2/4/2015		
2009 Nonqualified Stock Option Award ⁽³⁾	88,087			10.59	2/9/2016		
2010 Nonqualified Stock Option Award ⁽⁴⁾	96,862			11.11	2/9/2017		
2011 Nonqualified Stock Option Award ⁽⁵⁾		115,200		10.87	2/10/2018		
2012 Performance-Contingent Restricted Stock Award ⁽⁶⁾						12,150	259,160
						27,750	591,908

2013

Performance-Contingent
Restricted Stock Award⁽⁷⁾

(1)Based on December 27, 2013 closing market price of \$21.33 for Flowers Foods' common shares.

(2)Nonqualified stock options granted in 2008 fully vested on February 4, 2011.

(3)Nonqualified stock options granted in 2009 fully vested on February 9, 2012.

(4)Nonqualified stock options granted in 2010 fully vested on February 9, 2013.

(5)Nonqualified stock options granted in 2011 fully vested on February 10, 2014.

(6)The performance-contingent restricted stock award granted in 2012 vested on February 19, 2014.

(7) The performance-contingent restricted stock award granted in 2013 will vest in 2015 upon the filing of the company's 2014 annual report on Form 10-K, subject to the achievement of applicable performance goals.

(8)The time-based restricted stock award granted in 2013 will vest on June 2, 2017.

[Back to Contents](#)**PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION, DATED MARCH 26, 2014****STOCK VESTED AND OPTION EXERCISES**

The following table details vesting of all restricted stock and all exercises of option awards during the fiscal year ended December 28, 2013.

Name	Option Awards		Restricted Stock Awards	
	Number of Shares Acquired on Exercise	Value Realized on Exercise	Number of Shares Acquired on Vesting	Value Realized on Vesting
	(#)	(\$)	(#)	(\$)
Allen L. Shiver ⁽¹⁾	—	—	41,040	758,830
George E. Deese ⁽²⁾	—	—	134,190	2,481,173
R. Steve Kinsey ⁽³⁾	22,612	295,539	27,134	501,708
Gene D. Lord ⁽⁴⁾	102,768	1,430,530	37,530	693,930
Stephen R. Avera ⁽⁵⁾	—	—	20,924	386,885

Mr. Shiver was granted 34,200 shares of performance-contingent restricted stock on February 10, 2011. This (1) award vested on February 20, 2013. Because the company met certain performance criteria, this award was increased to 41,040 shares.

Mr. Deese was granted 111,825 shares of performance-contingent restricted stock on February 10, 2011. This (2) award vested on February 20, 2013. Because the company met certain performance criteria, this award was increased to 134,190 shares.

Mr. Kinsey was granted 22,612 shares of performance-contingent restricted stock on February 10, 2011. This award vested on February 20, 2013. Because the company met certain performance criteria, this award was (3) increased to 27,134 shares. Mr. Kinsey also received 22,612 nonqualified stock options on February 5, 2007 with an exercise price of \$8.70 per share. On December 19, 2013, Mr. Kinsey exercised the options to purchase shares trading at \$21.77 per share. The net value realized per share was \$13.07, or \$295,539.

Mr. Lord was granted 31,275 shares of performance-contingent restricted stock on February 10, 2011. This award vested on February 20, 2013. Because the company met certain performance criteria, this award was increased to (4) 37,530 shares. Mr. Lord also received 102,768 nonqualified stock options on February 5, 2007 with an exercise price of \$8.70 per share. On August 19, 2013, Mr. Lord exercised the options to purchase shares trading at \$22.62 per share. The net value realized per share was \$13.92, or \$1,430,530.

Mr. Avera was granted 17,437 shares of performance-contingent restricted stock on February 10, 2011. This (5) award vested on February 20, 2013. Because the company met certain performance criteria, this award was increased to 20,924 shares.

PENSION BENEFITS

The following table details the number of years of service credited and the present value of the accumulated benefits as of the December 28, 2013 measurement date related to the Retirement Plan.

Name	Plan Name	Number of Years Credited Service	Present Value of Accumulated Benefit (\$)
Allen L. Shiver	Retirement Plan	24	355,159
George E. Deese	Retirement Plan	38	1,091,741
R. Steve Kinsey	Retirement Plan	13	152,102
Gene D. Lord	Retirement Plan	40	890,428
Stephen R. Avera	Retirement Plan	16	280,811

Amounts reported above as the actuarial present value of accumulated benefits under the Retirement Plan are computed using the interest and mortality assumptions that the company applies to amounts reported in its financial statement disclosures, and are assumed to be payable at age 65. The interest rate assumption at December 28, 2013 is 4.75% (4.00% as of December 29, 2012 and 4.75% as of December 31, 2011) and the mortality table assumption is in accordance with the RP 2000 Mortality Table with mortality improvements projected to 2020 using Scale AA.

No benefits or payments were made to any of the Named Executives in 2013 under the Retirement Plan.

[Back to Contents](#)**PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION, DATED MARCH 26, 2014****NONQUALIFIED DEFERRED COMPENSATION**

The following table provides details regarding executive participation in the EDCP during the 2013 fiscal year.

Name	Employee Contributions in FY 2013 (\$)⁽¹⁾	Employer Contributions in FY 2013 (\$)⁽²⁾	Aggregate Earnings in FY 2013 (\$)⁽³⁾	Aggregate Withdrawals/ Distributions in FY 2013 (\$)	Aggregate Balance at 12/28/2013 (\$)⁽⁴⁾
Allen L. Shiver	27,423	25,834	28,820	-	490,603
George E. Deese	41,299	135,760	157,954	-	2,621,899
R. Steve Kinsey	13,588	34,182	22,184	-	387,222
Gene D. Lord	20,946	16,120	27,594	-	457,817
Stephen R. Avera	12,524	27,890	6,257	(38,237)	126,863

(1) Amounts shown are deferrals of 2013 salary earned.

(2) Amounts are included in "All Other Compensation" in the Summary Compensation Table for the 2013 fiscal year. Above-market interest on nonqualified deferred compensation is included in the Summary Compensation Table as "Nonqualified Deferred Compensation Earnings" for the 2013 fiscal year. Interest is above-market if earned at a rate which is 120% or more of the applicable federal long-term rate. Earnings in the EDCP are interest-based

(3) credits which exceed this threshold. The amount of above-market interest for each executive included in the Summary Compensation Table is as follows: Mr. Shiver \$14,071; Mr. Deese \$77,364; Mr. Kinsey \$10,821 Mr. Lord \$13,500; and Mr. Avera \$2,982.

The cumulative portion of the aggregate balance at December 28, 2013 reported in the Summary Compensation Table for all years prior to 2013 is as follows: Mr. Shiver \$282,048; Mr. Deese \$1,624,421; Mr. Kinsey \$212,746; Mr. Lord \$271,076; and Mr. Avera \$198,556.

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL**Payments Made Upon Termination Following a Change of Control**

Effective February 28, 2012, the company's former continuation of employment agreements with certain executive officers, including the Named Executives, were terminated with the consent of the executives and other participants and superseded by the Change of Control Plan.

The Change of Control Plan is designed to provide for stability and continuity of management and the company's operations in the event of a change of control. The compensation committee may designate, in its sole discretion, additional executives that are eligible to participate in the Change of Control Plan. If the company experiences a change of control and, during the protection period, (i) an executive's employment is terminated for any reason other than for Cause (as defined in the Change of Control Plan), death or disability, or (ii) the executive terminates his employment for Good Reason (as defined in the Change of Control Plan), the executive is entitled to the following payments:

- an amount equal to three times (in the case of Mr. Shiver), two times (in the case of Messrs. Kinsey and Avera) or one time (in the case of Messrs. Deese and Lord) the executive's annual base salary at the time of termination (subject to adjustment if base salary was reduced in connection with the change of control);

- an amount equal to three times (in the case of Mr. Shiver), two times (in the case of Messrs. Kinsey and Avera) or one time (in the case of Messrs. Deese and Lord) the executive's target award under the Bonus Plan for the year in which the termination occurs;

- a lump sum amount equal to 18 times the monthly premium amount calculated as if the executive had continued participation in the company's medical plan using the executive's coverage election at the time of termination; and

- up to \$25,000 of outplacement services for up to one year following termination.

Pursuant to the terms of the Change of Control Plan, upon the attainment of age 65, the multiples applicable to a Named Executive's annual base salary and target award under the Bonus Plan are reduced to one times such amounts. Accordingly, upon reaching age 65, the multiples to which Messrs. Deese and Lord are entitled under the Change of Control Plan were reduced from three times and two times, respectively, to one times such amounts.

In the event that actual payments to an executive under the Change of Control Plan are determined in certain instances to be subject to excise taxes, the payments to be paid will be set to either (i) the largest portion of the payments that would result in no portion being subject to excise taxes, or (ii) the entire payments, whichever amount, after taking into account all applicable taxes, including excise taxes, results in the executive receiving, on an after tax basis, the greater amount of payments notwithstanding that all or a portion of the payments may be subject to excise taxes.

[Back to Contents](#)

PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION, DATED MARCH 26, 2014

The following events would constitute a change of control under the Change of Control Plan:

any person becomes the beneficial owner of securities representing 35% or more of the voting power of the company other than as a result of the following: (i) acquisitions from the company with prior approval of the board of directors, (ii) acquisitions by the company, a subsidiary or an employee benefit plan of the company or a subsidiary, (iii) acquisitions as a result of stock dividends, splits or similar transactions, (iv) a reduction in the number of shares outstanding pursuant to a board-approved transaction, or (v) acquisitions where the board of directors determines that beneficial ownership was acquired in good faith and the person promptly divests a number of shares necessary to reduce his beneficial ownership below 35%;

all or substantially all of the company's assets are sold to another entity, or the company is merged or consolidated into or with another entity (other than a subsidiary of the company), with the result that upon the conclusion of the transaction the company's shareholders immediately prior to the transaction will beneficially own less than 60% of the voting power of the surviving entity;

a majority of the board of directors are not directors who were (i) members of the board of directors on the effective date of the Change of Control Plan or (ii) nominated for election or elected to the board of directors by at least 2/3 of the directors who were members of the board on the effective date of the Change of Control Plan plus previously qualified successors serving as directors at the time of such nomination or election; or

•approval by the company's shareholders of a complete liquidation or dissolution of the company.

For purposes of the Change of Control Plan, the protection period includes:

•the period beginning on the date of the change of control and continuing until the second anniversary thereof; and

the six month period prior to the date of the change of control if an executive is terminated without Cause or terminates for Good Reason and, in either case, the termination (i) was requested by the third party that effectuates the change of control, or (ii) occurs in connection with the change of control.

The Change of Control Plan includes a one year covenant not to compete with respect to the trade or business of the successor entity. The Change of Control Plan also includes, for all executives, non-disclosure covenants that do not expire, certain trade secret protections, two year non-solicitation covenants and non-disparagement covenants that do not expire. Payments under the Change of Control Plan are subject to the execution by the executive of a general release of the company. Breach of the release or of any covenant may result in the forfeiture of any payments or benefits that the executive is entitled to under the Change of Control Plan.

Pursuant to the Change of Control Plan, the only event that triggers cash payments and the provision of other benefits is a change of control followed by the termination of an executive's employment, other than for death, disability or for Cause or voluntary resignation other than for Good Reason, within the protection period. If a change in control occurs, regardless of whether the executive's employment is terminated, all unvested performance-contingent restricted stock (at the target level) and all unvested stock options held by the executive immediately vest, except that as to any TSR-Based Awards, if 12 months of the Performance Period have been completed, vesting will be determined based on total shareholder return as of the date of the change in control without application of four-quarter averaging (see "Compensation Discussion and Analysis—Long-Term Incentive Compensation—Equity and Performance Incentive Plan—Vesting Upon Death, Disability, Retirement or Change in Control; Dividends"). In addition, any undistributed amounts under the company's deferred compensation plan will be distributed upon a change of control.

Payments Made Upon Death, Disability or Retirement

If a Named Executive dies, becomes permanently disabled or retires (at age 65 or after) he is generally entitled to the following items:

- immediate vesting in all unvested stock options;
- in the cases of death or disability, immediate vesting in the 2012 and 2013 performance-contingent restricted stock awards at target amount; and
- in the case of retirement, for the 2012 and 2013 award of performance-contingent restricted stock, the Named Executive will receive at the normal vesting date a prorated award based upon the retirement date and actual performance. For purposes of the calculations that follow, if actual results are unknown, target values are used.

Amounts shown in the table below represent estimated amounts payable (or realizable) by the company to each Named Executive upon death, disability, or retirement, a change in control without termination or termination in connection with a change in control. Amounts shown in the tables below are the estimated payment amounts assuming that the triggering event occurred on December 27, 2013, the last business day of fiscal 2013. Values in the tables for equity-based awards are calculated using the closing market price of \$21.33 of the company's common stock on December 27, 2013.

	Death/ Disability (\$)	Retirement (\$)	Change of Control (\$)	Termination Following Change of Control⁽¹⁾ (\$)
Allen L. Shiver				
<i>Cash Severance</i>	—	—	—	4,680,000
<i>Equity Payout</i>	5,979,446	4,277,180	6,247,676	6,247,676
<i>Other Benefits⁽²⁾</i>	—	—	—	43,000
TOTAL	5,979,446	4,277,180	6,247,676	10,970,676
George E. Deese				
<i>Cash Severance</i>	—	—	—	1,400,000

<i>Equity Payout</i>	12,862,668	12,312,082	13,603,864	13,603,864
<i>Other Benefits⁽²⁾</i>	—	—	—	40,660
TOTAL	12,862,668	12,312,082	13,603,864	15,044,524

FLOWERS FOODS, INC. - 2014 Proxy Statement 41

[Back to Contents](#)**PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION, DATED MARCH 26, 2014**

	Death/ Disability (\$)	Retirement (\$)	Change of Control (\$)	Termination Following Change of Control⁽¹⁾ (\$)
R. Steve Kinsey				
<i>Cash Severance</i>	—	—	—	1,562,766
<i>Equity Payout</i>	2,624,128	2,438,309	2,751,116	2,751,116
<i>Other Benefits⁽²⁾</i>	—	—	—	43,000
TOTAL	2,624,128	2,438,309	2,751,116	4,356,882
Gene D. Lord				
<i>Cash Severance</i>	—	—	—	878,303
<i>Equity Payout</i>	3,526,729	3,372,153	3,721,098	3,721,098
<i>Other Benefits⁽²⁾</i>	—	—	—	40,660
TOTAL	3,526,729	3,372,153	3,721,098	4,640,061
Stephen R. Avera				
<i>Cash Severance</i>	—	—	—	1,357,952
<i>Equity Payout</i>	2,055,419	1,915,285	2,160,379	2,160,379
<i>Other Benefits⁽²⁾</i>	—	—	—	43,000
TOTAL	2,055,419	1,915,285	2,160,379	3,561,331

(1) *In addition to amounts payable under the Change of Control Plan, each Named Executive is entitled to his pro rata share of any award earned under the Bonus Plan in the year of termination.*

(2) *Other Benefits includes the estimated cost of outplacement services and a lump sum amount equal to 18-months of continued health and welfare benefits in accordance with the terms of the Change of Control Plan.*

AUDIT COMMITTEE REPORT

The audit committee has reviewed and discussed the company's audited consolidated financial statements for the year ended December 28, 2013 with the company's management and PricewaterhouseCoopers LLP, the company's independent registered public accounting firm for the year ended December 28, 2013. Management represented to the committee that the company's consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America. The audit committee has also discussed with PricewaterhouseCoopers LLP the matters required to be discussed by the Auditing Standard No. 16, "*Communication with Audit Committees*," issued by the Public Company Accounting Oversight Board (PCAOB), as amended from time to time, including the auditors' judgment about the quality of the company's accounting principles as applied in its financial reporting.

The audit committee has received the written disclosures and the letter from PricewaterhouseCoopers LLP required by the applicable requirements of the Public Company Accounting Oversight Board regarding PricewaterhouseCoopers LLP's communications with the audit committee concerning independence, and has discussed with PricewaterhouseCoopers LLP their independence from the company and its management.

Based on the reviews and discussions outlined above, the audit committee recommended to the board that the audited financial statements be included in the company's Annual Report on Form 10-K for the year ended December 28, 2013, which was filed with the SEC on February 19, 2014.

The Audit Committee of the Board of Directors:

Franklin L. Burke, *Chairman*

Joe E. Beverly

David V. Singer

C. Martin Wood III

FLOWERS FOODS, INC. - 2014 Proxy Statement 42

[Back to Contents](#)

PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION, DATED MARCH 26, 2014

OVERVIEW OF PROPOSALS

This proxy statement contains five proposals requiring shareholder action. Proposal I requests the election of four nominees as directors to the board. Proposal II requests an advisory vote on the compensation of the company's Named Executives. Proposal III requests a vote on a proposal submitted by the board of directors of the company to the shareholders of the company to adopt a majority voting standard for the election of directors in uncontested elections. Proposal IV requests the approval of the 2014 Omnibus Equity and Incentive Compensation Plan. Proposal V requests the ratification of the appointment of PricewaterhouseCoopers LLP as the company's independent registered public accounting firm for fiscal 2014. Each of the proposals is discussed in more detail below.

PROPOSAL I ELECTION OF DIRECTORS

Our board of directors is divided into three classes, with each class currently consisting of four members. The directors in each class serve for a term of three years. Directors are elected annually to serve until the expiration of the term of their class or until their successors are elected and qualified. Background information concerning each of our director-nominees and the incumbent directors is provided above under "Directors and Corporate Governance."

The following nominees are proposed for election to Class I to serve until 2017:

- Benjamin H. Griswold, IV
- Allen L. Shiver
- Margaret G. Lewis
- C. Martin Wood III

Jackie M. Ward, age 75, will not stand for re-election following the expiration of her term at the annual meeting, because the company's corporate governance guidelines provide that board members will not stand for election or reelection after attaining the age of 75.

Unless instructed otherwise, the proxies will be voted for the election of the director-nominees named above to serve for the terms indicated or until their successors are elected and have been duly qualified. If any nominee is unable to serve, proxies may be voted for a substitute nominee selected by the board of directors. However, our board of

directors has no reason to believe that any nominee will not be able to serve if elected.

Vote Required

The four director-nominees in Class I receiving the highest number of votes cast at the annual meeting will be elected, regardless of whether that number represents a majority of the votes cast.

Recommendation of the Board

Your board of directors unanimously recommends that you vote “FOR” each of the above-named director-nominees.

PROPOSAL II ADVISORY VOTE ON EXECUTIVE COMPENSATION

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 or, the Dodd-Frank Act, and Section 14A of the Exchange Act provide shareholders with the right to cast an advisory (non-binding) vote to approve the compensation of the Named Executives as disclosed pursuant to the compensation disclosure rules of the SEC. This proposal is commonly known as the “say-on-pay” vote.

In the company’s advisory say-on-pay vote at the 2013 annual meeting, more than 99% of votes cast were “for” approval of the compensation of the Named Executives as disclosed in the 2013 annual meeting proxy statement. At the 2011 annual meeting, we held an advisory vote on the frequency of future say-on-pay votes. A plurality of votes cast at the 2011 annual meeting in the advisory vote on the frequency of future

[Back to Contents](#)

PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION, DATED MARCH 26, 2014

say-on-pay votes were for such vote to occur annually, supporting the board's recommendation. Based upon such result, the board determined that an advisory say-on-pay shareholder vote will be held every year until the next advisory vote on the frequency of future say-on-pay votes, which will be no later than our 2017 annual meeting of shareholders.

As described in the Compensation Discussion and Analysis, the compensation committee evaluates both performance and compensation to ensure that the company maintains its ability to attract and retain the most qualified executives while motivating high company performance. Highlights of our executive compensation program, as described in the Compensation Discussion and Analysis section, include:

Pay opportunities that are:

- appropriate to the size of the company when compared to peer companies; and
- heavily performance-based using multiple internal and stock-based performance measures;
- Disclosure of the financial performance drivers used in our incentives, in numeric terms;
- A long-term incentives program:
 - that is entirely performance-based and aligned with shareholder interests through links to stock price and measurement of our return on invested capital performance versus our cost of capital; and
 - whose payout potentials are capped at conservative levels;
- A clawback provision that allows for recoupment of incentives in certain situations;
- No backdating or repricing of stock options;
- Stock ownership guidelines for executives and directors;
- No perquisites; and
- No e