BROADWAY FINANCIAL CORP \DE\
Form 10-K/A
September 14, 2012
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-K/A

Amendment No. 2

(Mark one)

x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2011

¨ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 0-27464

BROADWAY FINANCIAL CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**95-4547287**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
4800 Wilshire Boulevard, Los Angeles, California	**90010**
(Address of principal executive offices)	**(Zip Code)**

(323) 634-1700

(Registrant s Telephone Number, Including Area Code)

Securities registered under Section 12(b) of the Act:

Title of each class	**Name of each exchange on which registered**
Common Stock, par value $0.01 per share (including attached preferred stock purchase rights)	The NASDAQ Stock Market, LLC

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ¨ No x

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ¨ No x

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No ¨

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. x

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer	¨	Accelerated filer	¨
Non-accelerated filer	¨ (Do not check if a smaller reporting company)	Smaller reporting company	x

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No x

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant s most recently completed second fiscal quarter: $2,993,000

Indicate the number of shares outstanding of each of the registrant s classes of common stock, as of the latest practicable date: As of March 9, 2012, 1,744,565 shares of the Registrant s common stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Not applicable

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Explanatory Paragraph

We are filing this Amendment No. 2 (this Filing) to our Annual Report on Form 10-K for the year ended December 31, 2011 originally filed with the Securities and Exchange Commission (SEC) on March 30, 2012 (the Original Filing) in connection with the restatement of our audited consolidated financial statements to correct errors made in our determination of the appropriate provisions for losses and charge-offs during the fourth quarter of 2011. These matters are described in Part II, Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations and Note 2 of Notes to Consolidated Financial Statements included in Item 8. Financial Statements and Supplementary Data. In this Filing, we are amending the financial and statistical information set forth in the following sections of the Original Filing to reflect the restatement of our audited consolidated financial statements for the year ended December 31, 2011: Part 1, Item 1. Business and Part II, Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations. We are also amending the disclosure in Part II, Item 9A. Controls and Procedures to reflect the related material weaknesses we discovered in our disclosure controls and procedures and internal controls over financial reporting and have included new certifications by our Chief Executive Officer and our Chief Financial Officer as Exhibits 31.1, 31.2, 32.1 and 32.2. No other changes are being made hereby to the Original Filing.

This Filing speaks as of the filing date of the Original Filing, does not reflect events or changes in circumstances that have occurred after that date, and does not modify or update any disclosures made in the Original Filing except as described above. Among other things, forward looking statements made in the Original Filing have not been revised to reflect events, results or developments that have occurred or facts that have become known to us after the date of the Original Filing (other than with respect to the restatement of our financial statements). Such forward-looking statements should be read in their historical context and in conjunction with our filings with the SEC made after the date of the Original Filing, including any amendments to those filings.

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Forward-Looking Statements

Certain statements herein, including without limitation, certain matters discussed under Management s Discussion and Analysis of Financial Condition and Results of Operations in Part II, Item 7 of this Form 10-K, are forward-looking statements, within the meaning of Section 21E of the Securities Exchange Act of 1934 and Section 27A of the Securities Act of 1933, that reflect our current views with respect to future events and financial performance. Forward-looking statements typically include the words anticipate, believe, estimate, expect, project, plan, f intend, and other similar expressions. These forward-looking statements are subject to risks and uncertainties, including those identified below, which could cause actual future results to differ materially from historical results or from those anticipated or implied by such statements. Readers should not place undue reliance on these forward-looking statements, which speak only as of their dates or, if no date is provided, then as of the date of this Form 10-K. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent required by law.

The following factors, among others, could cause future results to differ materially from historical results or from those anticipated by forward-looking statements included in this Form 10-K: (1) the level of demand for mortgage loans, which is affected by such external factors as general economic conditions, market interest rate levels, tax laws, and the demographics of our lending markets; (2) the direction and magnitude of changes in interest rates and the relationship between market interest rates and the yield on our interest-earning assets and the cost of our interest-bearing liabilities; (3) the rate and amount of loan losses incurred and projected to be incurred by us, increases in the amounts of our nonperforming assets, the level of our loss reserves and management s judgments regarding the collectability of loans; (4) changes in the regulation of lending and deposit operations or other regulatory actions, whether industry wide or focused on our operations, including increases in capital requirements or directives to increase loan loss allowances or make other changes in our business operations; (5) actions undertaken by both current and potential new competitors; (6) the possibility of continuing adverse trends in property values or economic trends in the residential and commercial real estate markets in which we compete; (7) the effect of changes in economic conditions; (8) the effect of geopolitical uncertainties; (9) continuing difficulties in successfully completing our pending recapitalization efforts described in this report or inability to obtain and retain sufficient operating cash at our holding company level; and (10) other risks and uncertainties detailed in this Form 10-K, including those described in Part II, Item 7 Management s Discussion and Analysis of Financial Condition and Results of Operations.

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PART I

ITEM 1. BUSINESS

General

Broadway Financial Corporation (the Company) was incorporated under Delaware law in 1995 for the purpose of acquiring and holding all of the outstanding capital stock of Broadway Federal Savings and Loan Association (Broadway Federal or the Bank) as part of the Bank s conversion from a federally chartered mutual savings association to a federally chartered stock savings bank. In connection with the conversion, the Bank s name was changed to Broadway Federal Bank, f.s.b. The conversion was completed, and the Bank became a wholly owned subsidiary of the Company, in January 1996.

The Company is currently regulated by the Board of Governors of the Federal Reserve System (FRB). The Bank is currently regulated by the Office of the Comptroller of the Currency (OCC) and the Federal Deposit Insurance Corporation (FDIC). The Bank s deposits are insured up to applicable limits by the Deposit Insurance Fund (DIF) of the FDIC. The Bank is also a member of the Federal Home Loan Bank (FHLB) of San Francisco. See Regulation for further descriptions of the regulatory system.

Business Overview; Recent Developments

We have experienced elevated levels of loan delinquencies and non-performing assets during the period from 2010 to the present that have resulted in operating losses. Due to these factors and an assessment of our business and assets in the course of a regulatory examination of the Bank in March 2010, the Company and the Bank were designated as being in troubled condition. The Company and the Bank agreed to the issuance of cease and desist orders to them in September 2010, which we refer to collectively as the C&Ds. The C&Ds mandated improvements in enumerated aspects of our business operations and place limitations on us, including prohibition of the payment of dividends by the Bank or the Company, or the incurrence of any new debt or payment on existing debt by the Company, in each case without prior regulatory approval. These and related matters, including our results of operations, loan delinquencies and nonperforming assets, are discussed below in this Item 1, under the caption Regulation Cease and Desist Orders and in Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations.

The Company is pursuing a comprehensive recapitalization plan to improve the Company s capital structure. The principal elements of the recapitalization plan include reaching agreements with the holders of the outstanding series of the Company s preferred stock to convert their respective holdings into Company common stock on negotiated terms and the concurrent sale by the Company of $5 million or more of additional common stock in private placement transactions. Based on agreements reached with certain of the holders of our preferred stock and discussions with potential common stock investors to date, we anticipate that these transactions would, if completed, result in the issuance of approximately 11.2 million new shares of the Company s common stock, which would constitute approximately 87% of the pro forma outstanding shares of the Company s common stock. The number of shares of common stock that would be required to be issued exceeds the Company s currently authorized and unissued shares of common stock. We plan to seek shareholder approval to increase our authorized number of shares of common stock and such other shareholder approvals as may be required to complete the recapitalization. Our recapitalization plan is discussed in Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations Capital Resources.

The Company is in default on a bank loan in the principal amount of $5 million and has other payment obligations, including interest payments on $6 million of Floating Rate Junior Subordinated Debentures (which are suspended while the Company s senior debt is in default) and operating expenses that it is not currently able to pay. The Company has initiated discussion with the OCC regarding the possibility of a limited dividend by the Bank to the Company and is exploring other potential means of obtaining cash for the payment of its separate company obligations while it pursues completion of its recapitalization plans.

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These conditions and the Company s operating losses raise substantial doubt about the Company s ability to continue as a going concern. These and related matters, including the potential effects on the Company s financial statements and other financial information included in this report, all of which have been prepared on the basis that the Company will continue as a going concern, are discussed in Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations and in Notes 11 and 20 of the Notes to Consolidated Financial Statements included in Item 8. Financial Statements and Supplementary Data.

We are headquartered in Los Angeles, California and our principal business is the operation of our wholly-owned subsidiary, Broadway Federal. Broadway Federal s principal business consists of attracting retail deposits from the general public in the areas surrounding our branch offices and investing those deposits, together with funds generated from operations and borrowings, primarily in multi-family mortgage loans, commercial real estate loans and one to four-family mortgage loans. In addition, we invest in securities issued by the federal government and federal agencies, residential mortgage-backed securities and other investments.

Our primary sources of revenue are interest income we earn on our loans and securities. Our principal expenses are interest expense we incur on our interest-bearing liabilities, including deposits and borrowings, together with general and administrative expenses. Our earnings are significantly affected by general economic and competitive conditions, particularly changes in market interest rates and U.S. Treasury yield curves, government policies and actions of regulatory authorities.

Lending Activities

General

Our loan portfolio is comprised primarily of mortgage loans which are secured by multi-family properties, commercial real estate, including churches, and one to four-family properties. The remainder of the loan portfolio consists of commercial business loans, construction loans and consumer and other loans. At December 31, 2011, our net loan portfolio totaled $322.8 million, or 78% of total assets.

We emphasize the origination of adjustable-rate loans (ARMs) and hybrid ARM loans (ARM loans having an initial fixed rate period) primarily for retention in our portfolio. We retain these loans in order to maintain a substantial percentage of our loans that have more frequent repricing, thereby reducing our exposure to interest rate risk. At December 31, 2011, approximately 97% of our mortgage loans had adjustable rates. To a lesser extent, we also originate fixed rate mortgage loans to meet customer demand but we sell the majority of these loans in the secondary market, primarily to other financial institutions. The decision as to whether the loans will be retained in our portfolio or sold is generally made at the time of loan origination or purchase. At December 31, 2011, we had 22 loans totaling $13.0 million held for sale.

The types of loans that we originate are subject to federal laws and regulations. The interest rates that we charge on loans are affected by the demand for such loans, the supply of money available for lending purposes and the rates offered by competitors. These factors are in turn affected by, among other things, economic conditions, monetary policies of the federal government, including the Federal Reserve Board, and legislative tax policies. Federal savings associations and savings banks are not subject to usury or other interest rate limitations.

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The following table sets forth the composition of our loan portfolio in dollar amounts and as a percentage of the total loan portfolio (including loans held for investment and loans held for sale) by loan type at the dates indicated.

	December 31,									
	2011		2010		2009		2008		2007	
	Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	Amount	Percent of total
	(Dollars in thousands)									
One to four-units	$ 76,682	22.57%	$ 82,764	20.56%	$ 90,747	20.03%	$ 68,478	20.25%	$ 35,313	11.59%
Five or more units	108,161	31.83%	128,534	31.92%	146,291	32.28%	87,679	25.93%	113,395	37.21%
Commercial real estate	54,259	15.97%	72,770	18.08%	82,276	18.16%	66,861	19.77%	59,797	19.62%
Church	89,099	26.22%	97,634	24.25%	101,007	22.29%	84,041	24.85%	70,793	23.23%
Construction	3,790	1.11%	5,421	1.35%	5,547	1.22%	5,505	1.63%	2,033	0.67%
Commercial	6,896	2.03%	12,178	3.02%	23,166	5.11%	22,357	6.61%	22,630	7.43%
Consumer	929	0.27%	3,288	0.82%	4,110	0.91%	3,246	0.96%	784	0.25%
Gross loans	339,816	100.00%	402,589	100.00%	453,144	100.00%	338,167	100.00%	304,745	100.00%
Plus: Premiums on loans purchased							2		4	
Less:										
Loans in process	202		371		822		1,499		2,356	
Deferred loan fees (costs), net	(473)		(889)		(817)		(213)		258	
Unamortized discounts	18		33		39		51		60	
Allowance for loan losses	17,299		20,458		20,460		3,559		2,051	
Total loans held for investment	$ 322,770		$ 382,616		$ 432,640		$ 333,273		$ 300,024	
Loans held for sale	$ 12,983		$ 29,411		$ 20,940		$ 24,576		$ 3,554	

Multi-Family and Commercial Real Estate Lending

Our primary lending emphasis has been on the origination of multi-family and commercial real estate loans. These loans are secured primarily by multi-family dwellings or by properties used for business purposes, such as small office buildings, health care facilities and retail facilities located in our primary market area.

Our multi-family loans amounted to $108.2 million and $128.5 million at December 31, 2011 and 2010, respectively. At December 31, 2011 and 2010, multi-family loans represented 32% of our gross loan portfolio. All of the multi-family residential mortgage loans outstanding at December 31, 2011 were ARMs. The vast majority of our multi-family loans amortize over and mature in 30 years. As of December 31, 2011, our single largest multi-family credit had an outstanding balance of $3.2 million, was current and was secured by a 38-unit apartment complex in Montebello, California. At December 31, 2011, the average balance of loans in our multi-family portfolio was approximately $374 thousand. Our ten largest multi-family loans at December 31, 2011, aggregated $17.8 million.

Our commercial real estate loans amounted to $54.3 million and $72.8 million at December 31, 2011 and 2010, respectively. Commercial real estate loans represented 16% of our gross loan portfolio at December 31, 2011, compared to 18% at December 31, 2010. Of the commercial real estate loans outstanding at December 31, 2011, 6% were fixed rate loans and 94% were ARMs. Most commercial real estate loans are originated with principal repayments on a 30 year amortization schedule but are due in 15 years. As of December 31, 2011, our single largest commercial real estate credit had an outstanding principal balance of $2.7 million, was current and was secured by a commercial building located in Los

Angeles, California. At December 31, 2011, the average balance of loans in our commercial real estate portfolio was approximately $533 thousand. Our ten largest commercial real estate loans at December 31, 2011, aggregated $19.1 million.

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The interest rates on multi-family and commercial ARM loans are based on a variety of indices, including the 6-Month London InterBank Offered Rate Index (6-Month LIBOR), the 1-Year Constant Maturity Treasury Index (1-Yr CMT), the 12-Month Treasury Average Index (12-MTA), the 11th District Cost of Funds Index (COFI), and the Wall Street Journal Prime Rate (Prime Rate). We currently offer loans with interest rates that adjust monthly, semi-annually, and annually. Borrowers are required to make monthly payments under the terms of such loans.

Loans secured by multi-family and commercial real properties are granted based on the income producing potential of the property and the financial strength of the borrower. The primary factors considered include, among other things, the net operating income of the mortgaged premises before debt service and depreciation, the debt service coverage ratio (the ratio of net operating income to required principal and interest payments, or debt service), and the ratio of the loan amount to the lower of the selling price or the appraised value of the collateral.

We seek to mitigate the risks associated with multi-family and commercial real estate loans described below by applying appropriate underwriting requirements, which include limitations on loan-to-value ratios and debt service coverage ratios. Under our underwriting policies, loan-to-value ratios on our multi-family and commercial real estate loans usually do not exceed 75% of the lower of the selling price or the appraised value of the underlying property. We also generally require minimum debt service coverage ratios of 115% for multi-family loans and 125% for commercial real estate loans. Properties securing multi-family and commercial real estate loans are appraised by a management-approved independent appraiser and title insurance is required on all loans.

Multi-family and commercial real estate loans are generally viewed as exposing the lender to a greater risk of loss than single-family residential loans and typically involve higher loan principal amounts than loans secured by single-family residential real estate. Because payments on loans secured by multi-family and commercial real properties are often dependent on the successful operation or management of the properties, repayment of such loans may be subject to adverse conditions in the real estate market or general economy, such as we are experiencing with the current economic downturn. Continued adverse economic conditions in our primary lending market area could result in reduced cash flows on multi-family and commercial real estate loans, vacancies and reduced rental rates on such properties. We seek to reduce these risks by originating such loans on a selective basis and generally restrict such loans to our general market area. In 2008, we ceased out-of-state lending for all types of lending. As of December 31, 2011, we had no large out-of-state loans remaining.

Originating loans secured by church properties is a market niche in which we have been active since our inception. We believe that the importance of church organizations in the social and economic structure of the communities we serve makes church lending an important aspect of our community orientation. We further believe that the importance of churches in the lives of the individual members of the respective congregations encourages donations even in difficult economic times, thereby providing somewhat greater assurance of financial resources to repay such church loans compared to other types of commercial properties. Nonetheless, adverse economic conditions can result in risks to loan repayment that are similar to those encountered in other types of commercial lending, and such church lending is subject to other risks not necessarily directly related to economic factors such as the stability, quality and popularity of church leadership. Because of these factors, we do not believe the current real estate market and economic environment support pursuing the origination of additional church loans. Additionally, the cease and desist order issued to Broadway Federal by the OTS, described below under the caption Regulation , restricts us from originating church loans. As a result, we have suspended the origination of church loans. We intend to resume church lending when economic conditions improve and regulatory limitations are removed. Our church loans totaled $89.1 million and $97.6 million at December 31, 2011 and 2010, respectively.

The underwriting standards for loans secured by church properties are different than for other commercial real estate properties in that the ratios used in evaluating the loans are based upon the level and history of church member contributions as a repayment source rather than income generated by rents or leases.

One to Four-Family Mortgage Lending

While we are primarily a multi-family and commercial real estate lender, we also originate ARMs and fixed rate loans secured by one to four-family (single-family) residences, with maturities of up to 30 years. Substantially all of our single-family loans are secured by properties located in Southern California, with most being in our primary market areas of Mid-City and South Los Angeles. Loan originations are generally obtained from our loan representatives or third party brokers, existing or past customers, and referrals from members of churches or other organizations in the local communities where we operate. Single-family loans totaled $76.7 million and $82.8 million at December 31, 2011 and 2010, respectively. Single-family loans represented 23% of our gross loan portfolio at December 31, 2011, compared to 21% at December 31, 2010. Of the single-family residential mortgage loans outstanding at December 31, 2011, 3% were fixed rate loans and 97% were ARMs.

The interest rates for our single-family ARMs are indexed to COFI, 6-Month LIBOR, 12-MTA and 1-Yr. CMT. We currently offer loans with interest rates that adjust monthly, semi-annually, and annually. Borrowers are required to make monthly payments under the terms of such loans.

We qualify our ARM borrowers based upon the fully indexed interest rate (LIBOR or other index plus an applicable margin, rounded to the nearest one-eighth of 1%) provided by the terms of the loan. However, the initial rate paid by the borrower may be discounted to a rate we determine to adjust for market and other competitive factors. The ARMs that we offer have a lifetime adjustment limit that is set at the time the loan is approved. In addition, because of interest rate caps and floors, market rates may exceed or go below the respective maximum or minimum rates payable on our ARMs.

Our policy is to originate one to four-family residential mortgage loans in amounts of up to 90% of the lower of the appraised value or the selling price of the property securing the loan. Any loan in excess of 80% of the appraised value or selling price of the property securing the loan generally requires private mortgage insurance or the Bank charges a higher interest rate to cover the additional risk associated with making a loan with a loan to value ratio higher than 80%. Under certain circumstances, we may originate loans of up to 97% of the selling price if private mortgage insurance is obtained. We may originate loans based on other parameters for loans that are originated for committed sales to other investors. Properties securing a single-family loan are appraised by an approved independent appraiser and title insurance is required on all such loans.

Mortgage loans that we originate generally include due-on-sale clauses, which provide us with the contractual right to declare the loan immediately due and payable in the event the borrower transfers ownership of the property. Due-on-sale clauses are an important means of adjusting the rates on our fixed rate mortgage loan portfolio.

Commercial Lending

We originate and purchase non-real estate commercial loans that are secured by business assets, the franchise value of the business, if applicable, and individual assets such as deposit accounts, securities and automobiles. Most of these loans are originated with maturities of up to 5 years. Commercial loans amounted to $6.9 million and $12.2 million at December 31, 2011 and 2010, respectively. At December 31, 2011, commercial loans represented 2% of our gross loan portfolio, compared to 3% at December 31, 2010. Of the commercial loans outstanding at December 31, 2011, 10% were fixed rate loans and 90% were ARMs. As of December 31, 2011, our single largest commercial credit had a total outstanding principal balance of $2.0 million and is the only remaining loan to a sports franchise. The loan has been modified and termed-out in October 2011. The borrower has been performing per the modified terms.

In 2007, management and the Board of Directors decided to terminate the Bank s prior strategy of lending to sports franchises and reduced its participation in nationally syndicated corporate loan facilities in order to focus on financing opportunities within our market area.

Construction Lending

At December 31, 2011 and 2010, we had $3.8 million and $5.4 million in construction loans, representing 1% of our gross loan portfolio. We provide loans for construction of single-family, multi-family and commercial real estate projects and for land development. We generally make construction and land loans at variable interest rates based upon the Prime Rate. Generally, we require a loan-to-value ratio not exceeding 75% to 80% on a purchase and a loan-to-cost ratio of 80% to 90% on a refinance of construction loans.

Construction loans involve risks that are different from those for completed project lending because we advance loan funds based upon the security and estimated value at completion of the project under construction. If the borrower defaults on the loan, we may have to advance additional funds to finance the project s completion before the project can be sold. Moreover, construction projects are affected by uncertainties inherent in estimating construction costs, potential delays in construction schedules, market demand and the accuracy of estimates of the value of the completed project considered in the loan approval process. In addition, construction projects can be risky as they transition to completion and lease-up. Tenants who may have been interested in leasing a unit or apartment may not be able to afford the space when the building is completed, or may fail to lease the space for other reasons such as more attractive terms offered by competing lessors, making it difficult for the building to generate enough cash flow for the owner to obtain permanent financing. Many construction project owners are faced with these risks given the current economic downturn. Consequently, we are not originating construction loans at this time.

Consumer Lending

Our consumer loans primarily consist of loans secured by savings accounts. At December 31, 2011 and 2010, loans secured by savings accounts totaled $821 thousand and $3.3 million, respectively, representing less than 1% of our gross loan portfolio. Loans secured by depositors accounts are generally made up to 90% of the current value of the pledged account, at an interest rate between 2% and 4% above the rate paid on the deposit account, depending on the type of account, and for a term expiring upon the earlier of one year from origination or the maturity of the deposit account. We currently are not originating loans secured by savings accounts.

Loan Originations, Purchases and Sales

We source loan originations from our loan personnel, local mortgage brokers, advertising and referrals from customers. For all loans that we originate, upon receipt of a loan application from a prospective borrower, a credit report is ordered and certain other information is verified by an independent credit agency and, if necessary, additional financial information is requested. An appraisal of the real estate intended to secure the proposed loan is required, which appraisal is performed by an independent licensed or certified appraiser designated and approved by us. The Board annually reviews our appraisal policy. Management reviews annually the qualifications and performance of independent appraisers that we use.

It is our policy to obtain title insurance on all real estate loans. Borrowers must also obtain hazard insurance naming Broadway Federal as a loss payee prior to loan closing. If the original loan amount exceeds 80% on a sale or refinance of a first trust deed loan, we may require private mortgage insurance and the borrower is required to make payments to a mortgage impound account from which we make disbursements to pay private mortgage insurance premiums, property taxes and hazard and flood insurance as required.

Our Board of Directors has authorized the following loan approval limits: if the total of the borrower s existing loans and the loan under consideration is $500,000 or less, the new loan may be approved by the Chief Operating Officer or the Chief Credit Officer; if the total of the borrower s existing loans and the loan under consideration is from $500,001 to $1,000,000, the new loan must be approved by two Loan Committee members; if the total of the borrower s existing loans and the loan under consideration is from $1,000,001 up to $1,750,000, the new loan must be approved by three Loan Committee members, two of whom must be non-management Loan Committee members; and if the total of existing loans and the loan under consideration is more than $1.75 million, the new loan must be approved by four Loan Committee members, two of whom must be non-management Loan Committee members or by the Executive Committee of the Board of Directors. In addition, it is our practice that all loans approved only by management be reported to the Loan Committee by the following month, and be ratified by the Board of Directors.

From time to time, we purchase loans originated by other institutions based upon our investment needs and market opportunities. The determination to purchase specific loans or pools of loans is subject to our underwriting policies, which consider, among other factors, the financial condition of the borrower, the location of the underlying collateral property and the appraised value of the collateral property. We did not purchase any loans during the years ended December 31, 2011 and 2010.

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We originate and purchase loans for investment and for sale. Loan sales are made from the loans held for sale portfolio and from loans originated during the period that are designated as held for sale. It is our current practice to sell most single-family conforming fixed rate mortgage loans that we originate, retaining a limited amount in our portfolio. Conforming loans are loans that qualify in terms of maximum loan size and other criteria for purchase by FNMA and FHLMC. We also may sell commercial real estate and multi-family ARMs that we originate based upon our investment and liquidity needs and market opportunities. At December 31, 2011, we had 22 loans totaling $13.0 million held for sale. We typically retain the servicing rights associated with loans that are sold. The servicing rights are recorded and carried as assets based upon their fair values. At December 31, 2011 and 2010, we had $362 thousand and $487 thousand, respectively, in mortgage servicing rights.

We receive monthly loan servicing fees on loans sold and serviced for others, primarily insured financial institutions, that are payable by the loan purchaser out of loan collections in an amount equal to an agreed percentage of the monthly loan installments collected, plus late charges and certain other fees paid by the borrowers. Loan servicing activities include monthly loan payment collection, monitoring of insurance and tax payment status, responses to borrower information requests and dealing with loan delinquencies and defaults, including conducting loan foreclosures. At December 31, 2011 and 2010, we were servicing $36.5 million and $46.5 million, respectively, of loans for others.

The following table sets forth our loan originations, purchases, sales and principal repayments for the periods indicated, including loans held for sale.

	2011	2010 (In thousands)	2009
Gross loans:			
Beginning balance	$ 433,281	$ 475,078	$ 363,003
Loans originated:			
One to four-units	619	2,369	35,635
Five or more units	2,986	10,683	41,567
Commercial real estate	364	1,056	26,786
Church		395	19,847
Construction			381
Commercial	1,148	2,817	7,047
Consumer		133	1,619
Total loans originated	5,117	17,453	132,882
Loan purchased:			
Five or more units			21,813
Commercial real estate			
Total loans purchased			21,813
Less:			
Principal repayments	44,236	37,463	34,928
Sales of loans	12,231	11,410	2,892
Loan charge-offs	17,643	5,372	2,728
Transfer of loans receivable to real estate owned	10,815	5,005	2,072
Ending balance (1)	$ 353,473	$ 433,281	$ 475,078

(1) Includes loans held-for-sale totaling $13.7 million, $30.7 million and $21.9 million at December 31, 2011, 2010 and 2009, respectively, exclusive of a $674 thousand, $1.3 million and $994 thousand valuation allowance at December 31, 2011, 2010 and 2009, respectively.

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Loan Maturity and Repricing

The following table sets forth the contractual maturities of our gross loans receivable at December 31, 2011 and does not reflect the effect of prepayments or scheduled principal amortization.

	One to four-Units	Five or more units	Commercial real estate	Church	Construction	Commercial	Consumer	Gross loans receivable
				(In thousands)				
Amounts Due:								
One year or less	$ 283	$ 898	$ 3,129	$ 3,724	$ 2,988	$ 2,050	$ 846	$ 13,918
After one year:								
One year to five years	395	19	2,621	797	802	2,396	13	7,043
After five years	76,004	107,244	48,509	84,578		2,450	70	318,855
Total due after one year	76,399	107,263	51,130	85,375	802	4,846	83	325,898
Total	$ 76,682	$ 108,161	$ 54,259	$ 89,099	$ 3,790	$ 6,896	$ 929	$ 339,816

The following table sets forth the dollar amount of gross loans receivable, excluding loans held for sale, at December 31, 2011 which are contractually due after December 31, 2012, and whether such loans have fixed interest rates or adjustable interest rates.

	December 31, 2011		
	Adjustable	Fixed	Total
	(Dollars in thousands)		
One to four-units	$ 74,416	$ 1,983	$ 76,399
Five or more units	107,263		107,263
Commercial real estate	50,605	525	51,130
Church	85,375		85,375
Construction	500	302	802
Commercial	4,396	450	4,846
Consumer	13	70	83
Total	$ 322,568	$ 3,330	$ 325,898
% of total	98.98%	1.02%	100.00%

Asset Quality

General

The underlying credit quality of our loan portfolio is dependent primarily on each borrower s ability to continue to make required loan payments and, in the event a borrower is unable to continue to do so, the value of the collateral securing the loan, if any. A borrower s ability to pay typically is dependent, in the case of one to four-family mortgage loans and consumer loans, primarily on employment and other sources of income, and in the case of multi-family and commercial real estate loans, on the cash flow generated by the property, which in turn is impacted by general economic conditions. Other factors, such as unanticipated expenditures or changes in the financial markets, may also impact a borrower s ability to make loan payments. Collateral values, particularly real estate values, are also impacted by a variety of factors, including general economic conditions, demographics, property maintenance and collection or foreclosure delays.

Although we believe our underwriting and loan review procedures are appropriate for the various kinds of loans we originate or purchase, our results of operations and financial condition are adversely affected by the deterioration in the quality of our loan portfolio. Therefore, one of our most important operating objectives is to improve asset quality. Management is using a number of strategies to achieve this goal, including maintaining what we believe to be sound credit standards in loan originations, monitoring the loan portfolio through independent third party loan reviews, and employing active collection and workout processes for delinquent or problem loans.

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Delinquencies

We perform a monthly review of all delinquent loans and loan delinquency reports are made monthly to the Internal Asset Review Committee of the Board of Directors. When a borrower fails to make a required payment on a loan, we take a number of steps to induce the borrower to cure the delinquency and restore the loan to current status. The procedures we follow with respect to delinquencies vary depending on the nature of the loan and the period of delinquency. In the case of residential mortgage loans, we generally send the borrower a written notice of non-payment promptly after the loan becomes past due. In the event payment is not received promptly thereafter, additional letters are sent and telephone calls are made. If the loan is still not brought current and it becomes necessary for us to take legal action, we generally commence foreclosure proceedings against all real property that secures the loan. In the case of commercial real estate loans, we generally contact the borrower by telephone and send a written notice of non-payment upon expiration of the applicable grace period. Decisions as to when to commence foreclosure actions for commercial real estate loans are made on a case-by-case basis. We may consider loan workout arrangements with these types of borrowers in certain circumstances.

The following table sets forth our loan delinquencies by type and amount at the dates indicated.

	December 31, 2011				December 31, 2010				December 31, 2009			
	60-89 Days		90 Days or more		60-89 Days		90 Days or more		60-89 Days		90 Days or more	
	Number of loans	Principal balance of loans	Number of loans	Principal balance of loans	Number of loans	Principal balance of loans	Number of loans	Principal balance of loans	Number of loans	Principal balance of loans	Number of loans	Principal balance of loans
	(Dollars in thousands)											
One to four-units	5	$ 2,464	18	$ 7,974	3	$ 71	15	$ 6,227	8	$ 4,194	10	$ 4,756
Five or more units	1	63	10	5,946	4	1,068	4	2,250	5	2,622	4	1,644
Commercial real estate	1	525	14	5,787	1	1,287	14	10,321	4	2,527	6	6,061
Church	3	1,440	33	24,669	7	5,230	23	18,281	7	5,149	20	12,942
Construction	1	264	1	302			1	320				
Commercial							2	3,768			4	7,269
Consumer			1	70			2	2,265			1	2,249
Total	11	$ 4,756	77	$ 44,748	15	$ 7,656	61	$ 43,432	24	$ 14,492	45	$ 34,921
Delinquent loans to total gross loans, including loans held for sale		1.35%		12.66%		1.77%		10.02%		3.05%		7.35%

Non-Performing Assets

Non-performing assets (NPAs) include non-accrual loans and real estate owned through foreclosure or deed in lieu of foreclosure (REO). NPAs at December 31, 2011 were $51.4 million, or 12.43% of total assets, compared to $53.3 million, or 12.63% of total assets, at September 30, 2011 and $46.5 million, or 9.60% of total assets, at December 31, 2010. At December 31, 2011, non-accrual loans were $44.7 million compared to $48.0 million at September 30, 2011 and $43.4 million December 31, 2010. These loans consist of delinquent loans that are 90 days or more past due and troubled debt restructurings (TDRs) that do not qualify for accrual status.

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The following table provides information regarding our non-performing assets at the dates indicated.

	December 31,				
	2011	2010	2009	2008	2007
	(Dollars in thousands)				
Non-accrual loans:					
One to four-units	$ 7,974	$ 6,227	$ 4,756	$	$
Five or more units	5,946	2,250	1,644	200	
Commercial real estate	5,787	10,321	6,061	541	
Church	24,669	18,281	12,942	2,578	
Construction	302	320			
Commercial		3,768	7,269	110	
Consumer	70	2,265	2,249	34	34
Total non-accrual loans	44,748	43,432	34,921	3,463	34
Loans delinquent 90 days or more and still accruing					
Real estate owned acquired through foreclosure	6,699	3,036	2,072		
Total non-performing assets	$ 51,447	$ 46,468	$ 36,993	$ 3,463	$ 34
Non-accrual loans as a percentage of gross loans, including loans held for sale	12.66%	10.02%	7.35%	0.95%	0.01%
Non-performing assets as a percentage of total assets	12.43%	9.60%	7.10%	0.85%	0.01%

No accruing loans were contractually past due by 90 days or more at December 31, 2011 or 2010. We had no commitments to lend additional funds to borrowers whose loans were on non-accrual status at December 31, 2011.

We discontinue accruing interest on loans when the loans become 90 days delinquent as to their payment due date (missed three payments), unless the timing of collections are reasonably estimable and collection is probable. In addition, we reverse all previously accrued and uncollected interest through a charge to interest income. While loans are in non-accrual status, interest received on such loans is accounted for on the cash-basis or cost recovery method, until qualifying for return to accrual. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

We may agree to modify the contractual terms of a borrower s loan. In cases where such modifications represent a concession to a borrower experiencing financial difficulty, the modification is considered a troubled debt restructuring. Loans modified in a troubled debt restructuring are placed on non-accrual status until we determine that future collection of principal and interest is reasonably assured, which requires that the borrower demonstrate performance according to the restructured terms, generally for a period of at least six months. Loans modified in a troubled debt restructuring which are included in non-accrual loans totaled $19.4 million at December 31, 2011 and $14.6 million at December 31, 2010. Excluded from non-accrual loans are restructured loans that were not delinquent at the time of modification or loans that have complied with the terms of their restructured agreement for six months or such longer period as management deems appropriate for particular loans, and have therefore been returned to accruing status. Restructured accruing loans totaled $17.7 million at December 31, 2011 and $22.5 million at December 31, 2010.

During 2011, gross interest income that would have been recorded on non-accrual loans had they performed in accordance with their original terms, totaled $3.8 million. Actual interest recognized on non-accrual loans and included in net earnings for the year 2011 was $1.6 million.

We update our estimates of collateral value for non-performing loans which are 90 days or more delinquent at least annually, and for certain other loans when the Internal Asset Review Committee believes repayment of such loans may be dependent on the value of the underlying collateral. For one to four-family mortgage loans, updated estimates of collateral value are obtained through appraisals, automated valuation models and broker price opinions. For multi-family and commercial real estate properties, we estimate collateral value through appraisals, broker price opinions, or internal cash flow analyses when current financial information is available, coupled with, in most cases, an inspection of the property. When the collateral value is less than the recorded investment in the loan, we establish a valuation allowance equal to the amount of the deficiency. See Allowance for Loan Losses for full discussion of the allowance for loan losses.

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REO is real estate acquired as a result of foreclosure or by deed in lieu of foreclosure and is carried at the lower of cost or fair value less estimated selling costs. Any excess of carrying value over fair value at the time of acquisition is charged to the allowance for loan losses. Thereafter, we maintain an allowance for losses representing decreases in the properties estimated fair value through provisions which are charged to income along with any additional property maintenance and protection expenses incurred as a result of owning the property. At December 31, 2011, we had $6.7 million in REO, which consisted of three one-to-four family residential properties, four commercial real estate properties and six church buildings. We had $3.0 million in REO at December 31, 2010.

Classification of Assets

Federal regulations and our internal policies require that we utilize an asset classification system as a means of monitoring and reporting problem and potential problem assets. We have incorporated asset classifications as a part of our credit monitoring system and thus classify problem assets and potential problem assets as Substandard, Doubtful or Loss assets. An asset is considered Substandard if it is inadequately protected by the current net worth and paying capacity of the obligor or the collateral pledged, if any. Substandard assets include those characterized by the distinct possibility that the insured institution will sustain some loss if the deficiencies are not corrected. Assets classified as Doubtful have all of the weaknesses inherent in those classified Substandard with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable. Assets classified as Loss are those considered uncollectible and of such little value that their continuance as assets without the establishment of a specific loss allowance is not warranted. Assets which do not currently expose us to sufficient risk to warrant classification in one of the aforementioned categories, but that are considered to possess some weaknesses, are designated Special Mention.

Our Internal Asset Review Department reviews and classifies our assets and independently reports the results of its reviews to the Internal Asset Review Committee of our Board of Directors monthly. The following table provides information regarding our classified assets at the dates indicated.

	December 31, 2011		December 31, 2010	
	Number of loans	Principal balance of loans	Number of loans	Principal balance of loans
	(Dollars in thousands)			
Special Mention	59	$ 38,776	72	$ 38,333
Substandard	115	76,241	118	94,054
Doubtful	11	1,692	1	270
Loss			2	16
Total	185	$ 116,709	193	$ 132,673

Allowance for Loan Losses

In originating loans, we recognize that losses will be experienced on loans and that the risk of loss may vary as a result of many factors, including the type of loan being made, the creditworthiness of the borrower, general economic conditions and, in the case of a secured loan, the quality of the collateral for the loan. We are required to maintain an adequate allowance for loan losses in accordance with U.S. generally accepted accounting principles (GAAP). Our allowance for loan losses represents our management s best estimate of the probable incurred and inherent credit losses in our loan portfolio as of the date of the consolidated financial statements. It is intended to cover specifically identifiable loan losses, as well as estimated losses inherent in our portfolio for which certain losses are probable but not specifically identifiable. There can be no assurance, however, that actual losses incurred will not exceed the amount of management s estimates.

We have an Internal Asset Review Department that issues reports to the Board of Directors and continually reviews loan quality. This analysis includes a detailed review of the classification and categorization of problem loans, potential problem loans and loans to be charged off, an assessment of the overall quality and collectability of the portfolio, and concentration of credit risk. Management then evaluates the allowance, determines its appropriate level and the need for additional provisions, and presents its analysis to the Board of Directors which ultimately reviews and approves management s recommendation.

The allowance for loan losses is increased by the provision for loan losses charged to earnings. The allowance for loan losses is decreased by the amount of charge-offs, net of recoveries. The provision is the expense recognized in the consolidated statements of operations to adjust the allowance to the level deemed appropriate by management, as determined by our allowance methodology that considers a number of quantitative and qualitative factors, including the amount of non-performing loans, our loss experience, conditions in the real estate and housing markets, current economic conditions, particularly increasing levels of unemployment, and changes in the size of the loan portfolio.

The allowance consists of specific and general components. The specific component relates to loans that are individually classified as impaired.

A loan is considered impaired when, based on current information and events, it is probable that the Bank will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Loans for which the terms have been modified, and for which the borrower is experiencing financial difficulties are considered troubled debt restructurings (TDR) and classified as impaired. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower s prior payment record, and the amount of the shortfall in relation to the principal and interest owed.

Impairment is measured on a loan by loan basis. If a loan is impaired, a portion of the allowance is allocated to the loan so that the loan is reported, net, at the present value of estimated future cash flows using the loan s existing rate or at the fair value of collateral if repayment is expected solely from the collateral. Large groups of smaller balance homogeneous loans, such as consumer and residential real estate loans, are collectively evaluated for impairment and, accordingly, they are not separately identified for impairment disclosures. Troubled debt restructurings are separately identified for impairment disclosures and are measured at the present value of estimated future cash flows using the loan s effective rate at inception. If a troubled debt restructuring is considered to be a collateral dependent loan, the loan is reported, net, at the fair value of the collateral. For troubled debt restructurings that subsequently default, the Company determines the amount of reserve in accordance with the accounting policy for the allowance for loan losses. At December 31, 2011, impaired loans totaled $56.3 million and had an aggregate specific allowance allocation of $3.9 million.

The general component of the allowance for loan losses covers non-impaired loans and is based on historical loss experience adjusted for qualitative factors. Each month, we prepare an analysis which categorizes the entire loan portfolio by certain risk characteristics such as loan type (one- to four-family, multi-family, commercial real estate, construction, commercial and industrial and consumer) and loan classification (pass, special mention, substandard and doubtful). We assign estimated loss factors to the loan classification categories on the basis of our assessment of the potential risk inherent in each loan type. These factors are periodically reviewed for appropriateness giving consideration to our historical loss experience, levels of and trends in delinquencies and impaired loans; levels of and trends in charge-offs and recoveries; trends in volume and terms of loans; effects of any changes in risk selection and underwriting standards; other changes in lending policies, procedures, and practices; experience, ability, and depth of lending management and other relevant staff; national and local economic trends and conditions; industry conditions; and effects of changes in credit concentrations.

In addition to loss experience and environmental factors, we use qualitative analyses to determine the adequacy of our allowance for loan losses. This analysis includes ratio analysis to evaluate the overall measurement of the allowance for loan losses and comparison of peer group reserve percentages. The qualitative review is used to reassess the overall determination of the allowance for loan losses and to ensure that directional changes in the allowance for loan losses and the provision for loan losses are supported by relevant internal and external data.

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In addition to the requirements of GAAP related to loss contingencies, a federally chartered savings association s determination as to the classification of its assets and the amount of its valuation allowances is subject to review by the OCC. The OCC, in conjunction with the other federal banking agencies, provides guidance for financial institutions on both the responsibilities of management for the assessment and establishment of adequate valuation allowances and guidance for banking agency examiners to use in determining the adequacy of valuation allowances. It is required that all institutions have effective systems and controls to identify, monitor and address asset quality problems, analyze all significant factors that affect the collectability of the portfolio in a reasonable manner and establish acceptable allowance evaluation processes that meet the objectives of the federal regulatory agencies. While we believe that the allowance for loan losses has been established and maintained at adequate levels, future adjustments may be necessary if economic or other conditions differ materially from the conditions on which we based our estimates at December 31, 2011. In addition, there can be no assurance that the OCC or other regulators, as a result of reviewing our loan portfolio and/or allowance, will not require us to materially increase our allowance for loan losses, thereby affecting our financial condition and earnings.

Based on our evaluation and feedback from our regulators and an independent third party review of our loan portfolio, we determined that an allowance for loan losses of $17.3 million was required at December 31, 2011, down from $20.5 million at December 31, 2010.

The following table sets forth the activity in our allowance for loan losses for the years indicated.

	2011	2010	2009	2008	2007
			(Dollars in thousands)		
Allowance balance at beginning of year	$ 20,458	$ 20,460	$ 3,559	$ 2,051	$ 1,730
Charge-offs:					
One-to-four units	(896)	(1,999)	(1,631)		
Five or more units	(438)	(21)	(200)		
Commercial real estate	(4,544)	(210)			
Church	(3,787)		(667)		
Commercial	(3,916)	(1,738)	(156)		
Consumer	(1,843)	(504)	(74)	(3)	
Total charge-offs	(15,424)	(4,472)	(2,728)	(3)	
Recoveries:					
One-to-four units					
Five or more units	2			139	
Commercial real estate	15				
Church	4				
Commercial	67				
Consumer	24	5			
Total recoveries	112	5		139	
Provision charged to earnings	12,153	4,465	19,629	1,372	321
Allowance balance at end of year	$ 17,299	$ 20,458	$ 20,460	$ 3,559	$ 2,051
Net charge-offs (recoveries) to average loans, excluding loans held for sale	3.85%	0.97%	0.64%	(0.04%)	0.00%
Allowance for loan losses as a percentage of gross loans, excluding loans held for sale	5.09%	5.08%	4.52%	1.06%	0.68%
Allowance for loan losses as a percentage of total nonaccrual loans	38.66%	47.10%	58.59%	102.77%	6032.35%
Allowance for loan losses as a percentage of total non-performing assets	33.62%	44.03%	55.31%	102.77%	6032.35%

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The following table sets forth our allocation of the allowance for loan losses to the various categories of loans and the percentage of loans in each category to total loans at the dates indicated.

	December 31, 2010		
	Amount	Percent of loans in each category to total loans	Amou
	(Dollars in thousands)		
	4,579	20.56%	$ 4,29
	2,469	31.92%	1,6
	3,493	18.08%	1,8

shares and additional shares vest as soon as we credit the director's account with them, but we do not issue them until the the calendar year. The director may not transfer the additional shares, however, until one year after we issue them, or, if date that we otherwise would have issued them, provided that certain events will cause this transfer restriction to lapse.

transfer restriction on additional shares will lapse if:

ies;

eaves the Board:

ity;

erved out his or her full term; or

age 71; or

ontrol, as defined in the plan, occurs.

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Restricted Stock and Restricted Stock Units

vides that the Board may grant shares of restricted stock and restricted stock units in the amounts and on such terms as it ut specifies that no grant may vest earlier than one year following the grant date. A restricted stock unit is an award in units whose value is derived from common stock, and which is subject to similar restrictions and possibility of is the restricted stock. In November 2012, we issued restricted stock awards to non-employee directors under this plan. yet issued any restricted stock units under this plan.

a director ceases to serve as a director of Sysco, he or she will forfeit all the unvested restricted stock and restricted at he or she holds. However, if the director leaves the board after serving out his or her term, or for any reason after 71, his or her restricted stock and restricted stock units will remain in effect and continue to vest as if the director had rector of Sysco. All unvested restricted stock and restricted stock units will automatically vest upon the director's death.

Deferral of Shares

oyee director may elect to defer receipt of all or any portion of any shares of common stock issued under the plan, shares are to be issued as a grant of restricted stock, elected shares or additional shares, or upon the vesting of a ck unit grant. In order to respect Mr. Fernandez' prior deferral elections made while he was still non-executive Chair, d Mr. Fernandez to defer $160,000 of RSUs awarded to Mr. Fernandez in 2012 in his capacity as Executive Chair. It is ed that any future deferrals into the DSDP by Mr. Fernandez will be allowed for RSUs or any other stock awards m as Executive Chair. Generally, the receipt of stock may be deferred until the earliest to occur of the death of the e director, the date on which the non-employee director ceases to be a director of the company, or a change of control of ch deferral elections shall be made in accordance with the terms and conditions set forth in Sysco's 2009 Board of ck Deferral Plan.

Change in Control

nents under the 2009 Non-Employee Directors Stock Plan will determine vesting provisions upon the occurrence of a nge in control.

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Fiscal 2013 Director Compensation

g table provides compensation information for fiscal 2013 for each of our directors who served for any part of the fiscal
an Mr. DeLaney, whose compensation is disclosed in the Summary Compensation Table on page 59:

Fees Earned or Paid in Cash($)[1]	Stock Awards($)[2][3][4]	Non-Qualified Deferred Compensation Earnings($)[5]	Other Compensation[6]	Total($)
$ 120,000	$ 185,016	$ —	$ —	$ 305,016
115,000	185,016	3,207	—	300,016
900,000	0	2,428	56,917	959,345
100,000	185,016	—	—	285,016
100,000	185,016	38,167	—	323,183
120,000	185,016	—	—	305,016
100,000	185,016	—	—	285,016
100,000	185,016	—	—	285,016
125,000	185,016	—	—	310,016
160,000	185,016	8,640	—	353,656

r. Fernandez for whom annual base salary is reported, includes retainer fees, including any retainer fees for which the
e director has elected to receive shares of Sysco common stock in lieu of cash and fees for the fourth quarter of fiscal
re paid at the beginning of fiscal 2014. Although we credit shares to a director's account each quarter, the elected shares
ally issued until the end of the calendar year unless the director's service as a member of the Board of Directors
The number of shares of stock actually credited to each non-employee director's account in lieu of cash during fiscal
ding match shares, which are reported in the column titled "stock awards," was as follows: 1,517 shares for each of
y, Mr. Golden, Mr. Hafner, Ms. Newcomb and Mr. Tilghman; and 4,856 shares for Ms. Ward. Directors may choose to
of the elected shares described in this footnote under the Sysco Corporation 2009 Board of Directors Stock Deferral
mber of elected shares of stock deferred by each non-employee director during fiscal 2013 (which are included in the
es described above) was as follows: Dr. Craven, Mr. Glasscock and Dr. Koerber — 1,517 shares and Ms. Ward — 757
e extent cash dividends are paid on our common stock, non-employee directors also receive the equivalent amount of
dend credited to their account with respect to all elected shares that are deferred. If the director has chosen to defer the
y shares, they will be credited to the director's account and issued on the earlier to occur of the death of the director, the
n the director ceases to be a director of the company, or a change of control of Sysco.

on paid in cash to Mr. Fernandez includes the annual base salary paid for his service as Executive Chairman for fiscal

13, the Board, upon the recommendation of the Corporate Governance and Nominating Committee, determined that it
approximately $160,000 in equity incentives to each of the non-employee directors. Therefore, on November 13, 2012,
anted each of the non-employee directors 5,341 shares of restricted stock valued at $29.96 per share, the closing price

nmon stock on the New York Stock Exchange on November 12, 2012. These awards were granted under the 2009 ee Directors Stock Plan and vest in full on the first anniversary of the grant date. The amounts in this column reflect e fair value of the awards computed in accordance with ASC 718, "Compensation — Stock Compensation". See Note 17 of ated financial statements in Sysco's Annual Report for the year ended June 29, 2013 regarding assumptions underlying equity awards.

in this column also reflect the grant date fair value of awards computed in accordance with ASC 718, "Compensation — ensation" with respect to a 50% stock match for directors who elect to receive a portion of their annual retainer fee in ck. The value of any "elected" shares is included in the column entitled "Fees Earned or Paid in Cash" as described in above. See "Directors Stock Plans" above for a more detailed description. Although we credit shares to a director's quarter, the shares are not actually issued until the end of the calendar year unless the director's service as a member of Directors terminates. The number of additional shares actually credited to each non-employee director's account during s as follows: 757 shares for each of Mr. Cassaday, Dr. Craven, Mr. Glasscock, Mr. Golden, Mr. Hafner, Dr. Koerber, b, Mr. Tilghman and Ms. Ward.

ay choose to defer receipt of the restricted stock and the matched shares described in this footnote under the Sysco 2009 Board of Directors Stock Deferral Plan. The number of shares of restricted stock and matched shares deferred by nployee director during fiscal 2013 (which are included in the additional shares described above) was as follows: Mr. Glasscock, Dr. Koerber and Ms. Ward — 757 shares. To the extent cash dividends are paid on our common stock, e directors also receive the equivalent amount of the cash dividend credited to their account with respect to all deferred ock awards and all matched shares that are deferred, in the form of stock units. Directors may elect an "in-service" date for deferrals that is at least one year following the end of the plan year in which shares would otherwise have been the Director. Otherwise, distributions occur upon the earlier of the death of the director, the date on which the director a director of the company, or a change of control of Sysco, unless the director applies for and qualifies for a hardship Mr. Fernandez did not receive a stock award in fiscal 2013; however, see footnote 7 below for details related to the RSU grant to Mr. Fernandez.

e number of options and unvested stock awards held by each director, other than Mr. DeLaney, as of June 29, 2013 vs:

	Aggregate Unvested Stock Awards Outstanding as of June 29, 2013	**Aggregate Options Outstanding as of June 29, 2013**
	5,341	3,500
	5,341	11,500
	56,612	628,500
	5,341	—
	5,341	—
	5,341	11,500
	5,341	—
	5,341	3,500
	5,341	11,500
	5,341	—

respect to Mr. Fernandez, all of the options shown in the table above are fully vested. Mr. Fernandez' April 2012 grants tricted stock units and options to purchase 625,000 shares of common stock each vested as to one-third of the grant in with the remaining two-thirds scheduled to vest ratably in April of 2014 and 2015. The remaining grants shown for relate to restricted stock awards granted in November 2012 that vest in November 2013.

directors shown in the table received option grants during fiscal 2013. However, see footnote 7 below for details related 2014 stock option grant awarded to Mr. Fernandez.

rovide a pension plan for the non-employee directors. For each non-employee director, the amounts shown in this esent above-market earnings on amounts deferred under the Non-Employee Director Deferred Compensation Plan. o do not have any amounts in this column were not eligible to participate in such plan, did not participate in such plan ve any above-market earnings.

shown for Mr. Fernandez reflects the reimbursements for the cost of a condo lease and fees in Houston, Texas for ez's use while in Houston attending to Sysco business in the amount of $56,917. Except for Mr. Fernandez, the total perquisites and personal benefits received by each of the non-employee directors with respect to fiscal 2013, including nts for spousal airfare and meals associated with certain Board meetings was less than $10,000.

2, 2013, the Committee granted additional equity incentive compensation valued at approximately $2.9 million to ez as part of Mr. Fernandez's executive compensation package in his role as Executive Chairman. The grant is f 45,601 restricted stock units, valued at $1,458,320, based on the closing price of Sysco common stock on 013, and 364,583 stock options, valued at $1,458,332 (using a value of $4 per option because the Committee used the Black Scholes value or $4.00 per option in determining actual option awards) with each award vesting one-third per ee years, provided that the awards will continue to vest in accordance with their terms upon Mr. Fernandez' retirement ding from his position as Executive Chairman or from Board service. The Committee granted this award in connection ice to Sysco Corporation from April 2013 to November 2013.

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did not receive any compensation in or for fiscal 2013 for Board service other than the compensation for services as an t is disclosed elsewhere in this proxy statement. See "Executive Compensation – Summary Compensation Table" for ing compensation received by Mr. DeLaney for fiscal 2013.

Stock Ownership Guidelines

te Governance Guidelines provide that after five years of service as a non-employee director, such individuals are ontinuously own a minimum of 16,500 shares of Sysco common stock. All of the current non-employee directors with years of service, as well as the Executive Chairman, beneficially held the requisite number of shares as of 7, 2013. The Executive Chairman is subject to the stock ownership guidelines applicable to Sysco's non-employee well as a stock ownership requirement applicable to the Executive Chairman position. Stock ownership guidelines executive officers are described under "Stock Ownership— Stock Ownership Guidelines."

EXECUTIVE OFFICERS

g persons currently serve as executive officers of Sysco. Each person listed below, other than Mr. Bené, Mr. Fernandez, Mr. Moskowitz and Mr. Shurts, has served as an officer of Sysco and/or its subsidiaries for at least the past five years.

	Title	Age
é	Executive Vice President and Chief Commercial Officer	51
Day*	Executive Vice President, Merchandising	56
eLaney*	President and Chief Executive Officer	57
Elmer	Senior Vice President, Controller and Chief Accounting Officer	54
ernandez	Executive Chairman	67
Green*	Executive Vice President and President, Foodservice Operations	54
reidler*	Executive Vice President and Chief Financial Officer	49
ibby	Senior Vice President, General Counsel and Corporate Secretary	47
kowitz	Senior Vice President, Human Resources	49
urts*	Executive Vice President and Chief Technology Officer	54

utive Officer.

ené has served as Executive Vice President and Chief Commercial Officer since September 1, 2013 and Executive Vice ief Merchandising Officer from May 2013 to September 2013. Prior to joining Sysco, Mr. Bené served as President of dservices from 2011 until 2013. Between 2008 and 2011, he held various senior roles with PepsiCo, including si-Cola North American Beverages; SVP, Sales and Franchise Development; President, PepsiCo Foods & Beverages, Chief Operating Officer, South Beach Beverage Co. Mr. Bené joined PepsiCo in 1989 after working for American ly.

Day has served as Executive Vice President, Merchandising since July 2010. He served as Senior Vice President— g and Supply Chain from July 2009 to July 2010. He began his Sysco career in 1983 as a staff accountant at Sysco's nnessee subsidiary. Between 1984 and 1987 he divided his time between Sysco's corporate headquarters and Sysco's idiary, where he served as the Chief Financial Officer. In 1987 Mr. Day officially moved to Sysco's corporate in Houston where he served in a variety of roles until 1999, when he was promoted to Assistant Controller. Mr. Day ’s RDC project in 2000, was named Vice President, Supply Chain Management in 2003 and was promoted to Senior t, Supply Chain in July 2007.

eLaney is described under “Board of Directors Matters.”

Elmer was promoted to Senior Vice President and Controller in November 2008 after serving as Vice President and om 2000 to November 2008 and assumed the added responsibility of Chief Accounting Officer in July 2005. Mr. Elmer co career in 1989 as a staff auditor in operations review at Sysco’s corporate office in Houston. In 1991 he transferred to ginia subsidiary as Director of Finance, and the following year he was named Vice President of Finance and on. Mr. Elmer was appointed Vice President of Finance for Sysco’s Louisville, Kentucky operation in 1995 and Senior Vice President of Marketing, Merchandising and Finance at that company in 1997. The following year he Sysco’s Denver operation as Vice President of Finance. In 2000 he returned to Sysco’s corporate office to serve as Vice Controller.

ernandez is described under “Board of Directors Matters.”

Green has served as Executive Vice President and President, Foodservice Operations since September 1, 2013. Prior to en served as Executive Vice President and Group President from October 2011 to September 2013, as Executive Vice odservice Operations, with expanded responsibilities over all of Sysco’s U.S. Broadline Foodservice Operations from October 2011, and as Executive Vice President of Northeast and North Central U.S. Foodservice Operations from to July 2010. Mr. Green began his Sysco career in 1991 as a member of the Management Development Program and ysco Chicago’s Vice President of Marketing later that year. In 1992, he was promoted to Senior Vice President of d Merchandising, and then to Executive Vice President, of Sysco’s Chicago operating company. In 1994, Mr. Green resident and Chief Executive Officer of Sysco Food Services of Detroit. He was promoted in 2004 to Senior Vice Operations for Sysco’s Midwest Region.

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eidler has served as Sysco's Executive Vice President and Chief Financial Officer since October 2009. Prior to joining Kreidler served as Executive Vice President and Chief Financial Officer of C&S Wholesale Grocers, a large d food wholesaler, from February 2007 through March 2009. Between June 1996 and February 2007, he held various with Yum! Brands, Inc., which includes the worldwide operations of KFC, Pizza Hut and Taco Bell. His last position rands was Senior Vice President of Corporate Strategy and Treasurer from December 2003 to February 2007.

bby has served as Sysco's Senior Vice President, General Counsel and Corporate Secretary since November 2011. He in October 2007 as Assistant Vice President, Mergers and Acquisitions and Real Estate and was promoted to Vice d Assistant General Counsel in July 2009, and was promoted to Vice President, General Counsel and Corporate December 2010. From 1997 through September 2007, Mr. Libby worked for the North America unit of COFRA ., a Swiss international conglomerate, in various positions of increasing responsibility, culminating in service as COFRA North America and Vice President, Legal for Good Energies, Inc., an affiliated investment advisor.

kowitz has served as Senior Vice President, Human Resources since January 2011. Prior to joining Sysco, itz served as Chief Human Resources Officer of Dean Foods Company, a large dairy processing company from 2007 etween 1996 and 2004, he held various senior roles with Yum! Brands. His last position with Yum! Brands was Chief r at Pizza Hut from 2004 to 2007.

urts has served as Executive Vice President, Chief Technology Officer since October 2012. Prior to joining Sysco, erved as Executive Vice President of SuperValu Inc. from 2010 until 2013. Between 2006 and 2010, he held various with Cadbury. His last position with Cadbury was Chief Information Officer from 2008 to 2010.

Management Development and Succession Planning

g basis, the Board plans for succession to the position of CEO and other key management positions, and the Corporate and Nominating Committee oversees this management development and succession planning process. To assist the EO periodically provides the Board with an assessment of senior executives and their potential to succeed to the EO, as well as perspective on potential candidates from outside the company. On an annual basis, the Board and its stainability Committee have engaged in discussions with management regarding increasing the diversity of Sysco's nagement team. In addition, the CEO periodically provides the Board with an assessment of potential successors to itions.

3, Sysco's effectiveness in management development and succession planning were a part of our CEO's non-financial goals, which are reviewed at the end of each fiscal year by the Compensation and Corporate Governance and Committees. In addition, the Compensation Committee assessed Sysco's performance in select non-financial areas, overall effectiveness of its management development and succession planning processes in determining the magnitude bonus payment to our CEO. Management development and succession planning remain top priorities of executive and the Board during fiscal 2013, as evidenced by the following:

d discussed human capital and succession planning at its annual strategy meeting and several other regularly scheduled .

EO's five fiscal year 2014 strategic goals is to make continued strides toward the human capital plan and high level anning. Success in this goal will affect our CEO's MIP bonus payment for fiscal 2014, as described under "Executive n— Management Incentive Plan."

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STOCK OWNERSHIP

Security Ownership of Officers and Directors

ng table sets forth certain information with respect to the beneficial ownership of Sysco's common stock, as of ', 2013, by (i) each current director, (ii) each named executive officer (as defined under "Compensation Discussion and nd (iii) all current directors and executive officers as a group. Unless otherwise indicated, each stockholder identified in sole voting and investment power with respect to his or her shares. Fractional shares have been rounded down to the share.

	Shares of Common Stock Owned Directly	**Shares of Common Stock Owned Indirectly**	**Shares of Common Stock Underlying Options[1]**	**Shares of Common Stock Underlying Restricted Stock Units[2]**	**Total Shares of Common Stock Beneficially Owned[1][2]**	**Percent of Outstanding Shares[3]**
	46,389 (4)	—	—	—	46,389	*
	71,315 (4)	—	—	—	71,315	*
	39,767	21,153	149,252	12,101	222,273	*
	128,572	—	517,900	67,111	713,583	*
	76,070 (4)	—	211,833		287,903	*
	24,181	—	—	—	24,181	*
	87,263 (4)	18,500 (5)	—	—	105,763	*
	24,991	—	189,388	17,301	231,680	*
	52,514 (4)	—	8,000	—	60,514	*
pe	49,580		801	—	50,381	
m	47,957 (4)	—	—	—	47,957	*

	22,974	810 (5)	336,053	25,747	385,584	*
	38,988 (4)	—	—	—	38,988	*
	0	—	46,718	10,525	57,243	*
	68,873 (4)	1,957 (6)	—	—	70,830	*
	64,065 (4)	61 (6)	—	—	64,126	*
s,						
nd	876,331 (7)	42,481 (8)	1,597,374 (9)	160,791 (10)	2,676,977 (7)(8)(9)(10)	*

of outstanding shares.

ares underlying options that are presently exercisable or will become exercisable within 60 days after 7, 2013. Shares subject to options that are presently exercisable or will become exercisable within 60 days after 7, 2013 are deemed outstanding for purposes of computing the percentage ownership of the person holding such re not deemed outstanding for purposes of computing the percentage ownership of any other persons.

res underlying restricted stock units (RSUs) that will vest and settle within 60 days after September 17, 2013. Shares RSUs that will vest and settle within 60 days after September 17, 2013 are deemed outstanding for purposes of e percentage ownership of the person holding such RSUs, but are not deemed outstanding for purposes of computing e ownership of any other persons. It is expected that approximately one-third of the shares underlying these RSUs will o pay taxes related to the RSUs as they vest and settle.

ercentage of beneficial ownership at September 17, 2013 is based on 583,704,017 shares outstanding.

es that were elected to be received in lieu of non-employee director retainer fees during the first half of calendar 2013, natching shares under the Non-Employee Directors Stock Plan. For Ms. Ward, this includes 2,305 elected shares and g shares; for each of the other current non-employee directors, this includes 720 elected shares and 359 matching s the director has chosen to defer the shares under the Sysco Corporation 2009 Board of Directors Stock Deferral Plan rral Plan"), these shares will be issued on December 31, 2013 or within 60 days after a non-employee director ceases to whichever occurs first. Directors may choose to defer receipt of these shares related to director retainer fees, as well as

ed pursuant to restricted stock grants, and these deferred amounts are also included in this line item. To the extent cash
e paid on our common stock, non-employee directors also receive the equivalent amount of the cash dividend credited
unt with respect to all deferred restricted stock awards, and all elected and matched shares that are deferred. The
hares in each non-employee director's deferred stock account, including related dividend equivalents, is as follows:
y — none, Dr. Craven— 25,881, Mr. Fernandez— 21,776, Mr. Glasscock— 23,060, Mr. Golden— none, Mr. Hafner— none,
— 20,263, Ms. Newcomb— none, Mr. Tilghman — none, and Ms. Ward— 11,361. In addition, Dr. Craven, Mr. Fernandez,
ck, Mr. Koerber and Ms. Ward have elected to defer receipt of the elected and match shares described above. If the
chosen to defer the receipt of any shares, they will be credited to the director's account in the Stock Deferral Plan and
earliest to occur of the death of the director, the date on which the director ceases to be a director of the company, or a
ntrol of Sysco. Deferred shares are deemed outstanding for purposes of computing the percentage ownership of the
ing such shares, but are not deemed outstanding for purposes of computing the percentage ownership of any other

are held by a family trust affiliated with the executive officer or director.

are held by the spouse of the director or executive officer.

ggregate of 32,832 shares directly owned by the current executive officers other than the named executive officers.

aggregate of 0 shares owned by the spouses and/or dependent children of current executive officers other than the
tive officers.

ggregate of 137,429 shares underlying options that are presently exercisable or will become exercisable within 60 days
ber 17, 2013 held by current executive officers other than the named executive officers.

aggregate of 28,006 shares underlying restricted stock units (RSUs) that will vest and settle within 60 days after
7, 2013 held by current executive officers other than the named executive officers.

ormation provided by Mr. Hope regarding his stock ownership at the time of his retirement from the Company at the
2013 and Sysco's records on outstanding options and RSUs and option exercises.

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Security Ownership of Certain Beneficial Owners

g table sets forth information concerning beneficial ownership of our common stock by persons or groups known to us al owners of more than 5% of Sysco's common stock outstanding as of September 17, 2013.

	Total Shares of Common Stock Beneficially Owned	Percent of Outstanding Shares
nd certain affiliates[(1)]	29,654,159	5.07 %
Corporation and certain affiliates[(2)]	30,172,518	5.15 %
sset Management LP[(3)]	32,690,269	5.58 %

tion is based on a Schedule 13G filed on January 30, 2013 by BlackRock, Inc. ("BlackRock"). According to the Schedule ock has the sole power to vote, or to direct the vote of, and sole power to dispose, or to direct the disposition of, these nmon stock. The address for BlackRock is BlackRock, Inc., 40 East 52nd Street, New York, NY 10022. Applicable f beneficial ownership at December 31, 2012 is based on 585,349,231 shares outstanding.

tion is based on a Schedule 13G filed on February 12, 2013 by State Street Corporation ("State Street"). According to the G, State Street has shared power to vote, or to direct the vote of, and shared power to dispose, or to direct the of, these shares of common stock. The address for State Street is State Street Financial Center, One Lincoln Street, 02111. Applicable percentage of beneficial ownership at December 31, 2012 is based on 585,349,231 shares

le 13F filed with the SEC by Yacktman Asset Management LP for the quarter ended June 30, 2013. The Company has en any independent verification of the information presented. The Form 13F filed by Yacktman Asset Management LP t the reporting person and certain of its affiliates held investment discretion and sole voting authority with respect to shares of Sysco common stock as of June 30, 2013. Yacktman Asset Management LP's address, as reported on the s 6300 Bridgepoint Parkway, Building One, STE 500, Austin, TX 78730. Applicable percentage of beneficial June 30, 2013 is based on 586,106,470 shares outstanding.

Stock Ownership Guidelines

interests of our executives with those of our stockholders, Sysco's Board of Directors concluded that our executive ld have a significant financial stake in Sysco stock. To further that goal, for several years we have maintained stock idelines for our executives. In August 2013, we amended our Corporate Governance Guidelines in order to increase the applicable to the CEO and Executive Chairman positions, and to provide clarity to the stock ownership guidelines. August 2016 or upon the end of the five-year period from the date the officer is hired, promoted or otherwise becomes e guidelines, whichever is later, the executives should own the number of shares, by position, as described in the le.

Required to Own by Fifth Anniversary in Position

	225,000 shares
airman	100,000 shares
ce Presidents	60,000 shares
Presidents	20,000 shares
n 16 Officers	10,000 shares

icers have five years to achieve these ownership requirements. The five-year period begins the date the officer is hired, otherwise becomes subject to the guidelines. If an individual was hired after August 26, 2011, or promoted after 011 to a position that requires the ownership of a greater amount of stock than his or her prior position, the five-year ning to the new position will begin to run upon the effectiveness of the hiring or promotion; provided, further, however, ed individual shall continue to comply with the above ownership requirements applicable to his or her prior position at equent to the promotion.

unted towards ownership requirements shall include Sysco shares of common stock owned directly or indirectly by the icer, any other shares of vested restricted stock held by the executive officer that may be subject to transfer restrictions lawbacks, two-thirds of an executive officer's shares underlying unvested restricted stock units and two-thirds of an ficer's unvested restricted stock, and shall not include shares held through any other form of indirect beneficial shares underlying unexercised options.

o the ownership requirements described above, each executive officer of the Company, including the Executive ay need to retain a percentage (not to exceed 25% as described below) of the net shares acquired upon exercise of stock f the net shares acquired pursuant to vested restricted stock and restricted stock unit (RSU) grants until the executive ings of Company stock equal or exceed all future ownership guidelines not yet applicable to the executive officer. For s, "net shares" shall mean the shares remaining after disposition of shares necessary to pay the related tax liability and, if ercise price.

guidelines with a specific number of shares rather than a multiple of salary to protect executives from unnecessary ding fluctuations in the stock price, and the Corporate Governance and Nominating Committee will periodically review s to determine if they need to be updated due to, among other things, significant changes in the price of Sysco stock. assumed $32 Sysco stock price, the CEO ownership requirement of 225,000 shares equals a value of approximately six Laney's salary. The other officer ownership requirements are set at lower levels that Sysco believes are reasonable given and responsibility levels. Restricted stock and restricted stock unit incentives, coupled with shares obtained from the tock options, are anticipated to provide all executives with the opportunity to satisfy these requirements within the e frames.

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s also provide that after five years of service as a non-employee director, such individuals are expected to continuously um of 16,500 shares of Sysco common stock. The Executive Chairman is subject to the stock ownership guidelines Sysco's non-employee directors, as well as a stock ownership requirement applicable to the Executive Chairman

he Board of Directors with the status of the executives' and directors' stock ownership at all of the regularly-scheduled ensure compliance with these holding requirements. As of September 17, 2013, all named executive officers and their then-applicable stock ownership requirement.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 and the rules issued thereunder, our executive officers and any persons holding more than ten percent (10%) of our common stock are required to file with the Securities and ommission and the New York Stock Exchange reports of initial ownership of our common stock and changes in such common stock. To our knowledge, no person beneficially owns more than 10% of our common stock. Copies of 6 reports filed by our directors and executive officers are required to be furnished to us. Based solely on our review of the reports furnished to us, or written representations that no reports were required, we believe that, during fiscal 2013, cutive officers and directors complied with the Section 16(a) requirements, except as follows: one late filing by each of , DeLaney, Elmer, Green, Hope, Kreidler, Libby, Moskowitz, Pulliam and Shurts related to the fiscal year 2013 ck unit grant and stock option grant on November 13, 2012 and restricted stock unit grant to Messrs. DeLaney and ovember 14, 2012, all of which were filed late on November 20, 2012 due to an administrative error.

EQUITY COMPENSATION PLAN INFORMATION

g table sets forth certain information regarding equity compensation plans as of June 29, 2013.

ry	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in First Column)
ensation plans approved by security	31,556,789	$ 29.07	14,412,673 (1)
ensation plans not approved by ers	—	—	—
	31,556,789	**$ 29.07**	**14,412,673** (1)

159,110 shares issuable pursuant to our 2007 Stock Incentive Plan, as amended, of which 5,530,402 shares eligible to s full value awards; 483,096 shares issuable pursuant to our 2009 Non-Employee Directors Stock Plan; and 3,770,467 le pursuant to our Employees' Stock Purchase Plan as of June 29 2013. Does not reflect the issuance of 332,270 shares pursuant to the completion of the fourth quarter purchase under our Employees' Stock Purchase Plan.

COMPENSATION DISCUSSION AND ANALYSIS

n, we provide an overview of our philosophy and objectives of our executive compensation program and describe the nponents of our executive compensation program for our fiscal 2013 named executive officers or "NEOs," whose n is set forth in the 2013 Summary Compensation Table and other compensation tables contained in this proxy

eLaney, our Chief Executive Officer;

eidler, our Executive Vice President and Chief Financial Officer;

Green, our Executive Vice President and President of Foodservice Operations;

urts, our Executive Vice President and Chief Technology Officer;

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ay, our Executive Vice President, Merchandising; and

e, our former Executive Vice President, Business Transformation.

e explain how and why the Compensation Committee of our Board (the "Committee") arrives at compensation policies involving the NEOs.

Executive Summary

global leader in selling, marketing and distributing food products, equipment and supplies to the foodservice industry. long-term success depends on our ability to attract, engage, motivate and retain highly talented individuals who are Sysco's vision and strategy. One of the key objectives of our executive compensation program is to link executives' pay rmance and their advancement of Sysco's overall annual and long-term performance and business strategies. Other lude aligning the executives' interests with those of stockholders and encouraging high-performing executives to remain over the course of their careers. We believe that the amount of compensation for each NEO reflects extensive experience, high performance and exceptional service to Sysco and our stockholders. We also believe that Sysco's strategies have been effective in attracting executive talent and promoting performance and retention.

Business Highlights

vas a year in which we progressed with our Business Transformation Project while facing a challenging business and vironment. The foodservice industry has not fully participated in the overall economic recovery primarily due to onsumer spending for food-away-from-home. Our results of operations reflect these challenges as well as the impact of penses from our Business Transformation Project, severance and charges related to the withdrawal from certain er pension plans. We believe our sales growth and expense management on a cost per case basis was acceptable. Our erformance, however, did not meet our expectations due partially to competitive pressures and a shift in customer mix. cused on the execution of our business plan and our Business Transformation Project, with the goal for these initiatives o the long-term success of our customers and in turn, growth in our earnings.

hlights from fiscal 2013 include the following:

4 billion.

ome of $1.7 billion.

of approximately $1.0 billion.

ngs per share was $1.67. Adjusted* diluted earnings per share was $2.14.

m operations of $1.5 billion and free cash flow of $1.0 billion.

f 14 companies with annualized sales in excess of $1 billion.

end increased by 3.8% and $648 million paid to our stockholders in dividend payments.

letail please see our Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC"). on of our results herein includes certain non-GAAP financial measures that we believe provide important perspective to underlying business trends. Other than free cash flow, any non-GAAP financial measure will be denoted as an sure and, except for measures provided pursuant to benefit plan formulas, will exclude expenses from our Business ion Project, withdrawals from multiemployer pension plans, restructuring charges, and a one-time acquisition ge. More information on the rationale for the use of these measures and reconciliations to GAAP numbers can be ex I - Non-GAAP Reconciliations.)

Say on Pay – Stockholder Feedback

Annual Meeting, 92% of the stockholders who cast a vote for or against the proposal voted in favor of the Company's proposal on executive compensation. Further, throughout the year, management engaged in dialogue with our largest olicit their feedback and gather information on their views and opinions on various operations and governance issues, ecutive compensation practices. The Company did not take specific action in response to the 2012 "Say on Pay" vote. sed on the results and our ongoing dialogue with our stockholders, the Committee and our Board concluded that, even verall executive compensation policies and practices enjoy favorable stockholder support, it was appropriate to continue compensation mix of our named executive officers to ensure that fixed and variable compensation components and rect compensation are set at levels that ensure that earned compensation awards are reflective of Sysco's performance peers and our internal pay philosophy.

ee carefully considers feedback from our stockholders regarding our executive compensation program. In addition to Say on Pay" advisory vote on NEO compensation, stockholders are invited to express their views to the Committee as ler the heading "Corporate Governance– Communicating with the Board."

Changes to Executive Compensation Program

mitted to providing and maintaining a competitive executive compensation program. Recent changes to Sysco's npensation programs approved by the Committee include the following:

Fiscal 2013 Changes:

	Change:	Objective:
ntive	Refined performance goal setting and financial objectives to align with Sysco's annual profit plan.	• Ensure the goals will better reflect market conditions, operating expectations and other relevant factors as reflected in Sysco's profit plan. • Reinforce accountability to annual profit plan goals.
ntive O bjectives	Modified the form of the annual incentive award agreement for the NEOs (in line with that of the CEO which changed in 2012) and other senior level officers to allow the Committee to adjust annual incentive awards for strategic bonus objectives ("SBOs"). Implemented an umbrella bonus plan funding structure pool for the CEO and other NEOs.	• Provide the Committee the opportunity to assess each NEO's performance with respect to specified SBOs and make relevant adjustments to promote pay for performance by individuals. • Maintain Section 162(m) compliance for annual incentive award payments while providing the Committee more flexibility in determining such payments.
ensation	Maintained competitiveness through increases in performance incentives and merit based salary increases.	• Maintain an appropriate balance between long-term and short- term orientation to the business, with a continued strong focus on variable pay for performance.
Benefits	Approved changes to the structure of our qualified and executive nonqualified retirement program; including (i) the freezing of future benefit accruals under the Sysco Retirement Plan and the Supplemental Executive Retirement Plan (the "SERP"), (ii) the cessation of deferrals and company matches under the Executive Deferred Compensation Plan (the "EDCP"), and (iii) the enhancement of the Sysco 401(k) Plan and the adoption of the new Management Savings Plan (the "MSP"), as a successor to the SERP and EDCP.	• Increase focus on variable, performance-related compensation and away from fixed retirement compensation. • Maintain consistency with market practice of a defined contribution approach to retirement savings. •

- Align executive compensation retirement benefits with broad based retirement benefits and best practice.
- Manage on-going costs and expense volatility.

Fiscal 2014 Changes:

	Change:	**Objective:**
ntive Award	Aligned performance goal setting and financial objectives with Sysco's annual profit plan. Adjusted sales metric to consider both percentage increase in sales and gross profit dollars growth.	• Ensure the goals, operating expectations and other relevant factors are those reflected in Sysco's profit plan. • Reinforce focus on profitable sales growth.
ntive **O Individual**	Increased percentage of annual incentive award that is subject to adjustment from 20% to 40% based on satisfaction of SBOs.	• Reinforce and increase the Committee's ability to assess each NEO's performance with respect to SBOs and make relevant upward or downward adjustments to promote individual pay for performance.
ncentives	Modified mix for future long-term incentive compensation award to 40% stock options, 35% CPUs and 25% RSUs.	• Strike a more appropriate balance of variable pay for performance vehicles used to incentivize executives. • Reflect prevailing market practices.
Control	Moved from single-trigger to double-trigger for accelerated vesting for future long-term incentive grants under certain change of control scenarios.	• Enhance the retention of key executives following a change-in-control event. • Reflect prevailing market practices.
rship	Increased stock ownership requirements for the CEO and Executive Chairman positions.	• Strengthen alignment with stockholders.

- Ensure long term view of stockholder value creation.

2013, Sysco made changes to retirement benefits offered to employees and executives. We moved from a defined efined contribution strategy for qualified and non-qualified plans in order to further align Sysco with our peer group, kibility, simplfiy the benefit structure, retain key talent and reduce and stablize costs. Going forward, wealth n at Sysco will be focused mainly on annual and long-term incentive plans, each of which are better aligned with nterests and Sysco performance. The program changes, however, were expected to result in signifcant reductions in rement benefits for then current participants. In order to effect the new strategy, while retaing key leaders, Sysco a transition strategy to address the reduction in anticipated value of retirement benefits. A transition program was rund the key tennant that no impacted participant would experience an aggregate reduction of more than 20% in his or retirement benefits as a result of the fiscal 2013 plan changes. The change in anticipated value reduction was measured the lump-sum value of an individual's anticipated benefit at his or her earliest unreduced retirement age under each of e models. To mitigate this loss in expected benefits, impacted individuals will receive transitional contributions under p to an additional 10% of pay for up to each of next ten years. In addition, for each of the 32 of our senior executives pplemental MSP contributions was insufficient to reduce the exected loss to an acceptable range, the executive also ne-time grant of RSUs. The value of the RSU grant was an amount equal to the difference between the anticipated iest unreduced retirement age under the revised plan structure and 80% or 85% (depending on years of services) of the enefit at earliest unreduced retirement age under the former plan strcuture. Of the NEOs, Messrs. Delaney and Kreidler e-time, transitional RSU grant.

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How Pay is Tied to Performance

cutive compensation program directly links a substantial portion of executive compensation to Sysco's financial through annual and long-term incentives. The mix of the key non-retirement compensation elements for the CEO and for fiscal 2013 is shown below. The Target Compensation Mix charts describe each element of compensation as a al target direct compensation while the Actual Compensation Paid charts describe each element of compensation that paid out (for cash incentives) or granted (for equity awards) in fiscal 2013, other than those specifically described in the ow.

tee has not historically used an exact formula for allocating between fixed and variable, cash and non-cash, or nd longer-term compensation, allowing it to incorporate flexibility into our annual and longer-term compensation adjust for the evolving business environment. The Target Compensation Mix charts above include award opportunities ual and long-term incentive compensation, granted in fiscal 2013 and valued at target levels, and do not include (i) any with respect to prior years' incentive award grants, (ii) components of one-time payments, such as sign-on awards or yments, or (iii) any value of retirement benefits, including the one-time RSU grants awarded to Messrs. DeLaney and art of the defined benefit to defined contribution retirement plan transition. The Actual Compensation Paid charts nnual incentive and CPU award amounts paid out to the NEOs in cash with respect to fiscal 2013 or measurement g in fiscal 2013, and do not include (i) the value of the CPU award grant made in November 2012 for the 2012-2014 ne sign-on award made to Mr. Shurts (both cash sign-on and RSU grant), (iii) any severance payments made to (iv) the value of the one-time RSU grants awarded to Messrs. DeLaney and Kreidler as part of the transition from a fit to defined contribution retirement plan strategy. All charts include salary with respect to fiscal 2013 and the ant date value of stock options and RSUs granted during fiscal 2013 as part of the NEOs long-term incentive n. Additionally, the CEO Actual Compensation Paid chart does include the one-time RSU make up grant awarded to as part of the option over-grant, such grant is further described in "-- What We Paid and Why."

all of Sysco's stock options and RSUs is time vested and depends upon Sysco's stock performance. The value of CPUs is nd depends on performance against pre-established performance goals over a three-year peformance period. How we ues of the components of Sysco's long-term incentives is discussed under "—How Executive Pay is Established." Including centive award, payment of which is largely dependent on Sysco's financial performance, these four performance-linked constituted approximately 80% to 88% of the total target direct compensation, and approximately 73% to 85% of the rect compensation paid for fiscal 2013 to each of the NEOs.

Philosophy of Executive Compensation Program

our executive compensation plans have directly linked a substantial portion of annual executive compensation to Sysco's . These plans are designed to deliver superior compensation for superior company performance. Likewise, when formance falls short of expectations, certain programs deliver lower levels of compensation. However, the Committee ce pay-for-performance objectives with retention considerations, so that even during temporary downturns in the the foodservice industry, the programs continue to ensure that successful, high-achieving employees stay committed to sco's long-term value. Furthermore, to attract and retain highly skilled management, our compensation program must etitive with that of comparable employers who compete with us for talent.

Core Principles

ollowing key principles as the cornerstone of Sysco's executive compensation philosophy to attract, develop and retain ers to drive financial and strategic growth and build long-term stockholder value:

formance: Provide base salaries that reflect each NEOs background, experience and performance combined with ntive compensation, such that superior performance rewards executives at higher levels than at peer companies while mance results in less compensation than would be the case at peer companies;

ness and Retention: Provide a competitive pay opportunity that attracts and retains the highest quality professionals;

ity for Short- and Long- Term Performance: Strike an appropriate balance between short-term and longer-term
. and short- and longer-term interests of the business; and

ith Stockholders' Interests: Link the interests of our executive officers with those of our stockholders through the risks
f significant equity based compensation.

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Our Practices

ghlight certain executive compensation practices applicable to our NEOs, both the practices we have implemented to nance and the practices we have not implemented because we do not believe they would serve our stockholders' erests.

What We Do

rmance – We link pay to Sysco and individual performance. The great majority of non-retirement executive pay is at

ue Risk – We mitigate undue risk associated with compensation, including utilizing a mix of elements, caps on potential wback provisions, multiple performance targets and robust Board and management processes to identify risk. We do ny of Sysco's compensation programs create risks that are reasonably likely to have a material adverse impact on Sysco, idate through our compensation risk analysis each year.

Compensation Consulting Firm – The Committee benefits from its utilization of an independent compensation consulting not provide any other services to Sysco.

mpensation Recoupment Policy – The Committee has the authority to recoup compensation that resulted from a material of financial results.

Change in Control Provisions – We believe we have reasonable change in control provisions that generally apply to cers in the same manner as the applicable broader employee population.

uisites – We provide only modest perquisites that have a sound benefit to Sysco's business. We do not allow personal use aircraft.

tock Ownership Guidelines – We have adopted stringent stock ownership guidelines. We review and adjust these nen appropriate.

iew of Share Utilization – We evaluate share utilization by reviewing overhang levels (dilutive impact of equity on our shareowners) and annual run rates (the aggregate shares awarded as a percentage of total outstanding shares).

ling Windows – Executive officers and directors can only purchase and sell Sysco comon stock and exercise stock g approved trading windows, which generally open two business days after Sysco issues its quarterly earnings release. ows typically close 7 weeks after the opening of the window.

What We Don’t Do

urrent NEOs has an employment contract.

ups for personal aircraft use, financial planning or loss on sale of home in relocations.

hange in control agreements.

n Hedging – Our insider trading policy prohibits executive officers and directors from using strategites or products (such securities or short-selling techniques) to hedge against the potential decrease in the market value of Sysco common

gross-ups upon change in control.

of underwater stock options.

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Components and Objectives of Executive Compensation Program

tee has built the executive compensation program upon a framework that includes the following components and ch of which is described in greater detail later in this Compensation Discussion and Analysis. The Committee reviews ent of the executive compensation program to see how it affects target total pay levels and generally targets total direct at or slightly above the median of the target total pay ranges for similar executive positions among companies in our

on

Component	Description	Objective of Element
Base Salary	The Committee generally sets competitive base salaries to attract and retain talented executives and to provide a fixed base of cash compensation. The Committee then may adjust the base salaries based on a number of factors, which may include the executive's unique job responsibilities, management experience, individual contributions, number of years in his or her position and current salary, which is described under "How Executive Pay is Established" below.	• Create a pay mix with an appropriate balance between fixed and variable and short- and long-term pay components. • Generally targeted at the median of the salary ranges for similar executive positions among companies in our peer group.
MIP - Annual Incentive Award	The MIP annual incentive award is designed to offer opportunities for cash compensation tied directly to company performance. Under the MIP, we pay the annual incentive award in cash with payments made in the first quarter of the fiscal year for bonuses earned with respect to performance in the prior fiscal year. Payment of the annual incentive award is based on satisfaction of performance criteria that the Committee believes ultimately create stockholder value. The threshold requirements for payment of each component of the annual incentive award in fiscal 2013 were Sysco's achieving at least $1.91 adjusted fully diluted earnings per share, at least a 3% increase in sales, and at least a 12.15% adjusted return on invested capital, respectively. In addition, for fiscal 2013, a portion of each of the NEO's earned annual incentive award was adjusted based on his performance with respect to SBOs.	• Pay annual cash incentive bonuses based on Sysco performance on key metrics that support the company's operating/profit plan. • Promote pay for performance in a competitive way so that exemplary performance rewards executives at higher levels than at peer companies. • Generally targeted at the median annual incentive ranges among companies in our peer group upon achieving target goals.
Cash Performance	Each NEO has an opportunity to receive cash incentive payments based on Sysco's performance over a three-year	•

Units (CPUs)	performance period under Sysco's CPU Plan. The payout on CPUs is based on Sysco's actual performance over the three-year performance cycle, as compared to pre-established performance goals. The currently outstanding grants we made in 2011 and 2012 that may be paid in August 2014 and 2015 use three-year total shareholder return (TSR) as compared to the S&P 500 as the sole performance criterion. See "Executive Compensation – Cash Performance Unit Plan" for a description of the CPU Plan and outstanding grants thereunder.	Motivate executive officers to achieve specified longer term financial goals over a three-year period. • Align pay with the creation of stockholder value, as compared with the S&P 500 companies over each performance period.
Stock Options	Stock options granted to NEOs vest one-fifth per year beginning one year from the date of grant.	• Closely align the executives' interests with those of our stockholders. • Focus executives on activities that increase stockholder value.
Restricted Stock Units (RSUs)	Restricted stock units ("RSUs") granted to NEOs generally vest one-third per year beginning one year from the date of grant. Dividend equivalents are paid, if and when, the underlying RSUs vest.	• Enhance retention through time vesting requirements. • Total long-term incentive opportunities are generally targeted between the median and the 75th percentile of the long-term incentives paid by companies in our peer group.
Non-Qualified Retirement Benefits and Deferred Compensation Plan	The new Management Savings Plan (the "MSP"), was adopted in November 2012 as a non-qualified plan. The MSP replaces the SERP and EDCP, which are now frozen to future accruals or contributions. The MSP allows participants to defer a portion of current cash compensation and employer contributions, plus applicable earnings, for payment on specified dates or upon certain specified events. All of the current NEOs are participants in the MSP. Messrs. DeLaney, Kreidler, Green, Hope, and Day are participants in the SERP and the EDCP. The SERP and EDCP have historically played a major role in our total compensation program for NEOs. The SERP was designed to provide annuity payments based on prior years' compensation following a participant's termination of service with Sysco. The EDCP allowed participants to	• Support executive performance and retention as a result of its vesting requirements, and forfeiture provisions applicable to, company contributions. • The MSP is a compliment to the Sysco 401(k) Plan and together serve as the primary retirement savings vehicles for executives. The MSP provides a competitive

	defer a portion of current cash compensation and employer contributions, plus applicable earnings, for payment on specified dates or upon certain specified events.	retirement savings opportunity for executives.
Other Benefits and Perquisites	Executive officers are eligible to participate in the same benefit programs that are offered to other salaried employees. Limited perquisites are provided to executives, including payment of accidental death and dismemberment insurance coverage, long-term care insurance coverage, reimbursement of costs for annual medical exams, payment of long-term disability coverage, payment of fees related to the preparation of foreign tax returns, and certain expenses related to spousal travel in connection with business events. See "—Executive Perquisites & Other Benefits– Detailed Information" below.	• Provide market competitive benefits to protect employees' and their covered dependents' health and welfare and provide retirement benefits. • Facilitate strong performance on the job and enhance productivity.

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How Executive Pay Is Established

tee, in consultation with management and the Committee's independent compensation consultant, Compensation rtners LLC, referred to herein as CAP, continues to focus on ensuring that our executive compensation programs pay for performance philosophy and enhance stockholder value. CAP assisted the Committee in annual benchmarking compensation at Sysco. After reviewing CAP competitive studies, the Committee determined that each named executive et compensation provided the executive with an appropriate compensation opportunity. The Committee later determined, Company's fiscal 2013 performance, that each named executive officer's total 2013 compensation was generally light of overall Company performance and the executive's personal performance.

g our pay for performance policies, the Committee generally benchmarks elements of pay against a comparison peer ssed below. However, the Committee has not historically used an exact formula for allocating between fixed and and non-cash, or short-term and longer-term compensation, allowing it to incorporate flexibility into our annual and ompensation programs and adjust for the evolving business environment.

Committee Oversight

tee, which is comprised of all independent directors, is responsible for overseeing Sysco's executive compensation e Committee determines and approves all compensation of the CEO and Sysco's other senior officers, including the ugh the Committee meets jointly with the Corporate Governance and Nominating Committee to discuss both the CEO's s and his performance in achieving such goals in each fiscal year, the Committee solely approves all compensation ayout levels. The Committee develops and oversees programs designed to compensate our corporate officers, including ecutive officers, as well as the presidents and executive vice presidents of our operating companies. The Committee is ed to approve all grants of restricted stock, restricted stock units, stock options and other awards to NEOs under our incentive plans for Sysco employees. Further information regarding the Committee's responsibilities is found under Governance – Board Meetings and Committees" and in the Committee's Charter, available on the Sysco website at *m* under "Investors — Corporate Governance — Committees."

ee has several resources and analytical tools they consider in making decisions related to executive compensation. The ows discusses the key tools the Committee uses.

Resources

t CAP attended five Committee meetings during fiscal 2013.

- CAP advised on compensation matters, including peer group composition, annual and long term incentive plan designs, and market data on CEO and other NEO compensation.

CAP prepared Compensation Studies for NEOs:

•

For decisions made from May 2012 through April 2013, the Committee consulted a CAP study prepared in May 2012 that used the most current available peer group information and benchmarked 2012 base salary, estimated 2012 total cash compensation and total direct compensation, and target 2013 base salary, total cash compensation, long-term incentives, and total direct compensation of each of the named executive officers.

•

For all executive compensation decisions made from May 2013 through the date of this proxy statement, including base salary adjustments for fiscal 2014 and fiscal 2014 incentive awards, the Committee consulted a CAP study dated May 2013 that used updated peer group information and benchmarked 2012 base salary, estimated 2013 total cash compensation and total direct compensation, and target 2013 base salary, total cash compensation, long-term incentives, and total direct compensation of each of the named executive officers.

For purposes of the reports listed above, "target total cash compensation" was defined as proposed base salary plus target MIP bonus of 150% for Mr. DeLaney, 100% for Messrs. Kreidler, Shurts, Hope and Day and 125% for Mr. Green. For these purposes, "target total direct compensation" was defined as target total cash compensation plus the value of stock options, restricted stock units and cash performance units expected to be granted with respect to the year in question; stock options are valued using an estimated Black-Scholes calculation, restricted stock units are valued at the fair market value of Sysco stock on the date of grant and cash performance units are valued at $1.00 per unit, with assumed payout at the 100% target amount; and "actual amounts" are calculated similarly to the target amounts but use an estimated bonus payout and the actual amounts paid for all components other than the annual bonus.

The Committee has determined CAP to be independent from the company and that no conflicts of interest exist related to CAP's services provided to the Committee. CAP is an independent consultant and reports directly, and exclusively, to the Committee. Other than services provided to the Committee, CAP does not perform any services for Sysco. Additionally, CAP has policies and procedures in place to prevent conflicts of interest. The fees received by CAP related to Sysco represented less than 3.5% of CAP's 2012 total revenues. Neither CAP nor any adviser of CAP had a business or personal relationship with any member of the Committee or any executive officer of Sysco during fiscal 2013. No CAP adviser directly owns, or directly owned during fiscal 2013, any Sysco stock.

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Resources

Sysco’s Senior Vice President, Human Resources and the Human Resources Department (“HR”) provides additional analysis and counsel as requested by the Committee related to NEO compensation:

- Assisting the CEO and Senior Vice President of Human Resources in making preliminary recommendations of base salary structure, annual and long-term incentive plan design and target award levels for the NEOs and other participants in the MIP.

nan

- Providing scenario planning; HR provides the Committee with anticipated pay out levels throughout the year based on the Company’s projections relative to the performance measures.

- Providing comparison data on the internal equity of the compensation awarded within the Sysco organization.

HR has retained the services of Towers Watson to provide assistance to HR and Sysco management in making recommendations to the Committee and the Board with respect to certain aspects of executive compensation. Towers Watson has provided advice directly to Sysco’s management team and has consulted directly with management and provided, among other things, reports based on their proprietary data and information regarding market benchmarks.

For other NEOs, the CEO makes individual recommendations to the Compensation Committee on base salary and annual and long-term incentive goals and award opportunities. The CEO also provides initial recommendations for MIP annual incentive award performance targets and individual SBOs for the Committee to consider. The CEO does not have a role in determining the compensation of the Executive Chairman.

The Committee reviews, discusses, modifies and approves as appropriate these compensation recommendations. The CEOs recommendations with respect to fiscal 2013 compensation and fiscal 2014 compensation to date were accepted by the Committee. No member of management, including the CEO, has a role in determining his or her own compensation.

Role of CEO and/or Other Executive Officers in Determining Executive Compensation

l in the table above, our CEO, Mr. DeLaney, provides recommendations to the Committee for each element of n for each of the NEOs other than himself. In forming his recommendations, he is advised by HR as described above. the design of, and makes recommendations related to, Sysco’s compensation and benefit programs. Mr. DeLaney also n other senior officers of the company for recommendations related to the appropriate financial and non-financial measures used in our incentive programs. Mr. DeLaney does not have a role in determining the compensation of the hairman, nor does HR provide assistance to the Committee with respect to the determination of Mr. Fernandez’ n in his role as Executive Chairman. In developing recommendations for the Committee, Mr. DeLaney and HR consult g and other market data from CAP and Towers Watson as described elsewhere in this proxy statement, and follow the nd pursue the objectives described above under “—Philosophy of Executive Compensation Program.” The Committee, with AP, determines each element of compensation for Mr. DeLaney. With input from CAP, HR and Mr. DeLaney, the etermines each element of compensation for the other NEOs. The Committee is under no obligation to utilize these ions. Executive officers and others may also attend Committee meetings when invited to do so.

Use of Peer Group and Survey Data

argest foodservice distributor in North America, and other companies in the foodservice industry are significantly nearly all of such companies also being privately-held. We believe that these smaller businesses would not create a comparison group due to the greater skill levels and abilities required to manage a public company of Sysco's size. ust industry peer group, the Committee concluded that the most comparable companies with respect to executive pay are whose business size and complexity are similar to ours and with which we compete for top executive positions. e peer group developed for the executive compensation analysis for all of the named executive officers is not the same at is used in the stock performance graph included in our annual report to stockholders. The Committee evaluates the eriodically for appropriateness and made changes to the peer group in February 2013. The peer group utilized by the or fiscal 2013 (beginning in February 2013) and fiscal 2014 (through the date of this proxy statement) executive n decisions was not the same peer group used for all decisions made during fiscal 2012 and in fiscal 2013 until 3.

up utilized by the Committee for fiscal 2012 and until February 2013 executive compensation decisions and for and performance benchmarking include the following companies, referred to herein as the "2012 Peer Group":

Bergen Corporation	• Express Scripts Inc.	• McKesson Corp.	• Target Corp.
mpany, Inc.	• FedEx Corp.	• Pepsico Inc.	• United Parcel Service Inc.
lth Inc.	• McDonald's Corp.	• Staples, Inc.	• Walgreen Company
ctric Company			

s and consultation with CAP, the Committee made changes to the peer group in fiscal 2013 so that, in the aggregate, the nore closely approximate the scope of Sysco's business as measured by revenue and market capitalization. The the peer group for executive pay and performance benchmarking for decisions made during fiscal 2013 and so far in clude the following, and are referred to herein as the "2013 Peer Group":

Bergen Corporation	• FedEx Corp.	• Lowe's Cos Inc.	• United Parcel Service Inc.
mpany, Inc.	• Home Depot Inc. (The)	• Staples, Inc.	• Walgreen Company
ods Inc.	• Kraft Foods Group Inc.	• Target Corp.	• YUM! Brands Inc.
	•		

esale Corp	McDonald's Corp.

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most recent fiscal year data available for each of the CAP studies described above in "—Committee Oversight," the etermined the 2013 Peer Group revenue level, and thus the 2013 Peer Group, was a closer comparable group to Sysco. had the median market capitalization and revenue levels shown below:

	Market Capitalization	**Revenue Level**
oup:	2012: $28.9 billion as of March 31, 2012	2012: $53.1 billion as of most recent fiscal year end prior to May 2012
	2013: $35.0 billion as of December 31, 2012	2013: $65.5 billion as of most recent fiscal year end prior to May 2013
oup :	2013: $32.5 billion as of December 31, 2012	2013: $47.8 billion as of most recent fiscal year end prior to May 2013
	2013 : $20.0 billion	2013 : $44 billion

ompensation data is limited to information that is publicly reported and, to the extent it deems appropriate, the es it to benchmark the major components of compensation for our named executive officers.

y 2013 compensation study compared Sysco's actual pay (based on projected annual incentive payments) and projected nancial performance to that of the peer companies, as well as benchmarking the target pay program. The following -year and three-year performance measures were reviewed with respect to validating Sysco's 2013 pay and performance

vth;

ested Capital;

Margin; and

lder return (computed as of December 31, 2012).

13, Sysco's performance rank based on these one-year and three-year financial metrics varied by measure, yet on oximated, the peer group median overall for both periods. NEO pay, on average, was positioned below median, in part 2013 MIP annual incentive awards that were below target.

What We Paid and Why

Base Salary– Detailed Information

salaries to attract and retain talented executives and to provide a fixed base of cash compensation. The table below aries of each named executive officer at the beginning of fiscal 2012, 2013 and 2104:

cutive Officer		2012 Base Salary(1)			2013 Base Salary			2014 Base Salary	
eLaney	$	1,150,000		$	1,175,000	(2)	$	1,198,500	(4)
eidler		600,000			700,000	(3)		715,000	(4)
Green		650,000			700,000	(3)		715,000	(4)
urts		n/a	(5)		575,000	(3)		587,000	(4)
ay		500,000			510,000	(3)		520,000	(4)
pe		525,000			525,000	(3)		n/a	(5)

tee approved these base salaries on July 19, 2011, effective as of July 3, 2011.

tee approved these base salaries on August 23, 2012, effective as of September 1, 2012.

tee approved these base salaries on July 19, 2012, effective as of September 1, 2012.

tee approved these base salaries on July 18, 2013, effective as of September 1, 2013.

egan his employment with Sysco on October 15, 2012. Mr. Hope employment ended effective July 29, 2013.

Base Salary – Analysis

Fiscal 2013 Base Salary

ary determinations for fiscal 2013, the Committee reviewed each executive's job responsibilities, management ndividual contributions, tenure in position and then-current salary. The Committee determined that it was appropriate to ary increases for fiscal 2013 described in the chart above. Following a comprehensive review of Mr. DeLaney's in fiscal 2012 by the Corporate Governance and Nominating Committee and the Committee, and Mr. DeLaney's y the entire Board, the Compensation Committee approved a raise in Mr. DeLaney's salary of $25,000, or 2.2%, Company's average increase. The Committee approved a salary adjustment upward of 16.67% for Mr. Kreidler for fter considering input from the CEO on Mr. Kreidler's individual contributions, as well as to adjust his relative position median of the peer group, to be more competitive, and to be better aligned with the Company's pay philosophy. The so approved a salary adjustment upward of 8.33% for Mr. Green for fiscal 2013, after considering input from the CEO

’s individual contributions and additional job responsibilities, as well as to keep his relative position at the median of the he Committee approved a raise in Mr. Day’s salary of 2%, reflecting his individual contributions. Mr. Hope’s salary did s it was determined to be fully competitive. These changes placed the fiscal 2013 base salary of Messrs. DeLaney and the 25th percentile of the 2012 Peer Group, and that of Mr. Green between the 50th and 75th percentile of the 2012 Peer s. Day and Hope fiscal 2013 base salary stayed between the 25th and 50th percentile of the 2012 Peer Group. Mr. Shurts alary of $575,000 was offered to him based on his experience and for internal equity amongst the senior officers, and cal 2013 base salary at the 50th percentile of the 2012 Peer Group.

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Fiscal 2014 Base Salary

y determinations for fiscal 2014, the Committee once again reviewed each executive's job responsibilities, management ndividual contributions, tenure in his position and then-current salary. The Committee determined that it was o grant the salary increases for fiscal 2014 described in the chart above. Following a comprehensive review of 's performance in fiscal 2013 by the Corporate Governance and Nominating Committee and the Committee, and 's evaluation by the entire Board, the Committee approved a raise in Mr. DeLaney's salary for fiscal 2014 of $23,500, or g the Company's average merit increase. The Committee approved salary adjustments for each of Messrs. Kreidler, s, and Day for fiscal 2014 of an approximate 2% increase, after considering input from the CEO on each of their ntributions and additional job responsibilities. The Committee approved these salary increases for annual market recommended by CAP and management. These changes and the changes to the peer group place the fiscal 2014 base essrs. DeLaney and Kreidler between the 50th and 75th percentile of the 2013 Peer Group, that of Mr. Day at the 25th d that of Messrs. Green and Shurts between the 25th percentile and the median of the 2013 Peer Group. Mr. Hope's ended at the end of fiscal 2013.

Annual Incentive Award – Detailed Information

ual incentive award is designed to offer opportunities for cash compensation tied directly to company performance. ms of the MIP, we pay the annual incentive award in cash with payments made in the first quarter of the fiscal year for ed with respect to performance in the prior fiscal year. Each year the Committee approves the incentive award r each of the NEOs. In August 2012 and 2013, the Committee approved the incentive award framework for fiscal 2013 pectively.

MIP Annual Incentive Award for Fiscal 2013

iscal 2013 annual incentive award calculation was based on the following corporate financial objectives, adjusted as low. Each of the NEOs' Business Performance Factor is further subject to the SBO review by the Committee as ow.

Calculating the Business Performance Factor

e Metric[1]	**Potential Payout**	**Weighting**	**x**	**2013 Performance**	**=**	**Payout (% of target)**
ly Diluted Earnings	0% - 150%	50 %		0 %		0 %
es Growth	0% - 150%	30 %		73 %		21.9 %
IC[2]	0% - 150%	20 %		98 %		19.6 %
	0% - 150%	**100 %**				**41.5 %**

on of the adjusted results with respect to each of the performance metrics excluded from each measure the following ancial returns from which we expected to be beyond fiscal 2013: the impact of major acquisitions and divestitures, by Sysco operating companies from multi-employer pension plans, and restructuring charges, including but not limited ting to severance, facility closures and consolidations and asset write downs. The Committee had the discretion to in of these excluded items, except where such inclusion would have caused a named executive officer's MIP bonus to deductible for federal income tax purposes pursuant to Section 162(m) of the Internal Revenue Code; however, the id not use such discretion.

puted by dividing the company's adjusted net after-tax earnings for fiscal 2013 by the company's adjusted total invested at year. Adjusted total invested capital is computed as the sum of (i) adjusted stockholder's equity, computed as the djusted stockholders' equity at the beginning of the year and at the end of each fiscal quarter during the year; and (ii) g-term debt, computed as the average of the adjusted long-term debt at the beginning of the year and at the end of each during the year.

13 program provided for minimum bonus payouts upon achieving adjusted fully diluted earnings per share of at least ses in adjusted sales of at least 3% and/or an adjusted return on invested capital of at least 12.15%. This was a change l 2012 program, which provided for a threshold incentive payment upon an increase in fully diluted earnings per share , increases in adjusted sales of at least 4% and three-year average return on capital of at least 17.3%. Because Sysco did minimum levels of adjusted fully diluted earnings per share, but did achieve an approximately 4.38% increase in s and 13.35% adjusted return on invested capital, we paid a fiscal 2013 MIP annual incentive award of approximately get. See Annex I for a reconciliation of these adjusted measures to the comparable GAAP measures. Acquisition uisition debt, if any, and any gains or losses relating to or resulting from acquisitions with a purchase price in excess of re excluded from the determination of the relevant performance metrics to reflect the continuing operations of the because the returns from such acquisition expenses are generally expected to be outside fiscal 2013. During fiscal had three acquisitions with a purchase price over $40 million, which resulted in sales of $173.8 million that were n the calculations determining the level of attainment of the performance metrics. The various levels of performance entage of base salary they would have yielded as a bonus are set forth in a table under "Executive Compensation — Incentive Plan."

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Fiscal 2013 Summary of Payments

Ending Base Salary	Target Annual Incentive (% of Base Salary)	Sysco Business Performance Factor	Award Funding on Business Performance Factor	Funded Award Not Subject to SBO (80%)	Individual SBO Performance Factor[(2)]	Amount of Award Funded on SBO (20%)	Total Earned Award for FY13 Performance
1,175,000	150 %	41.5 %	$ 731,437	$ 585,150	97.5 %	$ 142,630	$ 727,780
700,000	100 %	41.5 %	$ 290,500	$ 232,400	110.0 %	$ 63,910	$ 296,310
700,000	125 %	41.5 %	$ 363,125	$ 290,500	105.0 %	$ 76,256	$ 366,756
575,000	100 %	41.5 %	$ 174,380	--	--	--	$ 174,380
510,000	100 %	41.5 %	$ 211,650	$ 169,320	105.0 %	$ 44,446	$ 213,766
525,000	100 %	41.5 %	$ 217,875	$ 174,300	80.0 %	$ 34,860	$ 209,160

ceived a prorated award based on the portion of the fiscal year he was employed.

tee had the discretion to adjust all NEO's Annual Incentive Award, other than Mr. Shurts, pursuant to individual SBOs, below

the MIP annual incentive award arrangements for fiscal 2013, the Committee provided for:

ncentive award payouts which, based upon varying levels of performance, could have varied between 0% and a 180% of target; and

measures under the 2013 MIP annual incentive award program that are independent of each other, whereby one portion could be earned even if the threshold performance level required for other measures was not achieved.

EO's fiscal 2013 annual incentive award was subject to an initial earned award amount based on financial performance usiness Performance Factor) equal to 41.5% of target award. The actual final earned MIP award, however, was also rther review by the Committee, whereby the Committee considers pre-established individual SBOs, and has the adjust 20% of any earned MIP incentive award based on factors determined by the Committee. These goals included, limited to, performance against financial strategic goals and the NEO's personal performance. The assessment on this nent resulted in an adjustment to the Business Performance Factor as described below. The Committee believes the use SBOs further promotes the overall executive compensation pay philosophy to link individual pay to performance.

performance with respect to the SBO performance goals had met the target levels established by the Committee, the Award for FY13 Performance would have equaled 100% of the bonus determined by using the initial, unadjusted formance Factor. If the NEO's performance with respect to the goals had exceeded the target levels established by the he NEO's 2013 Award for FY13 Performance would have equaled between 100% and 110% of the bonus determined by ial, unadjusted Business Performance Factor. If the NEO's performance was below the target levels of performance y the Committee, the NEO's 2013 Award for FY13 Performance would have equaled between 80% and 100% of the ined by using the initial, unadjusted Business Performance Factor.

ns discussed in "—Annual Incentive Award – Analysis" below, the Committee adjusted the awards initially funded based on Performance Factor and awarded (i) Mr. DeLaney a 2013 MIP annual incentive award equal to 99.5% of the bonus that een paid using the initial, unadjusted Business Performance Factor, or 41.3% of target, (ii) Mr. Kreidler a 2013 MIP ive award equal to 102% of the bonus that would have been paid using the initial, unadjusted Business Performance 3% of target, (iii) Mr. Green a 2013 MIP annual incentive award equal to 101% of the bonus that would have been paid al, unadjusted Business Performance Factor, or 41.9% of target, (iv) Mr. Day a 2013 MIP annual incentive award equal he bonus that would have been paid using the initial, unadjusted Business Performance Factor, or 41.9% of target, and a 2013 MIP annual incentive award equal to 96% of the bonus that would have been paid using the initial, unadjusted formance Factor, or 39.8% of target. Mr. Shurts received a prorated award for the portion of the fiscal year he was 41.5% of target and did not have SBOs in his first year of employment.

ould any NEO's fiscal 2013 MIP annual incentive award have exceeded the maximum bonus amount set as part of the mount discussed in "—Limit on Fiscal 2013 and Fiscal 2014 Maximum Annual Incentive Award Payouts" below. The fiscal are also subject to clawback provisions that provide that, subject to applicable law, all or a portion of the award paid e 2013 awards may be recovered by Sysco if there is a restatement of our financial results, other than a restatement due accounting policy, within 36 months of the payment of the award and the restatement would result in the payment of a d if the award was recalculated using the restated financial results. The Committee has the sole discretion to determine timing of the repayment. See "— Executive Compensation Recoupment Policy."

MIP Annual Incentive Award Potential for Fiscal 2014

the annual incentive award opportunity for fiscal 2014, the Committee provided for:

executive officer's MIP bonus to be targeted at the following percentages of base salary: 150% for Mr. DeLaney, 125% and 100% for Messrs. Kreidler, Shurts and Day;

measures under the 2014 MIP annual incentive award program that are independent of each other, whereby one portion can be earned even if the threshold level of one or both of the other measures is not achieved; and

performance measures used in fiscal 2013, the fiscal 2014 performance measures are similar: (1) adjusted fully diluted share; (2) capital efficiency, as measured by adjusted return on invested capital; and (3) profitable sales growth. capital efficiency are measured in the same manner as in 2013. The sales growth measure for fiscal 2014 is adjusted to eflecting a combination of sales percentage increases and gross profit dollar growth. The three independent metrics he relative weighting as in fiscal 2013.

ee may also consider pre-established individual SBOs to adjust any MIP incentive award based on factors determined ittee, including but not limited to, performance against financial strategic goals and the NEO's personal performance. NEO's performance with respect to the pre-established objectives, the Committee may adjust 40% of the NEO's annual ard by zero to 150%, subject to the bonus pool maximum discussed below. The Committee will review each NEO's against such goals and accordingly adjust the Business Performance Factor.

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Limit on Fiscal 2013 and Fiscal 2014 Maximum Annual Incentive Award Payouts

ee established a bonus pool limit for each of fiscal 2013 and fiscal 2014 for certain "covered employees" of Sysco, as ction 162(m) of the Internal Revenue Code (the "Code") to help ensure compliance with the deductibility requirements of n) of the Code, as well as for Mr. Kreidler. The bonus pool limit was set to be equal to two percent (2%) of Sysco's net ach of fiscal 2013 and fiscal 2014 and in no event can the sum of the individual percentages of the bonus pool granted pants in the pool exceed one hundred percent (100%). The maximum award for each Participant, expressed as a the bonus pool for the Program Year, is set forth below and in no event can it exceed the individual award maximum e plan document:

s Title	Percent of Bonus Pool Allocated to Participant
	40 %
	15 %
	15 %
	15 %
	15 %

structure of the bonus pool limit serves only to provide a ceiling on the maximum bonus amount that any NEO may he actual bonus paid to each NEO will be determined pursuant to the incentive award opportunity described above.

Annual Incentive Award – Analysis

Fiscal 2013

12, the Committee refined the MIP annual incentive award targets for fiscal 2013 to continue alignment with Sysco's o link incentive pay to the Company's profit plan and to provide that the goals reflect market conditions, operating and other relevant factors as contemplated in the profit plan. The Committee added the absolute maximums of the us pool in order to help ensure deductibility under Section 162(m) of the Code. CAP has informed the Committee that reflects sound design practices. The decision to pay the annual incentive award for each performance component egardless of whether the threshold for the others is achieved, was driven by market practice. The changes in the maximum annual incentive award levels were based on benchmarking of the peer group. The Committee excludes the items described above because they represent items that generally involve current period costs that management and ee believe would not result in benefits until later periods, or vice versa. In light of the foregoing, Sysco's executive team prepared, and the Committee approved, the earnings per share, sales and return on capital measurements of the IIP annual incentive award. It was both management's and the Committee's intent to create an annual incentive award was more likely to pay an annual incentive award in the event Sysco performed at the median level relative to its peers e been the case with respect to prior year bonus formulas. The Committee believes that the threshold and target levels ce represented challenging, but reasonably obtainable, Sysco performance, while levels in excess of the target level xemplary and extremely challenging performance.

ee also set the target annual incentive award levels for each of the named executive officers to ensure that total cash n does not significantly exceed the median unless outstanding performance levels are achieved. The Committee Mr. DeLaney's target bonus level at 150% because it provided a target total cash compensation opportunity at ly the median of the peer group. The Committee also asked CAP to validate that threshold, target and maximum expectations and associated payout levels under the fiscal 2013 program were aligned.

he CAP May 2012 report, target total cash compensation for fiscal 2013 for each of the named executive officers in the MIP compared as follows with respect to the comparable peer group position: Mr. DeLaney — near the median, — near the 25th percentile, Mr. Green— between the median and 75th percentile, Messrs. Shurts, Hope and Day at the Committee determined that these target opportunities were appropriate.

tee believes that individual goals are extremely important in evaluating the CEO's and other NEO's respective and that they should therefore also have an impact on each of their annual incentive opportunities. The Committee IP annual incentive award for the eligible NEOs by providing that the Committee may consider individual SBOs in her align the NEOs' objectives with the key components of Sysco's overall strategy. The Committee believes that of individual SBOs further promotes the overall executive compensation pay philosophy by strengthening the link utive pay and individual performance. Each individual's SBOs for fiscal 2013 were pre-established by the Committee critical components of Sysco's overall strategy as set out by management and the Board. Mr. Shurts did not have Os for fiscal 2013 and his annual incentive award was not subject to the SBO adjustment factor.

Committee's evaluation in July 2013 of each NEO's performance in fiscal 2013 with respect to these individual SBOs, e adjusted the Business Performance Factor as described in the following table.

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SBOs	Committee's Review and Determination
1) Effectively Carry Out All Key Aspects of Business Transformation 2) Reduce Lost Business For Ex-CMU Customers and Increase the Ratio of New/Lost For the Same Customer Base 3) Successfully Execute Board Approved Strategic Acquisitions and Continue to Achieve Growth Through Smaller Acquisitions 4) Make Significant Progress Towards Our Strategic Goals For Leveraging Customer Insight, Enhancing and Expanding Channels, Growing Sysco Ventures and Implementing Category Management 5) Communicate Broadly the Strategic Direction of the Corporation to All Key Stakeholders 6) Make Continued Strides Toward Implementing an Effective Human Capital Plan – Including Enhanced Talent Management, Performance Management, Diversity Management and Filling Key New Leadership Positions	Awarded Mr. DeLaney a 2013 MIP annual incentive award equal to 99.5% of the earned Business Performance Factor, or 41.3% of target. The Committee adjusted the the Business Performance Factor downward due to the delay in the Business Transformation technology deployment.
1) Effectively Carry Out All Key Aspects of Business Transformation 2)	Awarded Mr. Kreidler a 2013 MIP annual incentive award equal to 102% of the bonus that would have been paid using the initial, unadjusted Business Performance Factor, or 42.3% of target. The Committee adjusted the Business Performance Factor upward because Mr. Kreidler met a majority of his goals and exceeded some of his goals.

Reduce Lost Business For Ex-CMU Customers and Increase the Ratio of New/Lost For the Same Customer Base	
3) Successfully Execute Board Approved Strategic Acquisitions and Continue to Achieve Growth Through Smaller Acquisitions	
4) Make Continued Strides toward Implementing an Effective Human Capital Plan – Including Enhanced Talent Management, Performance Management, Diversity Management and Filling Key New Leadership Positions	
5) Communicate Broadly the Strategic Direction of the Corporation to All Key Stakeholders	
6) Effectively Carry Out All Key Aspects of Financial Transformation	
1) Effectively Carry Out All Key Aspects of Business Transformation 2) Reduce Lost Business For Ex-CMU Customers and Increase the Ratio of New/Lost For the Same Customer Base 3) Successfully Execute Board Approved Strategic Acquisitions and Continue to Achieve Growth Through Smaller Acquisitions 4)	Awarded Mr. Green a 2013 MIP annual incentive award equal to 101% of the bonus that would have been paid using the initial, unadjusted Business Performance Factor, or 41.9% of target. The Committee adjusted to the Business Performance Factor upward because Mr. Green met a majority of his goals and exceeded some of his goals.

Make Significant Progress Towards Our Strategic Goals For Leveraging Customer Insight, Enhancing and Expanding Channels, Growing Sysco Ventures and Implementing Category Management

5)

Make Continued Strides Toward Implementing an Effective Human Capital Plan – Including Enhanced Talent Management, Performance Management, Diversity Management and Filling Key New Leadership Positions

1) Effectively Carry Out All Key Aspects of Business Transformation 2) Reduce Lost Business For Ex-CMU Customers and Increase the Ratio of New/Lost For the Same Customer Base 3) Make Significant Progress Towards Our Strategic Goals For Leveraging Customer Insight, Enhancing and Expanding Channels, Growing Sysco Ventures and Implementing Category Management 4) Make Continued Strides Toward Implementing an Effective Human Capital Plan – Including Enhanced Talent Management, Performance Management, Diversity Management and Filling Key New Leadership Positions 5) Communicate Broadly the Strategic Direction of the Corporation to All Key Stakeholders 6)	Awarded Mr. Day a 2013 MIP annual incentive award equal to 101% of the bonus that would have been paid using the initial, unadjusted Business Performance Factor, or 41.9% of target. The Committee adjusted the Business Performance Factor upward because Mr. Day met a majority of his goals and exceeded some of his goals.

Deliver on Sourcing and Category Management Objectives for 2013 and Position the Organization to Achieve Fiscal 2014 and 2015 Objectives	
1) Effectively Carry Out All Key Aspects of Business Transformation	
2) Reduce Lost Business For Ex-CMU Customers and Increase the Ratio of New/Lost For the Same Customer Base	Awarded Mr. Hope a 2013 MIP annual incentive award equal to 96% of the bonus that would have been paid using the initial, unadjusted Business Performance Factor, or 39.8% of target. The Committee adjusted the Business Performance Factor downward because Mr. Hope did not meet all of his goals due to the continued delay in the Business Transformation deployment.
3) Make Continued Strides Toward Implementing an Effective Human Capital Plan – Including Enhanced Talent Management, Performance Management, Diversity Management and Filling Key New Leadership Positions	
4) Establish an effective Business Process Improvement Practice	

he CAP May 2013 report, actual total cash compensation for fiscal 2013, using an annual incentive award payout 0% of target, for each of Messrs. DeLaney, Kreidler, Green, Shurts, and Day with respect to comparable peer group pay enerally between 25th percentile and median, and actual total direct compensation was between the 25th percentile and essrs. DeLaney, Green, Shurts, and Day and between median and 75th percentile for Mr. Kreidler. The Committee was these payout levels appropriately correlated to Sysco's overall financial performance, which was between the 25th l median relative to the peer group on select metrics.

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Fiscal 2014

uarter of fiscal 2014, the Committee refined the MIP annual incentive award targets for fiscal 2014 to continue th Sysco's profit plan and to provide that the goals continue to reflect market conditions, operating expectations and t factors. Similar to the performance measures used in fiscal 2013, the Committee has determined that fiscal 2014 measures are: (1) earnings, as measured by adjusted fully diluted earnings per share, (2) capital efficiency, as measured eturn on invested capital and (3) profitable sales growth. The earnings and capital efficiency metrics are calculated in nner as fiscal 2013. The profitable sale growth metric for fiscal 2013 is adjusted to combine total sales percentage gross profit dollars growth. The three independent metrics retain the same relative weighting as in fiscal 2013. The ontinues to believe that the threshold and target levels of performance represent challenging, but reasonably obtainable, nance levels, while levels in excess of the target level represent exemplary and extremely challenging performance. The creased the percentage of annual incentive award that is subject to adjustment from 20% to 40% based on satisfaction rder to increase the Committee's ability to reward or penalize an NEO for his or her individual performance, thus linking centive award more closely to individual performance. CAP has informed the Committee that this approach continues to n the majority of Sysco's peer group and reflective of sound design practices.

Long-term Incentives – Detailed Information

ee granted long-term incentives in November 2012 for the 2013 fiscal year (the "Annual LTI Grant"). These incentives stock options, RSUs and CPUs. The long-term incentives are designed to provide our NEOs competitive long-term portunities that align with our peer group and reflect our overall compensation philosophy. For more details regarding see "Executive Compensation — Cash Performance Unit Plan," "Executive Compensation — Outstanding Equity Awards at nd," and "Executive Compensation — Grants of Plan-Based Awards."

3, through the Annual LTI Grant, Messrs. DeLaney, Kreidler, Green, Shurts, Day and Hope received approximately alue of their long-term incentives in stock options, approximately 25% in grants of RSUs, and approximately 25% in he options valued using the greater of $4 per option or the Black-Scholes calculated value per option, each RSU valued ten-day closing price of Sysco common stock before the grant date, and CPUs valued at the target level of $1 per unit. choles value of the options calculated based on standard assumptions was less than $4 per option, and the upward esulted in a grant of fewer options. See the footnotes to the Grants of Plan-Based Awards table below for detailed of the Black-Scholes calculation for the options as of the date of grant. The targeted dollar value of the long-term nts are set at 6x base salary for Mr. DeLaney, 3.5x base salary for Mr. Kreidler and 3.25x base salary for Messrs. Green d 3x for Messrs. Day and Hope.

Transitional Compensation Opportunities for Projected Reductions in Non-Qualified Retirement Plan Benefits

2013, Sysco made significant changes to retirement benefits offered to employees, including the NEOs. We moved ment benefits from a defined benefit focus towards a defined contribution strategy. The transition to a defined based program further aligns Sysco with our peer group, increases flexibility, simplifies the benefit structure, retains d reduces and stabilizes costs. Going forward, in addition to the defined contribution retirement program, wealth opportunities for NEOs at Sysco will be further focused on variable annual and long-term incentive plans, each of ter aligned with stockholder interests and Sysco performance.

nt program changes, however, were expected to result in significant reductions in anticipated benefits for existing n the SERP and the EDCP. Amounts under these non-qualified plans are in addition to the broad-based pension plan "Executive Compensation – Pension Benefits." In order to effect the new strategy while retaining key leaders, Sysco a transition strategy to partially mitigate anticipated reductions in the expected value of benefits under the SERP and Vhile some existing SERP participants experienced no projected adverse impact, others were forecast to experience up to 49%. To combat concerns over retention, the Committee developed a transition program around the key tenet that participant should experience an aggregate reduction of more than 15% - 20% (depending on an individual's prior years the expected retirement benefits under the Company's non-qualified plans as a result of the fiscal 2013 retirement ges.

n anticipated value was measured by comparing the projected lump-sum value of an individual's anticipated benefit at liest unreduced retirement age under both the prior and the revised strategies. Projection of lump-sum values were med increases in annual salary, investment earnings and elective deferrals in-line with historical averages. The impact ed change varied depending on a participant's age, years of service and compensation. The NEOs' projected reductions ied retirement benefits under the revised program, including consideration of any transitional contributions except for SU opportunities, were as follows: Mr. DeLaney (31%), Mr. Kreidler (44%), Mr. Green (4%), Mr. Day (19%) and Mr. Mr. Shurts was not eligible for the SERP or the EDCP. To mitigate the loss in projected non-qualified retirement acted individuals were eligible for a transitional compensation opportunity in the form of supplemental contributions to ne-time transitional RSU grant, or a combination thereof.

onal compensation opportunity is contingent on continued service to Sysco. Transitional RSUs vest in equal annual the 5-year period following grant. Supplemental contributions to the MSP are to be payable over up to each of the next and eligible individuals only receive the contribution for any given plan year if they remain employed with Sysco ember 31 of the applicable year, or have experienced a termination of employment by reason of death, disability or irement during the plan year. The first transitional contribution to the MSP will be made in third quarter of fiscal 2014 individuals that remain employed with Sysco through December 31, 2013.

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nd form of the transitional contribution available to each NEO resulted from Committee determination of the level of ecessary to retain key talent during this significant transition in non-qualified retirement benefits. The transitional n opportunity for each of the impacted NEOs under the MSP is as follows: Mr. Kreidler (10%) and Mr. Day (2.5%). aney, Green and Shurts are not eligible for supplemental MSP contributions. Transitional, one-time RSU grants were vember 14, 2012, as to the following NEOs: Mr. DeLaney 63,855 RSUs, valued at $1,913,096 and Mr. Kreidler 41,036 l at $1,229,439. With respect to these RSU grants, we valued each RSU at $29.96 per share, being the closing price of stock on the first business day prior to the grant. Messrs. Green, Day, Hope and Shurts were not eligible for a RSU grant. Including the transitional compensation opportunities discussed above, the projected reductions in the l retirement benefits under the revised program are as follows: Mr. DeLaney (15%); Mr. Kreidler (20%); Mr. Green . Day (19%).

Replacement RSU Grant to Mr. DeLaney

and 2013, Mr. DeLaney was granted stock options on two separate occasions. On November 15, 2011, the Committee grant Mr. DeLaney 862,500 options to purchase shares of common stock; and on November 13, 2012, the Committee grant Mr. DeLaney 881,250 options to purchase shares of common stock. In the third quarter of fiscal 2013, we hat a portion of each of the attempted grants of stock options during fiscal 2012 and 2013 was not validly granted in ith the terms of the 2007 Stock Incentive Plan because those attempted grants inadvertently exceeded the plan's limits r of stock options that may be granted to any individual, 750,000, in a single year. Accordingly, a portion of each award nitio and never, in fact, granted.

oid penalizing Mr. DeLaney because a portion of the attempted grant was ineffective, and in the interest of furthering of motivating and retaining qualified executives as well as aligning executive pay with the business objectives and owth of our company, the Committee determined in the third quarter of fiscal 2013 to approve compensation to Mr. gned to replicate, but not exceed, the intended grant value of the void portion of the attempted awards at the time of the , based on the current stock price at the time of the replacement grant. The replacement compensation consisted of a 94 RSUs on February 12, 2013, valued at approximately $975,000. This one-time replacement RSU award was in r. DeLaney's regular, annual RSU grant.

Impact of Certain One-Time RSU Grants

tee recognizes that the one-time RSU grants, discussed above, contributed to the fact that Messrs. DeLaney and cal 2013 total compensation appearing in the Fiscal 2013 Summary Compensation Table was noticeably greater than 012 total compensation. The Committee believes, however, that a simplistic, direct comparison between fiscal 2013 n and fiscal 2012 compensation, by itself, is not appropriate. The difference between total compensation between the rge part attributable to timing issues relating to the grant of the replacement RSUs to Mr. DeLaney and the grant of SUs to Messrs. DeLaney and Kreidler. Specifically, reported fiscal 2013 total compensation includes the value of a e replacement RSU grant to Mr. DeLaney with a value of $450,000, which effectively replaces compensation intended to be granted to Mr. DeLaney in fiscal 2012. At the same time, because the excess stock options were Mr. DeLaney's fiscal 2012 total compensation reported herein excludes the accounting value of the excess options and include all of the stock-based compensation that we intended to grant him in fiscal 2012.

13 total compensation table also included value associated with transitional grants to Messrs. DeLaney and Kreidler, 913,096 and $1,229,439, respectively, with such amounts effectively replacing a portion of non-qualified retirement would have been expected to be accrued by them between fiscal 2013 and each individual's earliest unreduced e, based on the assumptions discussed above.

taken together give the appearance of significantly greater compensation in fiscal 2013 than if these one-time grants
made; yet, as discussed above, the replacement compensation was designed merely to make Mr. Delaney whole for the
ns and to mitigate a portion of Messrs. DeLaney's and Kreidler's anticipated reduction in benefits due to the accrual
oth the SERP and the EDCP. See the Alternative Summary Compensation Table that follows.

ee therefore believes that it is appropriate to compare fiscal 2012 and fiscal 2013 compensation without the one-time
o Messrs. DeLaney and Kreidler. The Committee believes that stockholders may find it useful to see how Mr.
d Mr. Kreidler's fiscal 2012 and 2013 compensation would have appeared in the Fiscal 2013 Summary Compensation
t the replacement compensation, and assuming that the full option value originally intended had been included in fiscal
ternative Summary Compensation Table below has been revised as described above and does not comply with SEC
Summary Compensation Table. Stockholders should not view this alternative table as a substitute for the Summary
n Table on page 59 and should review this Alternative Compensation Table together with the Summary Compensation
er compensation tables contained herein that have been prepared in accordance with SEC rules.

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Alternative Summary Compensation Table

Fiscal Year		Salary	Bonus	Stock Awards[1]	Option Awards[2]	Non-Equity Incentive Plan Compensation	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation	Total
2013	$	1,170,833	0	2,248,839	2,400,000	1,470,280	1,227,127	5,800	8,522,879
2012		1,150,000	0	1,719,403	3,165,375	857,482	1,941,349	1,066	8,834,675
2013	$	683,333	0	599,050	980,000	530,198	165,874	6,437	2,964,892
2012		600,000	0	523,297	963,375	304,195	142,678	7,096	2,540,641

to Mr. DeLaney, the fiscal 2013 amount (a) excludes 63,855 restricted stock units granted on November 14, 2012 to him for lost non-qualified retirement benefits and 14,259 restricted stock units granted on February 12, 2013 to him for the value of stock options earned in fiscal 2012 that were void ab initio because not allowed under the 2007 ive Plan (although these options would have been required by SEC rules to be reported using a value equal to their es value of $3.67 per share, in originally awarding the options, the Committee valued them at the higher value of $4.00 hich resulted in a smaller option grant size; as a result, the Committee used this same $4.00 value in determining the placement restricted stock unit grant); and (b) includes 57,538 restricted stock units granted on November 13, 2012 as ormal long-term incentive program and 16,635 restricted stock units granted on February 12, 2013 to compensate him of stock options earned in fiscal 2013 that were void ab initio because not allowed under the 2007 Stock Incentive espect to Mr. Kreidler, the fiscal 2013 amount (a) excludes 41,036 restricted stock units granted on November 14, 2012 te him for lost non-qualified retirement benefits, and (b) includes 19,995 restricted stock units granted on November part of his normal long-term incentive grant. With respect to fiscal 2013, we valued the restricted stock units granted in $29.96 per share, being the closing price of our common stock on the first business day prior to the November 13, ate and the restricted stock units granted in February 2013 at $31.56 per share, being the closing price of our common first business day prior to the February 12, 2013 grant date.

in these columns reflect the grant date fair value of the awards. See Note 17 of the consolidated financial statements in ual Report on Form 10-K for the year ended June 29, 2013, and Note 17 of the consolidated financial statements in ual Report on Form 10-K for the year ended June 30, 2012 regarding assumptions underlying valuation of equity respect to Mr. DeLaney and as discussed above, the amount shown above for fiscal 2012, has been increased from $3,165,375 to reflect the value of the stock options earned in fiscal 2012 that were void ab initio because not allowed 07 Stock Incentive Plan, since this was compensation earned by him in 2012.

Stock Options and Restricted Stock Units

e one-time awards discussed above, the Committee approved the fiscal 2013 stock option and restricted stock unit ssrs. DeLaney, Kreidler, Green, Shurts, Day and Hope in November 2012 under our 2007 Stock Incentive Plan, as fiscal 2013 grants are shown under "Executive Compensation— Grants of Plan-Based Awards." The 2007 Stock Incentive options to be priced at the closing price of our common stock on the business day prior to the grant date, and the fiscal grant agreement provides for ratable vesting over a five-year period. Other than as described above, the fiscal 2013 RSU ents provide for vesting in three equal tranches over a three-year period following the date of grant. The Committee ck options and RSUs pursuant to equity grant guidelines. These guidelines are more fully described under "Executive n — Outstanding Equity Awards at Fiscal Year-End."

Cash Performance Units

sco Corporation 2008 Cash Performance Unit Plan, as amended, participants in the MIP have the opportunity to receive e payments based on Sysco's performance over a specified three-year period. CPU grants are forward-looking and the s typically does not take into account prior Sysco or individual performance. CPU payouts are based on Sysco's actual over the three-year performance cycle beginning with the fiscal year in which the CPU is granted. In November 2012, ee granted three-year cash performance units under the 2008 Cash Performance Unit Plan for the FY 2013-2015 period. In addition, the cash performance units that we issued in November 2009 and November 2010 under the 2008 nance Unit plan were paid out in August 2012 and August 2013, respectively (see below discussion). The 2008 Cash Unit Plan expires November 30, 2014. If approved by shareholders, CPU awards after that date will be made pursuant ong-Term Incentive Plan.

nts that the Committee made in November of 2009 and November of 2010 related to the three-year performance period cal 2012 and 2013, with payout possibilities ranging from 0% to 150% of the total value of the units granted. The 009 grant had a value of $35 per CPU; grants from November 2010 forward have a value of $1 per CPU. For each of aney, Kreidler, Green, Day and Hope, one-half of the payout was based on the average growth in diluted earnings per e-half of the payout was based on the average increase in sales. Achievement of the target performance goals would a 100% payout, while the minimum satisfaction of only one criterion would have yielded a 25% payout and maximum above target on both criteria would have provided a 150% payout. In order for generally accepted accounting principles consistently year-over-year, the performance measures for the CPUs may be calculated slightly differently from measures in our financial statements.

sales growth over the three-year performance period ended on June 30, 2012 was 4.85% and our average growth in earnings per share over the performance period was 2.54%, which resulted in a CPU payout of $12.04 per unit in Our adjusted sales growth over the three-year performance period ended on June 29, 2013 was 6.76% and our average ly diluted earnings per share over the performance period was negative 4.88%, which resulted in a CPU payout of nit in August 2013, which was approximately 59% of the aggregate target payout. See Annex I - Non-GAAP ns for a reconciliation of these adjusted measures to the comparable GAAP measures.

November 2011, the Committee changed the performance metrics/goals associated with the CPUs so that they are on three-year total shareholder return, as compared to that of the S&P 500 companies. Based upon Sysco's total eturn relative to the other S&P 500 companies, CPUs will pay out from 0% to 150% of the target award value. The ment (which is 50% of target) requires Sysco's three-year total shareholder return to equal or exceed that of the 30th the S&P 500 companies, while the maximum payment is earned at the 75th percentile, with graduated payouts in target payout is earned between the 45th and 55th percentile. These grants are subject to Sysco's clawback policies. The CPU grants that the Committee made in November 2012 are identical to those of the November 2011 grants, and any n fiscal 2014 are also expected to have identical terms. See "Executive Compensation— Cash Performance Unit Plan" for n of the calculation of total shareholder return.

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performance measures and related potential payouts for the November 2010, November 2011 and November 2012 CPU
own under "Executive Compensation— Cash Performance Unit Plan."

Long-term Incentives – Analysis

ee determined the mix of CPUs, stock options and RSUs for the FY 2013 Annual LTI Grant in order to continue to -term incentives that are in line with those disclosed by the 2012 Peer Group and to provide further alignment of the nterests with those of the stockholders based on vehicles with varying vesting and payout periods. As discussed above -term Incentives - Detailed Information," this resulted in a mix of approximately 50% options, 25% RSUs, and 25% on values calculated as described above. With respect to target total direct compensation, these same values positioned below the 25th percentile, Mr. Kreidler close to median, Mr. Green between median and 75%, and Messrs. Shurts, Day ween the 25th percentile and the median of the 2012 Peer Group. These results were consistent with the Committee's iding competitive base salaries and competitive incentive opportunities such that target total direct compensation was median. Despite increases in the size and value of Mr. DeLaney's longer-term incentive grants for fiscal 2013, his entive compensation and target total direct compensation are near the 25th percentile of the peer group.

n, target and maximum performance goals and corresponding payouts for the CPU awards, as well as the decision to use companies, were based on an analysis of our peer group's practices, the Committee's desire to use a broad market index, the Committee believes total shareholder return is the ultimate measure of stockholder value creation and long-term cess.

ee believes that stock option and RSU awards help to ensure that long-term strategic initiatives are not compromised by tives focus solely on short-term profitability through the annual incentive award. Such awards also help focus strategies that increase long-term stockholder value. Existing executive equity ownership levels are not generally a Committee's granting of stock options and RSUs. The Committee determined that the special one-time grants to Messrs. Kreidler to compensate them for changes in their retirement benefits were appropriate as part of the transition from a fit retirement plan to a defined contribution retirement plan and to compensate them for sizable loss of future benefits. Committee determined these grants will vest ratably over five years to further retain and incentivize the executives. mmittee determined that the one-time award to Mr. DeLaney to replace the value of stock options that were void ab serve to appropriately compensate Mr. DeLaney despite an administrative error made at the time of the original grant. erm Incentives - Detailed Information."

ee determined that in fiscal 2014, the annual LTI grant will consist of approximately 40% stock options, 25% RSUs, Us. This will shift more of the NEO's long-term incentive pay from stock options to CPUs, which the Committee further link the NEO's compensation and the Company's relative total shareholder return.

Retirement/Career Benefits – Detailed Information

Retirement Plans - Supplemental Executive Retirement Plan

ly have provided annual retirement benefits to all corporate employees and most of our non-union operating company nder the tax-qualified Sysco Corporation Retirement Plan, a defined benefit program which we simply refer to as the n." Beginning January 1, 2013, however, most employees no longer accrue additional retirement benefits under the . Effective January 1, 2013, the Sysco Corporation Employees' 401(k) Plan, a tax-qualified, defined contribution serve as the primary retirement vehicle for the Company. When the pension plan was the primary retirement vehicle, maintained a Supplemental Executive Retirement Plan, or SERP, in order to retain loyalty and increased performance

employees. The Committee utilized the SERP to increase the retirement benefits available to officers whose benefits
nsion plan are limited by law. In fiscal 2013, Sysco offered the SERP to approximately 121 corporate and operating
cers. Each of the named executive officers other than Mr. Shurts participated in the SERP.

, the SERP was amended in order to close the SERP to future participants. In November 2012, the SERP was further
reeze benefits and stop future accruals, effective June 29, 2013. Participants covered by the SERP as of June 29, 2013
accelerated vesting. For those who retire and are not eligible for immediate commencement of their SERP benefit, they
ed 100% vested, with benefits payable upon reaching age 65. The earliest an executive can retire and receive any
r the SERP is age 55 with a minimum of 15 years of MIP service or age 60 with 10 years of Sysco service. Payments
e of 65 are adjusted by an early retirement reduction factor. The SERP was designed to provide fully vested participants
irement monthly payments, with annual benefits equaling up to 50% of a qualifying participant's final average annual
, when combined with other retirement benefits, including other pension benefits, the company match under the 401(k)
al security payments. The participating named executive officers will receive a SERP benefit based on the greater of the
fit determined as of the relevant separation date from service under the current provisions of the SERP, or the accrued
mined as of June 28, 2008 under the prior provisions of the SERP, but with vesting, benefit limits and eligibility for
nefit payments determined as of the relevant separation from service date. Annual retirement benefits from the SERP
ant who is 100% vested in his accrued benefit were generally limited to approximately $2,393,832 in fiscal 2013, with
m limit adjusted for cost-of-living increases in future years. The terms of the SERP are more specifically described
utive Compensation — Pension Benefits — Supplemental Executive Retirement Plan." The amounts accrued by each
named executive officer under the pension plan and the SERP as of June 29, 2013 are set forth under "Executive
n — Pension Benefits."

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SERP Analysis

2012, the Committee amended the SERP to freeze benefits, stop future accruals and to provide for immediate (as of) vesting of accrued benefits in order to achieve the following goals:

ue of retirement benefits more in line with the practices of the peer group; and

-term, increase the proportion of long-term and performance-based compensation in the compensation mix, relative to rement compensation such as the SERP and MSP.

with the transition, the Committee approved a one-time grant of restricted stock units to Messrs. DeLaney and Kreider e anticipated loss in future SERP benefits, as described above in "— Long-term Incentives Analysis."

Nonqualified Executive Deferred Compensation Plan

ember 31, 2012, Sysco offered an Executive Deferred Compensation Plan, or EDCP, to provide MIP participants, NEOs other than Mr. Shurts, the opportunity to save for retirement and accumulate wealth in a tax-efficient manner gs opportunities under Sysco's 401(k) retirement savings plan. Participants were able to defer up to 100% of their base to 40% of their MIP bonus, or any bonus paid in lieu of or as a replacement for the MIP bonus, to the EDCP. Sysco ch any base salary deferrals into the EDCP and deferrals are no longer permitted. For participants who chose to defer a ir qualifying bonus, Sysco matched 15% of the first 20% deferred, making the maximum possible match to the EDCP IP bonus. This match generally vests in accordance with a graduated schedule after an executive has reached age has fifteen years of MIP service, but will vest in all events upon the earlier of (i) the tenth anniversary of the crediting executive's death, (iii) the executive's disability, (iv) a change in control, or (v) the executive's attaining age sixty. who defer compensation under the EDCP may choose from a variety of investment options, including Moody's Average ond Yield, with respect to amounts deferred. Company matching contributions are credited with the Moody's Average nd Yield. The EDCP is described in further detail under "Executive Compensation — Executive Deferred Compensation

EDCP Analysis

dividual contributions to the 401(k) plan are limited by law to $17,500 per year. For many years, the EDCP served as a nd retention tool for Sysco. In connection with the broader transition in retirement philosophy, beginning in fiscal 2013, d compensation plan, the MSP, has been utilized.

Management Savings Plan

, 2013, Sysco introduced a new non-qualified, defined contribution savings plan, the MSP. The MSP allows individual employer contributions in excess of IRS 401(k) contribution and compensation limits. The MSP allows eligible o defer up to 50% of their base salary (for calendar years 2013 and thereafter) and up to 100% of their eligible bonus ars 2014 and thereafter). In addition, in conjunction with freezing of the SERP, certain participants (who would ve incurred a sizable loss of future benefits under the SERP) are eligible for transition contributions of between 2.5% - eligible pay for a period not to exceed (i) ten years or (ii) the date of their departure from the Company. To the extent on of an employer contribution to an eligible individual's tax-qualified defined contribution savings plan are limited by n, these contributions will be recorded to the MSP as well. The participants in the MSP direct the investment for both lual contributions and the company match portion. The MSP is described in further detail under "Executive n — Management Savings Plan."

MSP Analysis

dividual contributions to the 401(k) plan are limited by law to $17,500 per year. The Committee believes that the MSP l assists in the retention of key employees by providing them with a supplemental retirement savings vehicle. The MSP nt, and cost effective, recruitment and retention tool for Sysco, as the companies with which we compete for executive y provide a similar plan to their senior employees.

Executive Perquisites & Other Benefits – Detailed Information

benefits for executives that we believe are reasonable, particularly since the cost of these benefits constitutes a very age of each named executive officer's total compensation. Certain of these benefits are described below.

Os are generally eligible to participate in Sysco's regular employee benefit programs, which include a 401(k) plan, an ck purchase plan, group life insurance and other group welfare benefit plans, and until the changes made to retirement scal 2013 included the defined benefit pension plan. We also provide MIP participants, including the NEOs, with e insurance benefits, long-term disability coverage, including disability income coverage, and long-term care insurance, mbursement for an annual comprehensive wellness examination by a physician of their choice. We believe many of s are required to remain competitive with our competitors for executive talent. Although the executive officers are rticipate in Sysco's group medical and dental coverage, we adjust employees' contributions towards the monthly cost of plan according to salary level; therefore, executives' pay a higher employee contribution, than do non-executives, to these welfare plans.

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nts, including the NEOs, are encouraged to occasionally have their spouses accompany them at business dinners and ss functions in connection with some meetings of the Board of Directors, certain business meetings and other nsored events, and Sysco pays, either directly or by reimbursement, all expenses associated with their spouses' travel to ce at these business-related functions. Furthermore, Sysco owns fractional interests in private aircraft that are made embers of the Board of Directors, executives and other members of management for business use, but these aircraft are o be used for personal matters. Spouses may occasionally accompany executive officers on such flights in connection and from business-related functions if there is space available on the aircraft.

s, including our NEOs, as well as members of our Board, are also entitled to receive discounts on all products carried its subsidiaries. Although Sysco does provide the NEOs with certain additional perquisites, we do not provide any of h automobiles, security monitoring or split-dollar life insurance.

Executive Compensation Governance and Other Information

Severance and Employment Agreements

o's executive officers are currently parties to any severance or employment agreements providing for severance or other upon termination. Consistent with our approach of rewarding performance, employment is not guaranteed, and either or the NEO may terminate the employment relationship at any time. In some cases, the Committee or Board of ay agree to provide separation payments to departing executives upon their termination to obtain an extended non-solicitation and non-disclosure agreement and a release of claims. In fiscal 2013, the Company and Committee hat severance should be paid to Mr. Hope in return for extended non-compete, non-solicitation and non-disclosure d a release of claims. The amount of this severance was based on his service with the company as well as his role and at the time of his departure.

, the Company and Committee also structured a competitve offer and compensation package to attract and secure the of Mr. Shurts in the role of Executive Vice President, Chief Technology Officer. The Committee structured certain of Mr. Shurts compensation to partially replace the value of certain compensation and other benefits forfeited upon his f employment with Sysco. Mr. Shurts' compensation package is further described at "Executive Compensation -- Arrangement with Mr. Shurts."

Relocation Expenses

e Committee's desire for Sysco to comply with best corporate governance and compensation practices, in October 2010, e adopted an executive relocation expense reimbursement policy that applies to all of the NEOs. The reimbursement des that Sysco will not reimburse any of such executives for any loss on the sale of the executive's house sold in ith the executive's relocation. The reimbursement policy also provides that only certain pre-approved relocation be eligible for increased payments to cover all applicable taxes on the reimbursed amounts, such as state and federal FICA, and Medicare taxes. The relocation expenses subject to such increased payments to cover applicable taxes will the cost of moving the executive's household goods and vehicles; real estate fees incurred in selling the executive's osing costs associated with the purchase of a new residence, including cost of credit reports, mortgage and deed taxes, s and title search, title insurance, surveys, if required, and reasonable attorney's fees; and up to six months' rental temporary residence in the area to which the executive has been asked to relocate. No other relocation expenses will be ncreased payments to cover applicable taxes. In addition, the reimbursement policy provides that all future relocation ith any named executive officer will include a clawback provision that requires the executive to reimburse Sysco for all he reimbursement if his employment is terminated for any reason other than death, disability or change of control of nination without cause or for good reason, within a specified amount of time after receiving the reimbursement.

tee approved a relocation package for Mr. Shurts in fiscal 2013 for $81,560, which is consistent with the executive pense reimbursement policy discussed immediately above.

Benefits Following Change in Control

have no separate severance or similar agreements that would cause an immediate or “single trigger” cash payment lely as a result of a change in control of Sysco. We have included change of control provisions in several of Sysco’s and agreements, including an immediate payout of CPUs at the target payout level for grants under the 2008 Cash Unit Plan, and 100% vesting of EDCP benefits, options, restricted stock and restricted stock units upon a change in “Executive Compensation — Quantification of Termination/Change in Control Payments” for a detailed explanation of efits under the various provisions.

ribed below in “ Vote to Approve the Adoption of Sysco Corporation 2013 Long-Term Incentive Plan (Item 2)—The 2013 ncentive Plan-- Vesting for Certain Terminations of Employment in Connection to Change in Control ”, the Board has concept of “double-trigger” acceleration of equity-award vesting for the Company’s senior executives. Upon approval of g-Term Incentive Plan by our stockholders, Sysco will move from single-trigger to double-trigger for accelerated ture long-term incentive grants under certain change of control scenarios.

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ee continues to believe that these provisions will preserve executive morale and productivity and encourage retention in e disruptive impact of an actual or rumored change in control of Sysco. The Committee has balanced the impact of ation provisions with corresponding provisions in the MSP, SERP and the EDCP that provide for a reduction in benefits hey are not deductible under Section 280G of the Internal Revenue Code.

Executive Compensation Recoupment Policy

of a restatement of our financial results, other than a restatement due to a change in accounting policy, it is the policy that it will review all incentive payments made to MIP participants, including the NEOs, within the 36 month o the restatement on the basis of having met or exceeded specific performance targets in grants or awards made on or , 2009. If such incentive payments would have been lower had they been calculated based on the restated results, the ill, to the extent permitted by applicable law, seek to recoup any such excess payments for the benefit of Sysco. The ncentive awards and CPU grants made by the Committee for fiscal 2011 and later years contain a contractual provision grantee to this recovery right, and the Committee anticipates that future grants will contain similar provisions. The as the sole discretion, subject to applicable law, to determine the form and timing of the recoupment, which may include om the MIP participant or an adjustment to the payout of a future incentive. In addition, the executives' benefits under DCP and MSP may be subject to forfeiture or adjustment as a result of any such restatement of financial results. These uld be in addition to, and not in lieu of, any actions imposed by law enforcement agencies, regulators or other

Tax Impact on Compensation

Income Deduction Limitations

m) of the Internal Revenue Code generally sets a limit of $1 million on the amount of non-performance-based n that Sysco may deduct for federal income tax purposes in any given year with respect to the compensation of each of er than the chief financial officer. The Committee has adopted a general policy of structuring the performance-based n arrangements, including the MIP bonus and CPUs, in order to preserve deductibility to the extent feasible after taking all relevant considerations. However, the Committee also believes that Sysco needs flexibility to meet its pay ven if Sysco may not deduct all of the compensation paid to the NEOs. The Committee structured its 2013 and 2014 gram for the NEOs, and intends to structure future annual incentive programs for the NEOs, under an umbrella plan rder to obtain deductibility of the annual bonus under Section 162(m), generally, but maintains flexibility to pay n or make certain awards that may not be deductible under 162(m), if the Committee determines in its discretion that it nterest of the Company.

factors discussed under "What We Paid and Why," in fiscal 2013 Sysco paid, and in fiscal 2014 the Committee expects each of Messrs. DeLaney and Green a base salary that, when aggregated with anticipated vesting of restricted stock ceed $1 million in value. The Committee believes that this compensation to each of Messrs. DeLaney and Green is order to maintain the competiveness of each of his total compensation package in light of peer compensation practices, ult, has determined that it is appropriate even though approximately $1,543,721 of Mr. DeLaney's fiscal 2013 n and approximately $146,061 of Mr. Green's fiscal 2013 compensation will not be deductible, and the excess of Messrs. nd Green's anticipated salary plus the value of RSUs vesting in fiscal 2014 over $1 million, respectively, will not be r federal income tax purposes.

Section 409A of the Internal Revenue Code of the Internal Revenue Code deals specifically with non-qualified deferred compensation plans. We have designed all ive benefit plans, including the SERP, EDCP, 2008 Cash Performance Unit Plan, and the 2007 Stock Incentive Plan, are exempt from, or otherwise comply with, the requirements of Section 409A of the Internal Revenue Code.

Stock Ownership Guidelines for NEOs and Executive Chairman

pted stringent stock ownership guidelines, and review and adjust the guidelines when appropriate in order to align the ir executives with those of our stockholders. In August 2013, the Committee, together with the Corporate Governance ting Committee, upon the recommendation of management and following consultation with CAP amended our overnance Guidelines in order to increase the requirements applicable to the CEO and Executive Chairman positions, de clarity to the stock ownership guidelines. The modifications included an increase in Mr. DeLaney's ownership o 225,000 shares and clarified the guidelines regarding the counting of RSUs and the retention requirements for officers toward meeting future holding requirements. These changes were recommended by the Corporate Governance and Committee and approved by the Board of Directors in order to bring Sysco's policies more in line with its peer group and ch guidelines. See "Stock Ownership— Stock Ownership Guidelines" for a description of our executive stock ownership d stock retention policies and these recent changes.

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Forward-Looking Statements

ade in this proxy statement that look forward in time or that express management's beliefs, expectations or hopes are ing statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking flect the views of management at the time such statements are made and are subject to a number of risks, uncertainties, d assumptions that may cause actual results to differ materially from current expectations. These statements include ng certain agreements and plans that will require us to provide compensation to our NEOs upon the occurrence of future as the achievement of company and/or individual objectives and the termination of an individual's employment or a ntrol of the company, and those regarding expectations that certain performance targets for management will be se future events may not occur as and when expected, if at all, and, together with the company's business, are subject to and uncertainties. These risks and uncertainties include that future compensation to our NEOs, and the events that could payments, vary materially from the descriptions described herein due to factors beyond our control, such as the timing ar of a triggering event, the amount of future bonuses, the value of our stock on the date of a triggering event and the y of each of our executives and his spouse. Management's and Sysco's ability to attain certain performance targets could conditions in the economy and our industry and internal factors such as the ability to control expenses, including fuel ve experienced delays in the implementation of our Business Transformation Project and the expected costs of our nsformation Project may be greater or less than currently expected, as we may encounter the need for changes in design f the project calendar and budget. Sysco's future results could be affected by competitive price pressures, availability of k stoppages, success or failure of our strategic initiatives, successful integration of acquired companies, conditions in and the industry, and internal factors such as the ability to control expenses.

l risks impacting the company's business, see the Risk Factors section of the company's Annual Report on Form 10-K nded June 29, 2013, and the company's subsequent Form 10-Q filings. The company does not undertake to update its ng statements.

REPORT OF THE COMPENSATION COMMITTEE

sation Committee of the Board of Directors of Sysco Corporation has reviewed and discussed the foregoing n Discussion and Analysis as required by Item 402(b) of Regulation S-K with management and, based on such review on, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and ncluded in the Annual Report on Form 10-K and this Proxy Statement.

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EXECUTIVE COMPENSATION

g discussion, as well as the Compensation Discussion and Analysis contained herein, contains references to target levels for our long-term incentive compensation. These targets and goals are discussed in the limited context of Sysco's n programs and should not be interpreted as management's expectations or estimates of results or other guidance. We aution stockholders not to apply these statements to other contexts.

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Summary Compensation Table

g table sets forth information with respect to each of the NEOs — our Chief Executive Officer, our Chief Financial he three most highly compensated of the other executive officers of Sysco and its subsidiaries employed at the end of s well as information with respect to James D. Hope. Mr. Hope would have been one of the three other most highly executive officers had he been an executive officer at fiscal year end; however, he was not serving as an executive end of the fiscal year. In determining the most highly compensated executive officers, we excluded the amounts shown e in Pension Value and Nonqualified Deferred Compensation Earnings."

sition	Fiscal Year	Salary ($)[1]	Bonus ($)[2]	Stock Awards ($)[3]	Option Awards ($)[4]	Non-Equity Incentive Plan Compensation ($)[5]	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)[6]	All Other Compensation ($)[7]	Total ($)
	2013	$ 1,170,833	—	$ 4,611,949	2,400,000	$ 1,470,280	$ 1,227,127	$ 5,800	$ 10,885,989
	2012	1,150,000	—	1,719,403	2,752,500	857,482	1,941,349	1,066	8,421,800
l ive	2011	1,000,000	686,000	1,250,071	1,990,000	0	790,155	9,275	5,725,501
reidler	2013	683,333	—	1,828,489	980,000	530,198	165,874	6,437	4,194,331
	2012	600,000	—	523,297	963,375	304,195	142,678	7,096	2,540,641
nt and ial	2011	525,000	367,500	395,519	626,850	0	16,956	694,694	2,626,519
Green	2013	691,667	—	556,267	910,000	611,781	273,109	5,575	3,048,399
	2012	650,000	—	526,412	969,109	386,688	1,419,955	211,021	4,163,185
nt t of	2011	550,000	385,000	412,841	656,700	0	686,125	5,476	2,696,142
ts[8]	2013	407,292	150,000	945,987	747,501	174,379	12	85,619	2,510,790
	2012	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
nt and	2011	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

ology

(9)	2013	508,333	—	374,111	612,000	390,111	130,969	4,920	2,020,444
	2012	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
nt, ng	2011	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
(10)	2013	525,000	—	385,106	630,000	394,785	0	55,200	1,990,091
utive nt,	2012	525,000	—	392,464	722,531	252,353	909,533	1,172	2,803,053
on	2011	500,000	350,000	314,683	497,500	0	440,254	5,471	2,107,908

mounts reflect the actual base salary payments made to the NEOs. Mr. Shurts was hired on October 15, 2012 at an of $575,000; accordingly his reported salary reflects the pro-rated amount earned in 2013.

vas paid a new hire bonus of $150,000 on his start date of October 15, 2012 to partially replace the value of certain n and other benefits forfeited upon his acceptance of employement with Sysco. The new hire bonus is subject to ovisions requiring Mr. Shurts to repay a pro-rated portion upon a voluntary termination or an involuntary termination defined in the offer letter) prior to the first anniversary of his start date. The amounts reflected for fiscal 2011 relate to y performance-based bonuses paid in August 2011 with respect to fiscal 2011. The bonus amounts were based on fying certain financial criteria and the NEOs achieving certain non-financial goals.

to Messrs. DeLaney, Kreidler, Green, Hope and Day, these amounts relate to grants of restricted stock units made in 2012 and 2011. With respect to Mr. Shurts, the fiscal 2013 amount includes 16,323 restricted stock units granted on 3, 2012 for compensation as part of his offer package to partially replace the value of certain compensation and other eited upon his acceptance of employment with Sysco and 15,252 restricted stock units granted on November 13, 2012 2013 MIP long-term incentive grant. Further, with respect to Mr. DeLaney, the fiscal 2013 amount includes 63,855 ck units granted on November 14, 2012 for compensation as part of the changes to the executive retirement program, icted stock units granted on November 13, 2012 as part of his normal long-term incentive program, and 30,894 ck units granted on February 12, 2013 to compensate him for the value of stock options earned in prior periods that initio because they were not allowed under the 2007 Stock Incentive Plan. With respect to Mr. Kreidler, the fiscal includes 41,036 restricted stock units granted on November 14, 2012 for compensation as part of the changes to the tirement program and 19,995 restricted stock units granted on November 13, 2012 as part of his normal long-term ant. With respect to fiscal 2013, we valued the RSUs granted on November 13, 2012 at $29.96 per share, being the e of our common stock on the first business day prior to the November 13, 2012 grant date; the RSUs granted on 4, 2012 at $29.96 per share, being the closing price of our common stock on the first business day prior to the 4, 2012 grant date; and the restricted stock units granted on February 12, 2013 at $31.56 per share, being the closing common stock on the first business day prior to the February 12, 2013 grant date. With respect to fiscal 2012, we estricted stock units at $27.65, being the closing price of our common stock on the first business day prior to the 5, 2011 grant date. With respect to fiscal 2011, we valued the restricted stock units at $28.87 per share, being the of our common stock on the first business day prior to the November 11, 2010 grant date.

in these columns reflect the grant date fair value of the awards. See Note 17 of the consolidated financial statements in ual Report on Form 10-K for the year ended June 29, 2013, Note 17 of the consolidated financial statements in Sysco's ort on Form 10-K for the year ended June 30, 2012, and Note 15 of the consolidated financial statements in Sysco's rt on Form 10-K for the year ended July 2, 2011 regarding assumptions underlying valuation of equity awards. With r. DeLaney, the amount previously reported in fiscal 2012, was reduced from $3,165,375 to $2,752,500 because that e initial grant was void ab initio because it was not allowed under the 2007 Stock Incentive Plan.

nts include the MIP annual incentive award paid in August 2013 with respect to fiscal 2013 and paid in August 2012 to fiscal 2012. We did not pay a MIP annual incentive award for fiscal 2011 because Sysco did not achieve the formance levels. The amounts shown also include payments made in August 2013 for the three-year performance g in fiscal 2013 and in August 2012 for the three-year performance period ending in fiscal 2012 with respect to the cash unit grants previously made under our 2008 Cash Performance Unit Plan. The cash performance unit grants for the rformance period ending in fiscal 2011 expired unpaid because the performance criteria were not met.

s reported in the "Change in Pension Value and Nonqualified Deferred Compensation Earnings" column reflect t interest on amounts in the EDCP and MSP, and the actuarial increase in the present value of the NEOs' benefits under lans established and maintained by Sysco, determined using interest rate and mortality rate assumptions consistent with Sysco's financial statements. The pension plan amounts, some of which may not be currently vested, include:

ension plan value; and

upplemental Executive Retirement Plan, or SERP, value.

that the aggregate change in the actuarial present value of the named executive officer's accumulated benefit under the and the SERP was a decrease, this decrease is not included in the amounts shown in the column.

g table shows, for each named executive officer, the change in the actuarial present value for each of the pension plan P and the above-market interest on amounts in the EDCP for fiscal 2013:

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Change in Pension Plan Value	Change in SERP Value	Above-Market Interest on Deferred Compensation	Total
$ (14,139)	$ 1,210,416	$ 30,850	$ 1,227,127
(4,684)	168,422	2,136	165,874
(18,954)	292,035	28	273,109
N/A	N/A	12	12
(15,141)	113,961	32,149	130,969
(18,006)	(1,273,424)	30,940	(1,260,490)

mounts include the following:

nt paid for life insurance coverage for each individual (the excess coverage over the amounts paid for other employees inable since the deductibles and coverages may be different);

f 401(k) Plan matching contributions with respect to the first half of the 2013 fiscal year; and

g perquisites and personal benefits (the aggregate value of all perquisites and personal benefits received by each NEO r. Shurts and Mr. Hope in fiscal 2013 was less than $10,000):

aid for accidental death and dismemberment insurance coverage;

aid for long-term care insurance;

eimbursed to the individual for annual medical exams;

paid for long-term disability coverage under the company’s welfare benefit plan;

fees by Sysco related to the preparation of foreign tax returns required to be filed by the executive for attendance at other travel related to Sysco business in foreign jurisdictions;

paid for spousal travel in connection with business events, which amounts reflect only commercial travel; no costs were incurred in connection with travel of spouses on the company plane with executive officers to and from nts;

amount paid for spousal meals in connection with business events;

to Mr. Shurts, reimbursement of $81,560 for certain expenses in connection with his move to Houston, Texas; and

to Mr. Hope, payment of $50,481 for earned by unused vacation days.

he reimbursement of relocation expenses incurred by Mr. Shurts and earned but unused vacation payment made to o named executive officer received any single perquisite or personal benefit with respect to fiscal 2013 with a value $25,000 and no named executive officer received any other item of compensation with respect to fiscal 2013 required ed in this column with a value of $10,000 or more.

n for Mr. Shurts is provided only for fiscal 2013 because he was not an employee in fiscal 2012 or 2011.

not a NEO for fiscal 2011 and 2012, and as a result only his 2013 compensation information is included.

employment with Sysco terminated effective June 29, 2013. Upon separation from service to the Company, Mr. Hope 575,000.

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Grants of Plan-Based Awards

g table provides information on CPU grants, annual incentive award opportunities under the MIP, stock options, k and restricted stock units granted during fiscal 2013 to each of the NEOs.

Grant Date	Number of Shares, Units or Other Rights	Estimated Future Payouts Under Non-Equity Incentive Plan Awards Threshold ($)	Target ($)	Maximum ($)	All Other Stock Awards: Number of Shares of Stock or Units (#)(1)	All Other Option Awards: Number of Securities Underlying Options (#)(2)	Exercise or Base Price of Option Awards ($/Sh)(3)	Closing Market Price on the Date Of Grant ($)	Grant Date Fair Value of Stock and Option Awards ($)(4)
/13/12 (5)	1,762,500	$ 881,250	$ 1,762,500	$ 2,643,750					
/13/12						750,000	$ 29.96	$ 29.96	$ 2,400,000
/13/12					57,538				1,723,838
/14/12					63,855				1,913,096
/12/13					30,894				975,015
/23/12 (6)		$ 881,250	$ 1,762,500	$ 2,643,750					
/13/12 (5)	612,500	306,250	612,500	918,750					
/13/12						306,250	$ 29.96	$ 29.96	980,000
/13/12					19,995				599,050
/14/12					41,036				1,229,439
/23/12 (6)		350,000	700,000	1,050,000					
/13/12 (5)	568,750	284,375	568,750	853,125					
/13/12						284,375	$ 29.96	$ 29.96	910,000
/13/12					18,567				556,267
/23/12 (6)		437,500	875,000	1,312,500					
/13/12	467,188	233,594	467,188	700,782					
/13/12						233,594	$ 29.96	$ 29.96	747,501
/13/12					15,252				456,950
/13/12					16,323				489,037
/15/12 (7)		287,500	575,000	862,500					

/13/12	382,500	191,250	382,500	573,750					
/13/12						191,250	$ 29.96	$ 29.96	612,000
/13/12					12,487				374,111
/23/12		255,000	510,000	765,000					
/13/12	393,750	196,875	393,750	590,625					
/13/12						196,875	$ 29.96	$ 29.96	630,000
/13/12					12,854				385,106
/23/12		262,500	525,000	787,500					

to Messrs. DeLaney, Kreidler, Green, Shurts, Day and Hope, we granted the RSUs under the 2007 Stock Incentive ey vest one-third per year for three years beginning on the first anniversary of the grant date. With respect to y and Mr. Kreidler, we also granted the RSUs under the 2007 Stock Incentive Plan on November 14, 2012, that vest year for five years beginning on the first anniversary of the grant date. Vesting of the RSUs granted to each NEO is pon executive's continued service with the company, except that the RSUs will remain in effect and continue to vest the vesting schedule upon executive's termination of employment due to qualifying retirement in good standing or urrently, only Mr. DeLaney and Mr. Day are eligible to retire. Additionally, the restricted stock units will vest upon executive's death or a change in control of the company. In addition, the executive will forfeit all of his unvested Committee finds by a majority vote that, either before or after termination of his employment, he:

raud, embezzlement, theft, a felony, or proven dishonesty in the course of his employment and by any such act, or our subsidiaries;

trade secrets; or

engaged or had a financial or other interest in any commercial venture in the United States competitive with our iolation of our Code of Conduct or that would have violated our Code of Conduct had he been an employee when he e prohibited activity.

the options under the 2007 Stock Incentive Plan, and they vest 20% per year for five years beginning on the first of the grant date. If an executive experiences a qualifying retirement in good standing or leaves our employment sability, his options will remain in effect, vest and be exercisable in accordance with their terms as if he had remained an executive dies during the term of his option, all unvested options will vest immediately and may be exercised by his time until the earlier to occur of three years after his death, or the option's termination date. In addition, an executive ll of his unexercised options if the Committee finds by a majority vote that, either before or after termination of his he:

raud, embezzlement, theft, a felony, or proven dishonesty in the course of his employment and by any such act, or our subsidiaries;

trade secrets; or

engaged or had a financial or other interest in any commercial venture in the United States competitive with our iolation of our Code of Conduct or that would have violated our Code of Conduct had he been an employee when he e prohibited activity.

all of these options under our 2007 Stock Incentive Plan, which directs that the exercise price of all options is the of our stock on the New York Stock Exchange on the first business day prior to the grant date.

ed the estimated grant date present value for the options issued on November 13, 2012 of $3.20 per share using a s pricing model. With respect to the November 2012 grants, we assumed a volatility of 20.70%, a 0.7% risk-free rate ividend yield at the date of grant of 3.7% and a 5.4-year expected option life when applying the model. We did not option exercises or risk of forfeiture during the expected option life in determining the valuation of the option awards. so, such assumptions could have reduced the reported grant date value. The actual value, if any, an executive may exercise of options will depend on the excess of the stock price over the exercise price on the date the option is onsequently, there is no assurance that the value realized, if any, will be at or near the value estimated by the s model.

e restricted stock units granted on November 13, 2012 and November 14, 2012 at $29.96 per share and the restricted ranted on February 12, 2013 at $31.56, being the closing price of our common stock on the first business day prior to ve grant date.

ts relate to cash performance units with a three-year performance period that we granted in November 2012 under our erformance Unit Plan.

nts relate to MIP annual incentive award agreements made in August 2012 with respect to fiscal 2013, except with r. Shurts who received his award in October 2012. In approving the MIP agreements for fiscal 2013, the Committee named executive officer’s MIP bonus at the following percentages of base salary: 150% for Mr. DeLaney, 125% for nd 100% for Mr. Kreidler, Mr. Shurts, Mr. Hope and Mr. Day. Each of the amounts is subject to further upward or djustment by the Committee as described in “Compensation Discussion and Analysis—What We Paid and Why—Annual ard—Detailed Information—MIP Annual Incentive Award for Fiscal 2013.”

IP annual incentive award was pro rated for the number of weeks in fiscal 2013 that he was employed by Sysco.

employment with Sysco terminated effective June 29, 2013. Upon termination, all vesting of stock options and RSUs
l unvested options and RSUs were cancelled, including the entire grant of 196,875 stock options and 12,854 RSUs.

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Cash Performance Unit Plan

sh Performance Unit Plan provides certain key employees, including the NEOs, the opportunity to earn cash incentive ed on pre-established performance criteria over performance periods of at least three years. We refer to these units as Committee currently makes grants annually for performance periods ending at the end of the third fiscal year, including rant. The Plan provides that, in the event of the death of a participant, payments are determined using Sysco's for the entire three-year performance period. Payments following a change of control are based on target performance respect to participants whose employment terminates due to retirement or death, such individuals will receive a pro-rata ed upon the number of years during which the participant was actively employed during the relevant performance nning with the grants made in fiscal 2010, the Committee began the practice of setting the performance goals for the g the first ninety days of the performance period and granting individual awards at its meeting the following November. expire on November 30, 2014, unless sooner terminated by the Board.

n, the Committee may select performance goals from those specified in the plan, based on the performance of Sysco on the performance of subsidiaries or divisions. With respect to the grants in fiscal 2010 that we paid in August 2012 s in fiscal 2011 that were paid in August 2013, the Committee set performance criteria based on the average increases in ngs per share and sales over the performance periods. With respect to the grants in fiscal 2012 and 2013, the Committee mance criteria based on total shareholder return, as described below. As of September 17, 2013, the named executives formance unit grants in the amounts and for the performance periods set forth below:

Fiscal Year in Which Granted	Target Value Per CPU	Number of CPUs Held	Performance Period	Payout Amount ($) Minimum	Target	Maximum
2013	$ 1	1,762,500	7/1/12-6/27/15	881,250	1,762,500	2,643,750
2012	1	1,725,000	7/3/2011-6/28/2014	862,500	1,725,000	2,587,500
2013	1	612,500	7/1/12-6/27/15	306,250	612,500	918,750
2012	1	525,000	7/3/2011-6/28/2014	262,500	525,000	787,500
2013	1	568,750	7/1/12-6/27/15	284,375	568,750	853,125
2012	1	528,125	7/3/2011-6/28/2014	264,063	528,125	792,188
2013	1	467,188	7/1/12-6/27/15	233,594	467,188	700,782
2012	1	528,125	7/3/2011-6/28/2014	264,063	528,125	792,188
2013	1	382,500	7/1/12-6/27/15	191,250	382,500	573,750
2012	1	487,500	7/3/2011-6/28/2014	243,750	487,500	731,250

e conclusion of each three-year performance period, if we meet the relevant performance criteria, we will pay each tive an amount obtained by multiplying the number of performance units that the executive received by the value ch unit and then multiplying the resulting product by a specified percentage. Each CPU is assigned a value of $1.00 per

nts that we made in fiscal 2011, and paid in August 2013, contained a sliding scale for each component for the periods as follows:

e payout was based on average growth in diluted earnings per share; and

e payout was based on average increase in sales.

erformance measures relate to performance for completed fiscal years. For period to period comparisons, we compare ordance with generally accepted accounting principles applied on a consistent basis, and we adjust them for any fiscal ng 53 weeks. Samples of the payment criteria and payout percentages for the awards granted in fiscal 2011 and paid in including the threshold, target and maximum payment criteria and payout percentages for each component are set forth mounts shown reflect a simplified grid of payment criteria and payout amounts; they do not include incremental criteria between the amounts shown. Between the levels shown in the table, the payout percentage increase incrementally, ly in proportion to increases in the criteria. The minimum percentage payout would be 25% if only one of the criteria is satisfied at the minimum level and the maximum percentage payout would be 150% if the maximum levels ria are satisfied. Our adjusted sales growth over the three-year performance period ended on June 29, 2013 was 6.76% ge growth in adjusted fully diluted earnings per share over the performance period was negative 4.88%, which resulted out of $0.594 per unit in August 2013 which was approximately 59% of the aggregate target payout level. See Annex I iation of these adjusted measures to the comparable GAAP measures.

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Part 1 — Growth in Earnings Per Share

	Minimum		**Target**		**Maximum**
aid August 2013)	6 %	7.5 %	9 %	10.5 %	12 % and up
ayout	**25 %**	**37.5 %**	**50 %**	**62.5 %**	**75 %**

PLUS

Part 2 — Growth in Sales

	Minimum		**Target**		**Maximum**
aid August 2013)	4 %	5 %	6 %	7 %	8 % and up
ayout	**25 %**	**37.5 %**	**50 %**	**62.5 %**	**75 %**

e all payments due with respect to the CPUs in cash. No payments made under the 2008 Cash Performance Unit Plans executive in any fiscal year may be higher than 1% of Sysco's earnings before income taxes, as publicly disclosed in lated Results of Operations" section of Sysco's Annual Report on Form 10-K for the fiscal year ended immediately before e payment date.

to the CPUs granted in November 2011 and November 2012, the Committee replaced the previous performance criteria re based on Sysco's total shareholder return over the three year performance periods including fiscal 2012, 2013 and al 2013, 2014 and 2015, respectively, relative to that of the S&P 500. Based upon where Sysco's total shareholder return d falls relative to the other S&P 500 companies, CPUs are expected to pay at a rate from 50% to 150% of the aggregate CPUs, which are valued at $1 per unit. In order to compute total shareholder return, the following sum is first calculated:

rice of a share of Sysco's common stock, as reported on the New York Stock Exchange, on the day immediately last day of the three fiscal year performance period, plus,

cash dividends paid on company common stock during the three fiscal year performance period, minus,

rice of a share of Sysco's common stock, as reported on the New York Stock Exchange, on the day immediately first day of the three fiscal year performance period.

lder return is then computed as that sum divided by the closing price of a share of Sysco's common stock, as reported on k Stock Exchange, on the day immediately preceding the first day of the three fiscal year performance period. The ment level requires Sysco's total shareholder return for the three fiscal year performance period to equal or exceed that rcentile of the S&P 500, the target payment level requires company performance to equal the 45th percentile, and the yment level is expected to be reached at the 75th percentile, with graduated bonus levels in between the threshold and els. These grants are subject to Sysco's clawback policies.

Benefits upon Termination or Change in Control under the Plan ive's employment terminates during a performance period because the executive leaves our employment due to executive will nonetheless receive the specified payment on the applicable payment date, as if he remained employed f the executive's employment terminates during a performance period because the executive experiences a retirement in g or due to the executive's death, the executive will receive the specified payment on the applicable payment date, as if employed on that date, reduced on a pro-rata basis based on the number of years during which the executive was oyed during the applicable three-year performance period. The executive will get credit for a fiscal year if the executive employed by Sysco at any time during a relevant fiscal year. If the executive's employment terminates before the end of nce period for any reason other than retirement in good standing, death or disability, we will cancel the executive's units, and the executive will not receive any payments under the plan with respect to the cancelled CPUs. The plan if a change in control occurs during a performance period we will pay the executive the target amount payable under he executive's CPUs for that performance period, as if the target performance levels had been achieved. In such e CPUs awarded with respect to the performance period will be considered vested and payment will be made to the hin 90 days after the date of the change in control.

Employment Arrangement with Mr. Shurts

e terms and conditions of an offer of employment dated September 13, 2012, Sysco offered, and Mr. Shurts accepted, with Sysco as the Executive Vice President, Chief Technology Officer. The material terms of the offer of employment :

ceives an annual base salary of $575,000.

ecame a participant in the MIP, and is eligible for a MIP bonus. His target bonus is 100% of his base salary, and his nus, if earned, will be prorated for the portion of the 2013 fiscal year that he was employed with Sysco

ceived a one-time bonus award of $150,000 within thirty days of his hire date, and will receive an additional $150,000 niversary of his employment, subject to certain conditions regarding his continued employment

nendation of Sysco management, the Compensation Committee granted to Mr. Shurts (1) a one-time RSU grant with a),000 and (2) long-term incentive awards representing 325% of his annual base salary with 50% of the value in stock in CPUs and 25% in grants of RSUs

eligible to participate in Sysco's disability income plan and ERISA-qualified and executive benefit and retirement ams, and he received full insurance benefits following completion of two months of employment

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to reimburse Mr. Shurts for certain temporary housing and moving expenses, subject to Mr. Shurts' obligation to repay ing or rental expenses if he is terminated by Sysco for certain reasons within one year of such reimbursements

ne Corporate Governance Guidelines, Mr. Shurts must own no less than 60,000 shares of Sysco stock by October 15, expected to retain 25% of the net shares acquired upon exercise of stock options and 25% of the net shares acquired ested RSU grants until his stock holdings equal or exceed the ownership requirements.

Severance Arrangements with Mr. Hope

n with the termination of Mr. Hope's employment with Sysco, effective June 29, 2013, the Company entered into a eement with Mr. Hope, dated April 1, 2013. The material terms of the severance agreement are as follows:

nained a Sysco employee for the transition period between April 8, 2013 and June 29, 2013

to provide Mr. Hope with the following severance payment upon his termination: a lump-sum payment in the gross ,575,000

of twelve months following the termination of Mr. Hope's employment, Sysco will continue to pay the entire premium Hope's continued participation in the Company's group benefit plans through COBRA. Mr. Hope's eligibility for such l end prior to the conclusion of the twelve month period at any time Mr. Hope (1) becomes eligible to enroll in the of another employer or (2) becomes ineligible to continue participation in Company plans through COBRA

ecuted a general release whereby Mr. Hope released Sysco generally from all claims, demands, actions or liabilities of Ir. Hope agreed to comply with certain restrictions on his post-employment activities, including ongoing obligations to y regarding intellectual property, confidential information to which he had access by virtue of his employment, n competitive activities, and non-solicitation of employees and customers. His failure to comply with such restrictions o to cease payment of any severance benefits owed to Mr. Hope and recoup the lump-sum payment and any associated s

as paid his 2013 MIP bonus at the same time that all other MIP participants received their 2013 bonuses, and any ad made with respect to the 2013 MIP bonus remained in effect payable to Mr. Hope with respect to outstanding, vested CPUs grants were paid to him after the end of the relevant period and at such time as other participants received payments for CPUs

nvested options and unvested RSUs were canceled, and Mr. Hope had ninety days from his retirement date to exercise ck options

to pay Mr. Hope any earned but unused vacation pay, and to reimburse him for any eligible business expenses incurred rse of employment.

Management Incentive Plan

nagement Incentive Plan ("MIP") provides key executives, including the NEOs, with the opportunity to earn bonuses grant of annual performance-based incentive awards, payable in cash. Until the fiscal 2012 grants, the Committee de incentive awards under the plan in May or June prior to the beginning of the fiscal year to which they relate. th the fiscal 2012 grants, the Committee began granting annual incentive awards in the first quarter of the fiscal year to ards relate. We pay amounts owed under such awards in August following the conclusion of the fiscal year. Annual ortunities awarded to corporate participants, including the NEOs, under the MIP may be based on any one or more of :

kholders' equity and earnings per share;

tal and/or increases in pretax earnings of selected divisions or subsidiaries;

ts;

der return;

s in certain financial measures (including working capital and the ratio of sales to net working capital);

arisons with other peer companies or industry groups or classifications; and

pecified Sysco, division or subsidiary performance factors described in the plan.

erformance measures relate to performance for completed fiscal years or multiple completed fiscal year periods. For iod comparisons, we compare results in accordance with generally accepted accounting principles applied on a sis, and we adjust them for any fiscal year containing 53 weeks. The Committee has the discretion to determine which factors will be used for a particular award and the relative weights of the factors. No named executive officer may gregate bonus for any given fiscal year under the MIP in excess of $10,000,000. The Committee will determine and pay entive awards within 90 days following the end of the fiscal year for which the award was earned.

ws for the Compensation Committee to make certain permissible deviations from GAAP standards and provides for methods for modifying bonus formulas after the first 90 days of the applicable fiscal year in order to give the n Committee additional flexibility in structuring performance metrics. Application of any permissible deviations from ard or changes to any performance metrics with respect to "covered employees" under Section 162(m) of the Internal e, which includes each of the NEOs except the CFO, is limited to circumstances where any deviations from GAAP are eterminable and the modification of performance metrics complies with the "performance-based compensation" exception n 162(m) of the Internal Revenue Code. The MIP also includes a provision implementing Sysco's clawback policies. th the fiscal 2013 MIP grants, the Compensation Committee has implemented a bonus pool concept designed to overlay ram and help to ensure income tax deductibility for purposes of Section 162(m).

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Fiscal 2013 MIP Annual Incentive Awards

uld have earned a fiscal 2013 annual incentive award equal to the sum of the following:

and 75% of target (50% of the total possible MIP annual incentive award) determined based on the adjusted diluted hare for fiscal 2013;

and 45% of target (30% of the total possible MIP annual incentive award) determined based on the percentage increase les for fiscal 2013 as compared to fiscal 2012; and

and 30% of target (20% of the total possible MIP annual incentive award) determined based on the return on invested cal 2013. Return on invested capital is computed by dividing the company's adjusted net after-tax earnings for fiscal ompany's adjusted total invested capital for that year. Adjusted total invested capital is computed as the sum of:

kholder's equity, computed as the average of adjusted stockholders' equity at the beginning of the year and at the end of arter during the year; and

g-term debt, computed as the average of the adjusted long-term debt at the beginning of the year and at the end of each during the year.

his calculation as the Business Performance Factor. The calculation of the adjusted results with respect to each of the measures excluded from each of these measures the following items, the returns from which were generally expected to scal 2013: the impact of major acquisitions and divestitures (those with a purchase price over $40 million), any by Sysco operating companies from multi-employer pension plans, and restructuring charges, including but not limited ng to severance, facility closures and consolidations and asset write downs. The Compensation Committee was given to include certain of these excluded items, but only if such inclusion would not cause a named executive officer's MIP ome non-deductible for federal income tax purposes pursuant to Section 162(m) of the Internal Revenue Code. During 13, Sysco had three acquisitions with a purchase price over $40 million, which resulted in sales of $173.8 million that d from the calculations determining the level of attainment of the performance metrics.

erformance measures were independent of each other, and one portion of the incentive award could be earned even if level of one or both of the other measures was not achieved. If the threshold requirements for one or more of the bonus e not met, those portions of the incentive award would not be paid.

fiscal 2013 annual incentive award was subject to a maximum amount that was equal to 110% of the award the NEO eceived based solely on the initial Business Performance Factor. Each NEO's fiscal 2013 annual incentive award was lated as equal to the maximum amount. The actual Business Performance Factor used to determine each NEO's award, s subject to further review by the Compensation Committee, whereby the Committee considered pre-established

3Os to adjust any annual incentive award based on factors determined by the Committee, including but not limited to, against financial strategic goals and the NEO's personal performance, which resulted in an adjustment to the awards ed based on the Business Performance Factor as described below.

ee reviewed each NEO's performance with respect to the non-financial performance goals described in "Compensation d Analysis—What We Paid and Why—Annual Incentive Award – Analysis—Fiscal 2013."

tee had the discretion to adjust Mr. DeLaney's and the other NEO's award payouts based on their performance with se pre-established individual SBOs. If the NEO's performance with respect to the SBO performance goals had met the established by the Committee, the NEO's 2013 Award for FY13 Performance would have equaled 100% of the bonus y using the initial, unadjusted Business Performance Factor. If the NEO's performance with respect to the goals had target levels established by the Committee, the NEO's 2013 Award for FY13 Performance would have equaled between 0% of the bonus determined by using the initial, unadjusted Business Performance Factor. If the NEO's performance e target levels of performance established by the Committee, the NEO's 2013 Award for FY13 Performance would have een 80% and 100% of the bonus determined by using the initial, unadjusted Business Performance Factor.

ns discussed in "Compensation Discussion and Analysis—What We Paid and Why—Annual Incentive Award – Analysis—Fiscal ommittee adjusted the awards initially funded based on the Business Performance Factor and awarded (i) Mr. DeLaney a nual incentive award equal to 99.5% of the bonus that would have been paid using the initial, unadjusted Business Factor, or 41.3% of target, (ii) Mr. Kreidler a 2013 MIP annual incentive award equal to 102% of the bonus that would id using the initial, unadjusted Business Performance Factor, or 42.3% of target, (iii) Mr. Green a 2013 MIP annual rd equal to 101% of the bonus that would have been paid using the initial, unadjusted Business Performance Factor, or get, (iv) Mr. Day a 2013 MIP annual incentive award equal to 101% of the bonus that would have been paid using the isted Business Performance Factor, or 41.9% of target, and (v) Mr. Hope a 2013 MIP annual incentive award equal to onus that would have been paid using the initial, unadjusted Business Performance Factor, or 39.8% of target. ceived a prorated award for the portion of the fiscal year he was employed at 41.5% of target and did not have SBOs in of employment.

the agreements for fiscal 2013, the Committee targeted each named executive officer's MIP annual incentive award at percentages of base salary: 150% for Mr. DeLaney, 125% for Mr. Green and 100% for Messrs. Kreidler, Shurts, Day no event could any NEO's fiscal 2013 MIP annual incentive award have exceeded the maximum bonus amount set as nus pool amount discussed in "—Limit on Fiscal 2013 Maximum Annual Incentive Award Payouts" below. The fiscal 2013 so subject to clawback provisions that provide that, subject to applicable law, all or a portion of the award paid pursuant wards may be recovered by Sysco if there is a restatement of our financial results, other than a restatement due to a counting policy, within 36 months of the payment of the award and the restatement would result in the payment of a d if the award was recalculated using the restated financial results. The Committee has the sole discretion to determine timing of the repayment.

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Calculating the Business Performance Factor

e Metric(1)	Potential Payout	Weighting	x	2013 Performance	=	Payout (% of target)
lly Diluted Earnings	0% - 150%	50 %		0 %		0 %
les Growth	0% - 150%	30 %		73 %		21.9 %
DIC(2)	0% - 150%	20 %		98 %		19.6 %
	0% - 150%	**100 %**				**41.5 %**

on of the adjusted results with respect to each of the performance metrics excluded from each measure the following nancial returns from which we expected to be beyond fiscal 2013: the impact of major acquisitions and divestitures, by Sysco operating companies from multi-employer pension plans, and restructuring charges, including but not limited ting to severance, facility closures and consolidations and asset write downs. The Compensation Committee had the include certain of these excluded items, except where such inclusion would have caused a named executive officer's o become non-deductible for federal income tax purposes pursuant to Section 162(m) of the Internal Revenue Code; Committee did not use such discretion.

puted by dividing the company's adjusted net after-tax earnings for fiscal 2013 by the company's adjusted total invested at year. Adjusted total invested capital is computed as the sum of (i) adjusted stockholder's equity, computed as the djusted stockholders' equity at the beginning of the year and at the end of each fiscal quarter during the year; and (ii) g-term debt, computed as the average of the adjusted long-term debt at the beginning of the year and at the end of each during the year.

ar 2013 program provided for minimum bonus payouts upon adjusted diluted earnings per share of at least $1.91, djusted sales of at least 3% and an adjusted return on invested capital of at least 12.15%. Because Sysco did not meet levels of adjusted diluted earnings per share, we did not pay a bonus with respect to that performance measure. Based chieving approximately a 4.38% increase in adjusted sales (which corresponded to a 4.8% GAAP sales increase), and ted return on invested capital, the NEOs earned a fiscal 2013 MIP annual incentive award of approximately 41.5% of adjustment related to the SBOs.

Fiscal 2013 Summary of Payments

nding Base Salary	Target Annual Incentive (% of Base Salary)	Sysco Business Performance Factor	Award Funding on Business Performance Factor	Funded Award Not Subject to SBO (80%)	Individual SBO Performance Factor(2)	Amount of Award Funding on SBO (20%)	Total Earned Award for FY13 Performance
1,175,000	150 %	41.5 %	$ 731,437	$ 585,150	97.5 %	$ 142,630	$ 727,780

700,000	100 %	41.5 %	$	290,500	$	232,400	110.0 %	$	63,910	$	296,310
700,000	125 %	41.5 %	$	363,125	$	290,500	105.0 %	$	76,256	$	366,756
575,000	100 %	41.5 %	$	174,380		--	--		--	$	174,380
510,000	100 %	41.5 %	$	211,650	$	169,320	105.0 %	$	44,446	$	213,766
525,000	100 %	41.5 %	$	217,875	$	174,300	80.0 %	$	34,860	$	209,160

ceived a prorated award for the portion of the fiscal year he was employed.

tee had the discretion to adjust all NEO's Annual Incentive Award, other than Mr. Shurts, pursuant to individual SBOs, below

evels of performance to reach threshold, target and maximum payouts are described in the table below.

MIP Annual Incentive Award Targets - Fiscal 2013

Adjusted Sales Growth	Adjusted Fully Diluted Earnings Per Share	Adjusted Return on Invested Capital
3.0 %	$ 1.91	12.15 %
6.0 %	$ 1.95	13.40 %
8.0 %	$ 2.01	14.65 %

cal 2013 maximum annual incentive award payouts. In August 2012, the Committee further refined the MIP annual rds for the NEOs, by establishing a bonus pool for fiscal year 2013 for certain "covered employees" of Sysco, as defined 52(m) of the Internal Revenue Code (the "Code") to help ensure compliance with the deductibility requirements of m) of the Code, as well as for Mr. Kreidler. The bonus pool was set to be equal to two percent (2%) of Sysco's net fiscal year 2013 and in no event can the sum of the individual percentages of the bonus pool granted to the participants xceed one hundred percent (100%). The maximum award for each Participant, expressed as a percentage of the bonus Program Year, is set forth below and in no event can it exceed the individual award maximum set forth in the plan

s Title	Percent of Bonus Pool Allocated to Participant
	40 %
	15 %
	15 %
	15 %
	15 %

ol serves only to provide a ceiling on the maximum bonus amount that any NEO may receive, and the actual bonus NEO will be determined pursuant to the fiscal 2013 incentive award opportunity described above.

Fiscal 2014 MIP Awards

the annual incentive award opportunity for fiscal 2014, the Compensation Committee provided for:

executive officer's MIP annual incentive award to be targeted at the following percentages of base salary: 150% for , 125% for Mr. Green and 100% for Messrs. Kreidler, Shurts and Day;

measures under the 2014 MIP annual incentive award program that are independent of each other, whereby one portion can be earned even if the threshold level of one or both of the other measures is not achieved; and

ance measures are similar as were used in fiscal 2013: (1) adjusted fully diluted earnings per share; (2) capital measured by adjusted return on invested capital; and (3) profitable sales growth. Earnings and capital efficiency are he same manner as in 2013. The sales growth measure for fiscal 2014 is adjusted to be a matrix reflecting combination ntage increases and gross profit dollar growth. Thre three independent metrics retain the same relative weighting as in

sation Committee may also consider pre-established individual SBOs to adjust any MIP annual incentive award based termined by the Compensation Committee, including but not limited to, performance against financial strategic goals)'s personal performance. Based on each NEO's performance with respect to the pre-established objectives, the nay adjust 40% of the NEO's annual incentive award by zero to 150%, subject to the bonus pool maximum discussed ompensation Committee will review each NEO's performance against such goals and accordingly adjust the Business Factor. The Compensation Committee believes this will continue to promote the overall executive compensation pay link executive pay to performance.

cal 2014 maximum annual incentive award payouts. In August 2013, the Committee established a bonus pool for 14 for certain "covered employees" of Sysco, as defined in Section 162(m) of the Internal Revenue Code (the "Code") to ompliance with the deductibility requirements of Section 162(m) of the Code, as well as for Mr. Kreidler. The bonus o be equal to two percent (2%) of Sysco's net earnings for fiscal year 2013 and in no event can the sum of the individual f the bonus pool granted to the participants in the pool exceed one hundred percent (100%). The maximum award for ant, expressed as a percentage of the bonus pool for the program year, is set forth below and in no event can it exceed award maximum set forth in the plan document:

s Title	Percent of Bonus Pool Allocated to Participant
	40 %
	15 %
	15 %
	15 %
	15 %

ol serves only to provide a ceiling on the maximum bonus amount that any NEO may receive, and the actual bonus
NEO will be determined pursuant to the fiscal 2014 incentive award opportunity described above.

Outstanding Equity Awards at Fiscal Year-End

07 Stock Incentive Plan, and its predecessor, the 2004 Stock Option Plan, allow for options to vest and become n no more than one-third increments each year, option grants under the plans to the NEOs have generally vested and cisable in five equal annual installments beginning one year after the grant date to create a long-term incentive for the he Committee will at times, however, grant options that vest one-third per year beginning on the first anniversary of stricted stock units that have been granted pursuant to the 2007 Stock Incentive Plan vest one-third per year over three 07 Stock Incentive Plan allows the Committee the discretion to grant stock options, restricted stock, and restricted stock as other stock-based awards.

the terms of the 2004 and 2007 Plans, the exercise price of options may not be less than the fair market value on the ant, which is defined in our plans as the closing price of our common stock on the New York Stock Exchange on the preceding the grant date. Our stock plans specifically prohibit repricing of outstanding grants without stockholder e Committee now grants all of our stock options and restricted stock units pursuant to our equity grant guidelines. ur equity grant guidelines in effect prior to August 2011, the Committee generally made option and restricted stock unit second Tuesday in November each year, a date when we were typically in a trading "window" under our Policy on ompany Securities. In August 2011, the Committee revised our equity grant guidelines to provide that grants may be any open trading windows pursuant to our Policy on Trading in Company Securities, subject to certain conditions and s. The guidelines provide that the Committee should generally make equity grants at a point in time when we have eminated all material information likely to affect the trading price of Sysco's common stock. Under the guidelines, the ill generally not make grants during a period preceding an anticipated event that is likely to cause a substantial increase al decrease in the trading price of Sysco's common stock, such as an earnings release. If we have grants scheduled to ysco is in possession of material non-public information, then:

must inform the Committee or the Board of Directors, as the case may be, of all material information in its possession co; and

mittee's or Board's judgment, such information is reasonably likely to affect the trading price of Sysco's common stock, sideration should be given to the number and exercise price of options and the number of any equity grants that may be ht of such material non-public information.

g table provides information on each named executive officer's stock option, restricted stock and restricted stock unit ding as of June 29, 2013.

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Outstanding Equity Awards at Fiscal Year-End

	Option Awards				**Stock Awards**	
Date Granted	**Number of Securities Underlying Unexercised Options Exercisable (#)**	**Number of Securities Underlying Unexercised Options Unexercisable (#)**	**Option Exercise Price ($)**	**Option Expiration Date**	**Number of Shares or Units of Stock That Have Not Vested (#)**	**Market Value of Shares or Units of Stock That Have Not Vested ($)[1]**
February 2013	—	—	—	—	30,894 [2]	$ 1,055,339
November 2012	—	—	—	—	63,855 [3]	2,181,287
November 2012	—	—	—	—	57,538 [4]	1,965,498
November 2012		750,000 [5]	$ 29.96	11/13/2019	—	—
November 2011	—	—	—	—	41,456 [6]	$ 1,416,137
November 2011	—	600,000 [7]	27.65	11/14/2018	—	—
November 2010	—	—	—	—	14,433 [8]	493,043
November 2010	—	300,000 [9]	28.87	11/10/2017	—	—
November 2009	—	140,800 [10]	27.44	11/9/2016	—	—
February 2009	—	64,400 [11]	23.36	2/10/2016	—	—
November 2008	1	25,000 [12]	24.99	11/10/2015	—	—
November 2012	—	—	—	—	41,036 [3]	1,401,790
November 2012	—	—	—	—	19,995 [4]	683,029
November 2012	—	306,250 [5]	29.96	11/13/2019	—	—
November 2011	—	—	—	—	12,617 [6]	430,997
November 2011	52,500	210,000 [7]	27.65	11/14/2018	—	—
November 2010	—	—	—	—	4,566 [8]	155,975
November 2010	63,000	94,500 [9]	28.87	11/10/2017	—	—
November 2009	24,000	48,000 [10]	27.44	11/9/2016	—	—
October 2009	12,303	30,000 [13]	24.38	10/5/2016	—	—
November 2012	—	—	—	—	18,567 [4]	634,249
November 2012	—	284,375 [5]	29.96	11/13/2019	—	—
November 2011	—	—	—	—	12,692 [6]	433,559
November 2011	—	211,251 [7]	27.65	11/14/2018	—	—
November 2010	—	—	—	—	4,766 [8]	162,807
November 2010	—	99,000 [9]	28.87	11/10/2017	—	—
November 2009	—	53,400 [10]	27.44	11/9/2016	—	—

November 2008	1	20,000 (12)	24.99	11/10/2015	—	—
November 2012	—	—	—	—	31,575 (4)	1,078,602
November 2012	—	233,594 (5)	29.96	11/13/2019	—	—
November 2012	—	—	—	—	12,487 (4)	426,556
November 2012	—	191,250 (5)	29.96	11/13/2019	—	—
November 2011	—	—	—	—	9,012 (6)	$ 307,850
November 2011	—	150,000 (7)	27.65	11/14/2018	—	—
November 2010	—	—	—	—	3,433 (8)	117,271
November 2010	—	71,400 (9)	28.87	11/10/2017	—	—
November 2009	—	15,400 (10)	27.44	11/9/2016	—	—
November 2008	2	10,000 (12)	24.99	11/10/2015	—	—
November 2007	32,000	—	33.39	11/13/2014	—	—
November 2012	—	—	—	—	12,854 (4)	439,093
November 2012	—	196,875 (5)	29.96	11/13/2019	—	—
November 2011	—	—	—	—	9,462 (6)	$ 323,222
November 2011	—	157,500 (7)	27.65	11/14/2018	—	—
November 2010	—	—	—	—	3,633 (8)	124,103
November 2010	—	75,000 (9)	28.87	11/10/2017	—	—
November 2009	—	15,400 (10)	27.44	11/9/2016	—	—
November 2008	1	10,000 (12)	24.99	11/10/2015	—	—

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e dollar value is calculated using the closing price of our common stock on June 28, 2013 of $34.16.

ted stock units vest in equal portions on February 12 of 2014, 2015 and 2016 and may be settled solely by delivery of nber of shares of Sysco common stock. Vesting is contingent upon executive's continued service with the company, he units will remain in effect and continue to vest according to the vesting schedule upon executive's termination of due to retirement in good standing or disability. Additionally, the units will vest immediately upon executive's death or ontrol of the company.

ted stock units vest in equal portions on November 14 of 2013, 2014, 2015, 2016 and 2017 and may be settled solely f an equal number of shares of Sysco common stock. Vesting is contingent upon executive's continued service with the xcept that the units will remain in effect and continue to vest according to the vesting schedule upon executive's of employment due to retirement in good standing or disability. Additionally, the units will vest immediately upon eath or a change in control of the company.

ted stock units vest in equal portions on November 13 of 2013, 2014, and 2015, and may be settled solely by delivery umber of shares of Sysco common stock. Vesting is contingent upon executive's continued service with the company, he units will remain in effect and continue to vest according to the vesting schedule upon executive's termination of due to retirement in good standing or disability. Additionally, the units will vest immediately upon executive's death or ontrol of the company.

s vest in equal portions on November 13 of 2013, 2014, 2015, 2016 and 2017.

ted stock units vest in equal portions on November 15 of 2013 and 2014 and may be settled solely by delivery of an r of shares of Sysco common stock. Vesting is contingent upon executive's continued service with the company, except s will remain in effect and continue to vest according to the vesting schedule upon executive's termination of due to retirement in good standing or disability. Additionally, the units will vest immediately upon executive's death or ontrol of the company.

ns vest in equal portions on November 15 of 2012, 2013, 2014, 2015 and 2016. With respect to Mr. DeLaney, the iously reported in fiscal 2012, was reduced from 862,500 to 750,000 because that portion of the initial grant was void use not allowed under the 2007 Stock Incentive Plan.

ted stock units vest on November 11, 2013 and may be settled solely by delivery of an equal number of shares of Sysco ck. Vesting is contingent upon executive's continued service with the company, except that the units will remain in ntinue to vest according to the vesting schedule upon executive's termination of employment due to retirement in good isability. Additionally, the units will vest immediately upon executive's death or a change in control of the company.

s vest in equal portions on November 11 of 2013, 2014 and 2015.

s vest in equal portions on November 10 of 2013 and 2014.

s vest on February 11, 2014.

s vest on November 11, 2013.

s vest in equal portions on October 5 of 2013 and 2014.

employment with Sysco terminated effective June 29, 2013. Upon termination, all vesting of stock options and RSUs l unvested options and RSUs were cancelled.

Awards pursuant to the 2007 Stock Incentive Plan and the 2004 Stock Option Plan

ion awards listed above provide that if the executive's employment terminates as a result of retirement in good standing the option will remain in effect, vest and be exercisable in accordance with its terms as if the executive remained an Sysco. All unvested options will vest immediately upon the executive's death. Furthermore, the options provide that the state or designees may exercise the options at any time within three years after his death for grants made in 2005 and in one year after his death for grants made prior to 2005, but in no event later than the original termination date.

ions above provide for the vesting of unvested options upon a change in control. In addition, grants made in 2005 and that if the named executive's employment is terminated other than for cause, during the 24 month period following a trol, the outstanding options under the plans will be exercisable to the extent the options were exercisable as of the date n for 24 months after employment termination or until the expiration of the stated term of the option, whichever period

Option Exercises and Stock Vested

g table provides information with respect to aggregate option exercises and the vesting of stock awards during the last each of the NEOs.

Option Awards		Stock Awards	
Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)[1]
1,018,799	$ 7,627,080	45,862	$ 1,372,898
80,679	713,214	16,210	487,930
376,911	1,729,430	15,181	454,395
0	0	0	0
177,198	760,759	10,640	318,480
216,174	770,788	11,065	331,206

d the value realized upon vesting by multiplying the number of shares of stock that vested by the closing price of
mon stock on the first business day preceding the purchase date.

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Pension Benefits

ins two defined benefit plans. One is the Sysco Corporation Retirement Plan, or pension plan, which is intended to be a plan under the Internal Revenue Code. The second is the Sysco Corporation Supplemental Executive Retirement Plan, ch is not a tax-qualified plan. The pension plan ceased all non-union participant accruals effective December 31, 2012 n employees no longer earn additional retirement benefits under the pension plan. In November 2012, the SERP was nded to freeze benefits and stop future accruals, effective June 29, 2013. Participants covered by the SERP as 013 were granted accelerated vesting. For those who retire and are not eligible for immediate commencement of their , they will be deemed 100% vested, with benefits payable upon reaching age 65. For those who are eligible for a SERP time of retirement, an early retirement reduction factor (equal to the vested level that existed in the Plan at the time of ll be used to determine the amount available. As of January 1, 2013, the broad-based tax-qualified Sysco Corporation (401(k) plan) was enhanced to provide a higher benefit going forward. While these changes will potentially impact the benefit for an executive who terminates in calendar 2013 or later, the changes do not impact the benefit that has been gh fiscal year 2013, reported in the table below. The following table shows the years of credited service for benefit ses and the present value of the accrued benefits for each of the NEOs under each of the pension plan and SERP as of . No named executive officer received payments under either defined benefit plan during the last fiscal year. Mr. Shurts ipant in either of the Sysco maintained defined benefit plans.

Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefit
Pension Plan	24.333	$ 490,342
SERP	24.333	7,040,668
Pension Plan	3.667	67,761
SERP	3.667	273,792
Pension Plan	22.333	400,559
SERP	22.333	7,093,129
Pension Plan	N/A	N/A
SERP	N/A	N/A
Pension Plan	30.250	436,739
SERP	30.250	2,783,550
Pension Plan	26.250	358,110
SERP	26.250	2,493,133

the pension plan benefits in the form of a life annuity with payments guaranteed for five years. As required by SEC culated the participating officers' accrued benefits under the pension plan by assuming that the named executives will vice with the company until age 65, which is the earliest age at which the NEOs can retire without any reduction in

, we calculated the participating officers' accrued benefits by assuming that the named executives will remain in service until the earliest age they could retire without any reduction in SERP benefits. This date is at age 60.417 for , age 63 for Mr. Kreidler, age 57 for Mr. Green, age 61.417 for Mr. Day and age 65 for Mr. Hope. These ages differ ERP early retirement factors are based on a combination of the participant's age, Sysco service, and/or MIP service. e of these ages may represent the executive's current age as of the 2013 fiscal year-end due to prior attainment of their uced date. We pay SERP benefits as a life only annuity with a 10 year guarantee; however, married members also have elect a joint life annuity, reducing to two-thirds upon the death of either the executive or his spouse, with the unreduced anteed for at least 10 years.

d the present value of the accumulated pension plan and SERP benefits based on a 5.32% discount rate for the pension 94% discount rate for the SERP, with a post-retirement mortality assumption based on the RP2000 Combined Healthy distinct, projected to 2020, with scale AA.

e the estimated accrued benefits earned through the fiscal year ending 2013 for the pension plan or SERP, as noted. amounts would be payable at the earliest unreduced retirement age, as described above, if the named executive officer e service of Sysco until such age. Projected benefits that may be earned due to pay and service after the fiscal year 9, 2013 are not included in these estimates.

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Plan Name	Earliest Unreduced Retirement Age	Expected Years of Payments	Estimated Annual Benefit
Pension Plan	65	19.3	$ 62,038
SERP	60.417	26.0	561,029
Pension Plan	65	19.3	12,922
SERP	63	23.8	38,055
Pension Plan	65	19.3	61,285
SERP	57	29.0	539,237
Pension Plan	N/A	N/A	N/A
SERP	N/A	N/A	N/A
Pension Plan	65	19.3	58,698
SERP	61.417	25.2	250,821
Pension Plan	65	19.3	56,473
SERP	65	22.2	332,371

› the above, the participating officers are entitled to a temporary social security bridge benefit commencing at their duced retirement age until the earlier of death or age 62. The amount of this monthly benefit for each participating l on the SERP early retirement assumptions above, is $1,912 for Mr. DeLaney, $1,479 for Mr. Green and $1,554 for

Pension Plan

plan, which is intended to be tax-qualified, is funded through an irrevocable tax-exempt trust and covered y 27,500 eligible employees as of the end of fiscal 2013. In general, a participant's accrued benefit is equal to 1.5% ticipant's average monthly eligible earnings for each year or partial year of service with Sysco or a subsidiary. As ted above, as of January 1, 2013, non-union employees no longer earn additional retirement benefits under the pension ngs and service after December 31, 2012 were not taken into account for determining non-union participants' accrued r the pension plan. The accrued benefit under the pension plan is expressed in the form of a monthly annuity for the ife, beginning at age 65, the plan's normal retirement age, and with payments guaranteed for five years. If the participant Sysco until at least age 55 with 10 years of service, the participant is entitled to early retirement payments. In such ce the benefit 6.67% per year for the first 5 years prior to normal retirement age and an additional 3.33% per year for age 60. Employees vest in the pension plan after five years of service, and the amendment to freeze benefit accruals sion plan after December 31, 2012 did not impact service determination for vesting purposes.

ided under the pension plan are based on compensation up to a limit, which is $255,000 for calendar year 2013, under evenue Code. In addition, annual benefits provided under the pension plan may not exceed a limit, which is $205,000 ear 2013, under the Internal Revenue Code.

luded in Benefit Formula — Compensation included in the pension plan's benefit calculation is generally earned income erred bonuses.

ding Extra Years of Credited Service — Generally, we do not credit service in the pension plan beyond the actual number nployee participates in the plan. We base the years of credited service for the NEOs only on their service while eligible on in the plan.

ent Options— Participants may choose their method of payment from several options, including a life annuity option, and survivor annuity, Social Security leveling and life annuity options with minimum guaranteed terms. Only de sums are available.

Supplemental Executive Retirement Plan

plemental retirement plans, including the SERP, to approximately 175 eligible executives, as of June 29, 2013, to etirement benefits beyond the amounts available under Sysco's various broad-based US and Canadian pension plans. IEOs other than Mr. Shurts participates in the SERP. It is our intent that the SERP comply with Section 409A of the enue Code in both form and operation. The SERP is an unsecured obligation of Sysco and is not qualified for tax December 2008, the Board of Directors substantially revised the SERP by reducing its benefits and to limit the class of igible to participate in the SERP on or after June 28, 2008 and added an alternative MIP Retirement Program, which vides for lesser benefits than the SERP, for certain employees who would otherwise have participated in the SERP. IEOs participates in this alternative program. In May 2011, the SERP was amended in order to close the SERP to future In November 2012, the SERP was further amended to freeze benefits and stop future accruals, effective June 29, 2013. overed by the SERP as of June 29, 2013 were granted accelerated vesting. For those who retire and are not eligible for mmencement of their SERP benefit, they will be deemed 100% vested, with benefits payable upon reaching age 65. For eligible for a SERP benefit at the time of retirement, an early retirement reduction factor (equal to the vested level that Plan at the time of the freeze) will be used to determine the amount available.

s designed to provide, in combination with other retirement benefits, 50% of an executive's final average compensation, xecutive had at least 20 years of Sysco service, including service with an acquired company. "Other retirement benefits" l Security, benefits from the pension plan, and employer contributions under Sysco's 401(k) plan and similar qualified ired companies. We reduce the gross accrued benefit of 50% of final average compensation by 5% per year for each service including service with an acquired company of less than 20 years. For purposes of this service calculation, was frozen effective June 29, 2013. Additionally, final average compensation is determined using the monthly average nt's eligible earnings for the last 10 fiscal years prior to June 29, 2013, or the date he ceases to be covered under the ier. Employees are generally not eligible for benefits if they leave the company prior to age 55. With respect to the of a participant's accrued benefit as of June 28, 2008, as discussed below, final average compensation is determined nthly average of a participant's eligible earnings for the highest 5 of the 10 fiscal years prior to, and including, the fiscal ne 28, 2008.

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gible earnings" refers to compensation taken into account for SERP purposes. As discussed below, beginning with fiscal tion of a participant's MIP bonus counted as eligible earnings is capped at 150% of the participant's rate of base salary as y of the applicable fiscal year. Eligible earnings for fiscal years prior to fiscal 2009, including eligible earnings for etermining a participant's accrued benefit as of June 28, 2008, as discussed below, are not affected by this plan change. n of eligible earnings that places a cap on the MIP bonus for fiscal years after fiscal 2008 will be used in all benefit xcept for certain death benefit calculations and a participant's accrued benefit as of June 28, 2008, as discussed below.

orate officer will receive a SERP benefit equal to the greater of:

benefit determined as of June 29, 2013 (the plan freeze date); or

benefit determined as of June 28, 2008, but the early retirement factor and eligibility for immediate benefit payments s of the date service with Sysco ends, using the following components:

based on the highest five fiscal years, which need not be successive, of eligible earnings in the ten fiscal year period 8, 2008;

ervice with Sysco, including service with companies acquired by Sysco, as of June 28, 2008; and

une 28, 2008, with the standard adjustment to reflect the form and timing of the SERP benefit payments as of the date ysco ends.

ERP, Sysco has the ability to cause the forfeiture of any remaining SERP payments to a participant who was not r "cause," but who after his termination was determined by the Compensation Committee to have engaged in behavior ved that would have constituted grounds for a discharge for "cause." For this purpose, termination for "cause" includes for fraud or embezzlement. Sysco also has the ability to cause a forfeiture of any remaining SERP payments to a the participant violates certain non-competition covenants. These non-competition covenants are applicable for the year mination and to the entire period over which any SERP benefits are to be paid.

overed by the SERP as of June 29, 2013 are 100% vested. For those who are eligible for early payment at retirement, may be reduced by an early retirement factor. The early retirement factor is based upon age and MIP participation r Sysco service. The early retirement factor is 50% when executives reach the earlier of age 60 with 10 years of MIP service and 20 years of Sysco service or age 55 with 15 years of MIP participation service. The early retirement factor n additional years of age and/or MIP participation service or Sysco service. An executive with at least 20 years of Sysco ding service with companies acquired by Sysco) can retire with unreduced benefits when the early retirement factor is ecutive generally attains an early retirement factor of 100% on the earliest of:

as at least 10 years of Sysco service;

as at least 15 years of MIP service, but only if the sum of his age and MIP service is equal to or exceeds 80; and

as at least 25 years of Sysco service and at least 15 years of MIP service.

currence of a change in control, the early retirement factor will become 100% for each named executive officer. criteria for determining whether an executive is eligible for early payment remains unchanged (i.e., the enhancement retirement factor only impacts participants who otherwise meet the early payment criteria upon retirement). ing this, the SERP contains cutback provisions that will reduce amounts payable to each named executive officer by the y payments that cannot be deducted by Sysco under Section 280G of the Internal Revenue Code.

ERP benefit as a monthly life annuity with a guaranteed minimum period of 10 years if the participant is not married at nents commence. If the participant is married at the time payments commence, the participant has the option to elect a uity whereby the participant and spouse are entitled to a monthly annuity for life with a guaranteed minimum period of generally, on the participant's or spouse's death, the survivor is entitled to receive a monthly annuity for life with each al to two-thirds of each payment made to the couple. The benefit payable upon the death of a vested, terminated eflects a reduction of 5/9 of 1% for each of the first 120 months prior to age 65 and an actuarial reduction for the ween age 55 and the executive's age at death.

temporary Social Security bridge benefit to an executive commencing SERP benefits before age 62, payable until the 62 or death.

Compensation included in Benefit Formula — Compensation generally includes base pay, the MIP bonus or any bonus f or as a substitute for the MIP bonus (although this is limited to 150% of the annual rate of base salary for fiscal 2009 s), the fiscal 2007 supplemental performance bonus, and stock matches under the 2005 Management Incentive Plan and lans with respect to fiscal 2005 and prior fiscal years. Compensation earned after June 29, 2013 is not applicable to the

us — Sysco's obligations under the SERP are partially funded by a rabbi trust holding life insurance and an interest in roperty occupied by Sysco. Sysco's obligations under the SERP are maintained as a book reserve account. In the event nkruptcy or insolvency, however, the life insurance, the real property interest, and any other assets held by the rabbi subject to the claims of Sysco's general creditors.

egard to Extra Years of Credited Service — Generally, Sysco does not award extra years of credited service under the ver, in certain cases, the company may increase the early retirement factor, or award additional Sysco service for determining the reduction applicable to the participant's final average compensation. As of the date of this proxy ne of the NEOs have been awarded additional credited service, or an increase in the early retirement factor applicable to benefits under the SERP.

ailability — Retirement benefits may not be paid as a lump sum.

ributions to Named Executives— Distributions to a named executive officer upon the named executive officer's "separation " as defined under Section 409A of the Internal Revenue Code will be delayed for a period of six months to the extent ayments during such six-month period would violate Section 409A.

r 14, 2012, the Committee amended the SERP to provide that benefit accruals for all participants were frozen as of
3. Subsequent to June 29, 2013, the frozen SERP benefits continue to be payable pursuant to the terms of the SERP, as

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e June 29, 2013, all SERP participants vested in their then accrued benefit. However, an early retirement reduction en added to apply in the case of an employee who retires before age 65 who would not have been fully vested at his te under the SERP prior to the amendment. The early retirement factor mirrors the benefit reduction that would have result of the application of the vesting formula if the participant had taken early retirement under the SERP as it existed nendment. These changes do not alter the benefit commencement or other payment schedules for any SERP participant. ne age threshold previously applicable to the SERP death benefit was removed, effective June 29, 2013. As a result, if icipant dies, the participant's beneficiary will be entitled to a monthly annuity actuarially equivalent to the greater of: (i) yment equal to 25% of the participant's three-year final average compensation for ten years certain, or (ii) the vested accrued benefit as of his date of death, reduced by an actuarial reduction factor to take into account age at death al retirement age of 65.

Fiscal 2013 Nonqualified Deferred Compensation

g table provides information regarding executive contributions and related company matches, earnings and account er the Executive Deferred Compensation Plan (EDCP) and Management Savings Plan (MSP) for each of the NEOs 2013. No executive officer made any withdrawals or received any distributions with respect to fiscal 2013.

Applicable Plan	**Executive Contributions for Fiscal 2013 ($)[1]**	**Registrant Contributions for Fiscal 2013 ($)[2]**	**Aggregate Earnings in Fiscal 2013 ($)[3]**	**Aggregate Balance at June 29, 2013 ($)[4]**
EDCP	$ —	$ —	$ 68,822	$ 1,261,258
MSP	29,375	—	285	29,660
EDCP	40,200	6,030	6,451	141,760
MSP	—	—	—	—
EDCP	—	—	—	—
MSP	17,500	—	353	17,853
EDCP	—	—	—	—
MSP	14,375	—	180	14,555
EDCP	—	—	74,593	1,404,405
MSP	2,550	—	25	2,575
EDCP	—	—	69,045	1,265,348
MSP	26,250	—	254	26,504

CP, the amount shown for Mr. Kreidler includes deferral of a portion of the MIP annual incentive award paid in with respect to fiscal 2012. This amount is included in the Summary Compensation Table under the "Non-Equity an Compensation" column for 2013, as more specifically described in footnote 5 to the Table as follows: for $40,200 for fiscal 2012 and $0 for fiscal 2013. The other NEOs did not elect to defer annual incentive awards. For the ounts shown for Messrs. DeLaney, Green, Shurts, Day and Hope includes deferral of a portion of the salary paid for

This amount is included in the Summary Compensation Table under the "Salary" column for 2013.

d below, Sysco matches a portion of the annual incentive award deferred by an executive into the EDCP. Amount sents the Sysco match on the executive's deferral of a portion of the 2012 and 2013 annual incentive awards. As noted ncludes a MIP award paid for fiscal 2012 in August 2012 and a MIP award paid for fiscal 2013 in August 2013. These nts are included in the "All Other Compensation" column of the Summary Compensation Table, as follows: for y: $0 for 2012, and $0 for 2013; for Mr. Kreidler: $6,030 for fiscal 2012 and $0 for fiscal 2013; for Mr. Green, $0 for nd $0 for fiscal 2013; for Mr. Shurts, $0 for fiscal 2012 and $0 for fiscal 2013; for Mr. Day, $0 for fiscal 2012 and $0 13; and for Mr. Hope, $0 for fiscal 2012 and $0 for fiscal 2013. Sysco match for the MSP deferral will not be credited 014.

arket interest portion of these amounts is included in the fiscal 2013 disclosure under the "Change in Pension Value and d Deferred Compensation Earnings" column and footnote 6 of the Summary Compensation Table, in the following 0,755 for EDCP and $95 for MSP for Mr. DeLaney, $2,136 for EDCP and $0 for MSP for Mr. Kreidler, $0 for EDCP MSP for Mr. Green, $0 for EDCP and $12 for MSP for Mr. Shurts, $32,141 for EDCP and $8 for MSP for Mr. Day, for EDCP and $85 for MSP for Mr. Hope.

the amounts disclosed in this column for Mr. DeLaney has previously been reported in Summary Compensation Tables years, including the following amounts: for Mr. DeLaney: $29,450 for 2012, $26,667 for fiscal 2011, $24,213 for fiscal 8 for fiscal 2009, and $451,522 for fiscal 2008.

DCP — Sysco maintained the EDCP to provide certain executives, including the named executives, the opportunity to ipt of a portion of their annual salaries, bonuses and deemed earnings thereon on a tax-deferred basis. Federal income mounts credited under the EDCP will be deferred until payout under current tax law. The EDCP is administered by the n Committee.

- All Sysco executives who are participants in the MIP, excluding those whose income is subject to Canadian income tax gible to participate.

ferrals and Sysco Matching Credit— Executives were permitted to defer up to 40% of their bonuses under the MIP, and r to fiscal 2009 only, their supplemental performance bonuses, referred to in the aggregate as "bonus," and up to 100% of ptember 2009, the EDCP was amended to clarify that any bonus paid in lieu of or as a substitute for the MIP bonus in s eligible for deferral under the EDCP. Sysco did not match salary deferrals under the EDCP. Sysco provided matching of the first 20% of bonus deferred, resulting in a maximum possible match credit of 3% of an executive's bonus. The vas permitted to authorize additional discretionary company contributions, although it did not authorize any in fiscal 010, 2011, 2012 or 2013.

ptions — An executive may invest the deferral portion of his or her account among nine investment options, which may s often as daily. The returns for these options of varying risk/reward ranged from negative 1.68% to 25.83% for the year 9, 2013.

2, 2008, Moody's plus 1%, or the "risk free" option, was one of nine available deemed investment options under the EDCP default investment option for participants who failed to make an investment election. In addition, company matches ically credited with interest at the Moody's plus 1% rate, and interest credited during an installment payout period under ent distribution option available under the EDCP was credited at Moody's plus 1%. For a given calendar year, the

% option provides an annual return equal to the Moody's Average Corporate Bond Yield for the higher of the six or
period ending on the preceding October 31, plus 1%. The Moody's + 1% return was 7.1950% for calendar year 2008.

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of July 2, 2008, the Moody’s plus 1%, or “risk free,” option and the default investment rate were changed to Moody’s ddition of the 1%. As a result, the interest rate credited on company matches for future years, and the investment return errals after July 1, 2008 and bonus deferrals for years after fiscal 2008, as well as any transfers from another investment risk free option after July 1, 2008, are based on Moody’s and not Moody’s plus 1%. In addition, for participants whose terminates after July 1, 2008, interest credited to the participant’s account during an installment payout period will be not Moody’s plus 1%.

ing these changes, interest will continue to be credited at the Moody’s plus 1% rate on each participant’s accumulated ch account as of July 1, 2008, and on that portion of the participant’s deferral account invested in the Moody’s plus 1% y 1, 2008, and not otherwise transferred at a later time.

n executive is always 100% vested in his or her deferrals, but is at risk of forfeiting the deemed investment return on the cause or competing against Sysco in certain instances. Each Sysco match and the associated deemed investment return vested at the earliest to occur of:

versary of the crediting date of the match;

’s 60th birthday;

’s death;

’s disability; or

ange in control.

and associated investment returns not otherwise fully vested under one of the above provisions may vest under an hedule when the executive is at least age 55 and has at least 15 years of MIP participation service. Vesting under this hedule is based on the sum of the executive’s age and years of MIP participation service, as follows:

Vested %	Sum	Vested %	Sum	Vested %
0 %	73	65 %	77	85 %
50 %	74	70 %	78	90 %
55 %	75	75 %	79	95 %
60 %	76	80 %	80	100 %

ee has the discretion to accelerate vesting when it determines specific situations warrant such action. Executives may amounts, other than salary and bonus deferrals, as described under “Forfeiture for Cause or Competition” below.

stribution Elections and Hardship Withdrawals — Unless an executive has previously made an in-service distribution xecutive will generally not have access to amounts deferred under the EDCP while employed by Sysco unless he or she l qualifies for a hardship withdrawal. Such withdrawals are available under very limited circumstances in ith an unforeseeable emergency. An executive may make separate in-service distribution elections with respect to a salary deferral and bonus deferral, concurrent with that year's deferral election. None of the named executives made an tribution election in fiscal 2013.

Events— We will distribute the vested portion of the amount credited to an executive's EDCP account upon the earlier to xecutive's death, disability, retirement or other separation event.

— Effective January 1, 2009, a participant who terminates employment other than due to death or disability prior to the 60, or age 55 with 10 years of service with the company, will receive a lump sum. A participant may elect the form of f his account if the participant terminates employment after the earlier of age 60, or age 55 with 10 years of service with A participant may also elect the form of payment of his vested account balance in the event of death or disability.

e who has the right to elect the form of payment of his vested account balance may choose annual or quarterly over a specified period of up to 20 years, a lump sum or a combination of both. An executive may change his ections prior to separation subject to limitations in the EDCP required by Section 409A of the Internal Revenue Code.

y installments under the EDCP, we will credit the executive's unpaid vested account balance with a fixed investment the entire payout period. This fixed return will equal the Moody's Average Corporate Bond Yield for either the six- or period ending two months prior to the month of the first installment payment, whichever is higher.

ributions to Named Executives— Distributions to a specified employee, including a named executive, upon the specified named executive officer's "separation from service" as defined under Section 409A of the Internal Revenue Code will be period of six months to the extent that making payments during such six-month period would violate Section 409A of evenue Code.

r Cause or Competition— Any portion of an executive's account attributable to Sysco matches, including associated tment return, and the net investment gain, if any, credited on his deferrals, is subject to forfeiture for specified cause or

ontrol— Upon the occurrence of a change in control, each named executive officer will become 100% vested in his tch under the EDCP that has accrued prior to the change in control. The executive will also be 100% vested in any tch under the EDCP that accrues after the date of the change in control. Notwithstanding this, the EDCP contains sions that will reduce amounts payable to each named executive officer by the amount of any payments that cannot be Sysco under Section 280G of the Internal Revenue Code.

er 14, 2012, the Committee also approved an amendment to the EDCP that closed the EDCP to new participants, ember 31, 2012. Existing EDCP accounts continue to be maintained and distributions made in accordance with the EDCP and the existing deferral elections of the participants. The fiscal year 2013 bonus deferrals, which were elected by n June 2012, were the last deferrals credited to a participant's EDCP account, and in addition, all salary deferrals ceased r 31, 2012. Beginning January 1, 2013, participants in the EDCP began participation in the MSP. Also, effective , 2012, Company matches under the EDCP, together with interest accumulated on those Company matches, became ith the SERP amendments described above, the amendments to the EDCP did not alter the benefit commencement any EDCP participant. Effective January 1, 2014, participants will be permitted to direct the investment of company r the EDCP. Prior to such date, company matches will earn interest at a rate equal to Moody's or Moody's plus 1% yield, to the crediting date of such match.

ISP — In order to provide certain highly compensated employees of the Company, including the named executive n the continued opportunity to build retirement savings on a tax-deferred basis through deferrals and Company , Sysco adopted the MSP, effective November 14, 2012. The MSP is a competitive plan for nonqualified executive nefits and is designed to supplement our recently-amended 401(k) plan. It allows participants, including the named cers, to defer a portion of their salary compensation and annual incentive award. The MSP also provides for Company to participants' accounts, including company matching contributions and non-elective contributions, some of which are ompensate participants for a portion of the value lost as a result of the freezing of Sysco's current plans. The MSP is a plan," which allows for deferrals and contributions that would not be permitted under the Company's 401(k) plan due to ne following discussion summarizes the material terms of the MSP that are applicable to the named executive officers te in it. The definition of bonus for purposes of the MSP includes amounts that are paid as a bonus or annual incentive he MIP or as a substitute for or in lieu of the participant's MIP bonus or annual incentive award.

ferrals and Company Contributions — Participants may initially elect to defer up to fifty percent (50%) of their annual all or a portion of their bonus under the MSP. A deferral election, once made, is irrevocable for the applicable calendar ry deferrals) or fiscal year (for bonus deferrals). Bonus deferral elections are contingent upon the participant's award "performance based compensation" under Section 409A of the Code. The Committee retains the discretion to alter the l maximum percentages of award that may be deferred, but such discretion must be exercised prior to the beginning of e fiscal year for which such award may be earned. Salary deferrals were effective for calendar year 2013, with based annual incentive award deferrals effective beginning in fiscal 2014.

ake a matching contribution (determined based on compensation not taken into account under the Company's 401(k) account of participants who elect to defer a portion of their compensation under the MSP (the "Company Match"). The atch will be made on a calendar year basis. The Company Match under the MSP will be a maximum of fifty percent first five percent (5%) of a participant's annual base salary and bonus deferred by the participant into the MSP. The atch is determined on a combined plan basis for the MSP and 401(k) plan, and for fiscal 2013 with the EDCP. For 2013, which encompasses second half of fiscal 2013 and first half of fiscal 2014, a participant's combined match for the and 401(k) plan will be 50% of combined plan deferrals (MSP, EDCP and 401(k) plan), not to exceed 2.5% of MSP which consists of salary for calendar year and bonus paid in that same calendar year; provided that the combined plan alendar year 2013 will not be less than calendar year 401(k) match plus the fiscal 2013 EDCP match. After , 2013, the EDCP will no longer be a part of the calculation.

the Company Match described above, Sysco will credit an automatic Company contribution equal to three percent articipant's gross base salary and bonus, less the amount of a similar Company contribution into the participant's 401(k) he participant's account in the MSP (the "Non-elective Contribution"). The Company will credit this contribution whether the participant defers any amounts under the MSP or 401(k).

the contributions described above, for a period of ten years through 2022, or until a participant ceases employment vhichever is earlier, Sysco will credit an automatic Company contribution of three percent (3%) of the participant's gross nd bonus, less the amount of a similar Company contribution into the participant's 401(k) account, to the MSP account articipants (the "Pension Transition Contribution"). To be eligible to receive the Pension Transition Contribution, a ust have been accruing benefits under Sysco's pension plan as of December 31, 2012 and be at least age fifty (50) with or more years of Sysco service as of that date. The Company will credit this contribution regardless of whether the fers any amounts under the MSP or 401(k) so long as he remains employed by Sysco or leaves for retirement, death or uch calendar year. Messrs. DeLaney, Green, and Day are eligible to receive these contributions.

the contributions described above, Mr. Kreidler's MSP account will be credited annually with an automatic fully vested ntribution of ten percent (10%) of his base salary and bonus for a period of ten years through 2022 and Mr. Day's MSP be credited annually with an automatic fully vested Company contribution of two and one-half percent (2.5%) of his nd bonus for a period of six years through 2018 (each contribution referred to as a "SERP Transition Contribution") so ecutive remains employed by Sysco or leaves for retirement, death or disability in such calendar year.

ptions — The portion of a participant's account attributable to salary and bonus deferrals will be deemed invested and certain investments, as designated by the participant from a list of available investment options. The investment options ety of generally available investment funds, as well as an investment option with an annual return equal of the Moody's orate bond yield. The portion of a participant's account attributable to Sysco company contributions will be deemed oody's until January 1 following the date on which such company contribution vests, at which time the participant may estment of such amounts.

ferrals and Company Contributions — Participant deferrals, including associated investment earnings and losses, will be t all times. The Company Match, as adjusted for associated investment earnings and losses, will vest based upon a number of years of service. As of June 29, 2013, Messrs. DeLaney, Green, Day and Hope were fully vested and was fifty percent vested, with the remainder to vest through his fifth anniversary of service. Mr. Shurts was 0% vested, inder to vest through his fifth anniversary of service. In addition, Messrs. Kreidler and Shurts will become fully vested f his death or disability or a defined change of control of Sysco. The Non-elective contribution, the Pension Transition and the SERP Transition Contribution, as such amounts are adjusted for associated investment earnings and losses, ested at all times.

orm of Distributions — Other than elected in-service distributions or deferrals, the participant's vested account may be distributed at the earliest to occur of the following: (i) the participant's death; (ii) the participant's disability; (iii) the retirement; or (iv) the participant's termination (for a reason other than death or retirement). Except with respect to stributions or distributions following a participant's termination (for a reason other than death or retirement), the ay elect to have his account distributed in (i) a lump sum; (ii) annual installments over a period of up to 20 years; or (iii) n of a lump sum and installments. In-service distributions and distributions following a participant's termination will be a lump sum.

The MSP contains a forfeiture provision whereby participants will forfeit the balance of their accounts attributable to tributions, adjusted for deemed investment losses and earnings, and even if such amounts may have previously vested, he Committee finds that the participant engaged in fraudulent or certain other illegal acts while employed by the impermissibly competes with the Company after termination. Participants also have an obligation to repay any amounts stributed to them under the MSP attributable to Company contributions if the Committee finds they engaged in such

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Quantification of Termination/Change in Control Payments

red into certain agreements and maintain certain plans that will require us to provide compensation for the NEOs in the cified terminations of their employment or upon a change in control of Sysco. We have listed the amount of ı we would be required to pay to each named executive officer in each situation in the tables below. Amounts included ıre estimates and are forward-looking statements made pursuant to the safe harbor provisions of the Private Securities form Act of 1995. Due to the number of factors that affect the nature and amount of any benefits provided upon the ssed below, any actual amounts we pay or distribute may differ materially. Factors that could affect these amounts ming during the year of any such event, the amount of future bonuses, the value of our stock on the date of the change l the ages and life expectancy of each executive and his spouse. The amounts shown in the tables below assume that the ggered the payment occurred on June 29, 2013. All amounts shown represent total payments, except as otherwise noted. time the payment of all amounts shown to comply with Section 409A of the Internal Revenue Code.

WILLIAM J. DELANEY

Compensation Components

n	Severance Payment	Payments and Benefits Under EDCP[1]	Payments and Benefits Under MSP[2]	Payments and Benefits Under SERP[3]	CPU Payment[4]	Acceleration and Other Benefits from Unvested Stock Options and Restricted Stock Units[5]	Insurance Payments[6]	Other[7]
	$ 0	$ 536,211	$ 285	$ 5,791,464	$ 1,299,138	$ 17,625,272	$ 0	$ 97,865
	0	536,211	285	5,753,412	1,299,138	17,625,272	1,200,000	97,865
	0	536,211	285	5,791,464	2,615,625	17,625,272	2,052,500	97,865
	0	536,211	285	5,791,464	0	0	0	0
for Cause	0	0	0	0	0	0	0	0
w/o signation ason	0	536,211	285	5,791,464	0	0	0	97,865
ontrol tion	0	536,211	285	0	3,487,500	17,625,272	0	0
w/o ing Control	0	536,211	285	6,184,077	3,487,500	17,625,272	0	97,865

ROBERT C. KREIDLER

n	Severance Payment	Payments and Benefits Under EDCP[(1)]	Payments and Benefits Under MSP[(2)]	Payments and Benefits Under SERP[(3)]	CPU Payment[(4)]	Acceleration and Other Benefits from Unvested Stock Options and Restricted Stock Units[(5)]	Insurance Payments[(6)]	Other[(7)]
	Compensation Components							
	$ 0	$ 28,060	$ 0	$ 205,294	$ 414,325	$ 6,441,039	$ 0	$ 49,692
	0	28,060	0	2,205,928	414,325	6,441,039	1,200,000	49,692
	0	28,060	0	205,294	853,125	6,441,039	4,435,000	49,692
esignation	0	28,060	0	205,294	0	0	0	0
for Cause	0	0	0	0	0	0	0	0
w/o signation ason	0	28,060	0	205,294	0	0	0	49,692
ontrol tion	0	28,060	0	0	1,137,500	6,441,039	0	0
w/o ing Control	0	28,060	0	205,294	1,137,500	6,441,039	0	49,692

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MICHAEL W. GREEN

Compensation Components

a	Severance Payment	Payments and Benefits Under EDCP[1]	Payments and Benefits Under MSP[2]	Payments and Benefits Under SERP[3]	CPU Payment[4]	Acceleration and Other Benefits from Unvested Stock Options and Restricted Stock Units[5]	Insurance Payments[6]	Other[7]
	$ 0	$ 0	$ 353	$ 3,812,190	$ 404,996	$ 4,866,210	$ 0	$ 57,769
	0	0	353	2,468,068	404,996	4,866,210	1,200,000	57,769
	0	0	353	3,812,190	822,656	4,866,210	3,160,000	57,769
esignation	0	0	353	3,812,190	0	0	0	0
for Cause	0	0	0	0	0	0	0	0
w/o signation ason	0	0	353	3,812,190	0	0	0	57,769
ontrol tion	0	0	353	0	1,096,875	4,866,210	0	0
w/o ing Control	0	0	353	3,812,190	1,096,875	4,866,210	0	57,769

WAYNE R. SHURTS

Compensation Components

n Scenario	Severance Payment	Payments and Benefits Under EDCP[1]	Payments and Benefits Under MSP[2]	Payments and Benefits Under SERP[3]	CPU Payment[4]	Acceleration and Other Benefits from Unvested Stock Options and Restricted Stock Units[5]	Insurance Payments[6]	Other[7]

	$ 0	$ 0	$ 180	$ 0	$ 116,263	$ 2,059,697	$ 0	$ 34,115
	0	0	180	0	116,263	2,059,697	1,200,000	34,115
	0	0	180	0	350,391	2,059,697	3,166,667	34,115
esignation	0	0	180	0	0	0	0	0
for Cause	0	0	0	0	0	0	0	0
w/o Cause, on for Good	0	0	180	0	0	0	0	34,115
ontrol tion	0	0	180	0	467,188	2,059,697	0	0
w/o Cause Change	0	0	180	0	467,188	2,059,697	0	34,115

WILLIAM B. DAY

Compensation Components

n	Severance Payment	Payments and Benefits Under EDCP(1)	Payments and Benefits Under MSP(2)	Payments and Benefits Under SERP(3)	CPU Payment(4)	Acceleration and Other Benefits from Unvested Stock Options and Restricted Stock Units(5)	Insurance Payments(6)	Other(7)
	$ 0	$ 705,078	$ 25	$ 2,010,057	$ 282,259	$ 3,204,333	$ 0	$ 33,577
	0	705,078	25	1,766,405	282,259	3,204,333	1,170,000	33,577
	0	705,078	25	2,010,057	568,125	3,204,333	2,424,167	33,577
esignation	0	705,078	25	2,010,057	0	0	0	0
for Cause	0	0	0	0	0	0	0	0
w/o signation ason	0	705,078	25	2,010,057	0	0	0	33,577
ontrol tion	0	705,078	25	0	757,500	3,204,333	0	0
w/o ing	0	705,078	25	2,010,057	757,500	3,204,333	0	33,577

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JAMES D. HOPE[8]

Compensation Components

Scenario	Severance Payment	Payments and Benefits Under EDCP[1]	Payments and Benefits Under MSP[2]	Payments and Benefits Under SERP[3]	CPU Payment[4]	Acceleration and Other Benefits from Unvested Stock Options and Restricted Stock Units[5]	Insurance Payments[6]	Other[7]
	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
esignation	0	0	0	0	0	0	0	0
for Cause	0	0	0	0	0	0	0	0
w/o Cause, on for Good	1,575,000	806,959	254	2,446,929	294,412	0	0	62,481
ontrol tion	0	0	0	0	0	0	0	0
w/o Cause Change	0	0	0	0	0	0	0	0

ive Deferred Compensation Plan" above for a discussion of the calculation of benefits and payout options under the vents that may cause forfeiture of such benefits. The amounts disclosed reflect the vested value of the company match eferrals, as well as investment earnings on both deferrals and vested company match amounts. These amounts do not y and bonus deferrals.

 has elected to receive annual installments over 5 years in the event of his disability, death or retirement.

has elected to receive quarterly installments over 15 years in the event of his retirement and quarterly installments over ne event of his disability or death.

s elected to receive a lump sum distribution in the event of disability, death or retirement.

elected to receive a lump sum distribution in the event of disability, death or retirement.

s elected to receive a lump sum distribution in the event of disability, death or retirement.

ement Savings Plan" above for a discussion of the calculation of benefits and payout options under the MSP, and events se forfeiture of such benefits. The amounts disclosed reflect the vested value of the investment earnings on deferrals ese amounts do not include salary and bonus deferrals. These amounts do not include company matches on salary and als.

shown are present values of eligible benefits as of June 29, 2013, calculated using an annual discount rate of 4.94%, ents the rate used in determining the values disclosed in the "Pension Benefits" table above. See "Pension Benefits" above ion of the terms of the SERP and the assumptions used in calculating the present values contained in the table. The expected number of benefit payments to each executive are based on each respective termination event, the form of age of the executive and his or her spouse, and mortality assumptions. During the SERP payout period, a participant's enefit under the SERP may be subject to forfeiture under certain circumstances if the committee administering the hat the participant has engaged in competition with the company, solicited business of the company, made disparaging ut the company, or misappropriated trade secrets or confidential information of the company. The amount for due to termination following a Change in Control also reflects a reduction of $2,465,881 pursuant to provisions in the rovide for a reduction in benefits to the extent they are not deductible under Section 280G of the Internal Revenue ving are specific notes regarding benefits payable to each of the NEOs other than Mr. Shurts, who does not participate

an active participant dies, their spouse will receive a monthly benefit payable for life with 120 monthly payments The amounts shown reflect payments as follows:

	Estimated # of Payments	**Amount of Payment**	**Payment Frequency**
	335	$ 32,530	Monthly
	493	10,556	Monthly
	377	13,199	Monthly
	397	9,228	Monthly
	N/A	N/A	Monthly

nvoluntary Termination without Cause, or Resignation for Good Reason; Termination without Cause following Control — The amounts shown reflect the following monthly payments plus the amounts shown below attributable to PIA supplement, which is paid only until the executive reaches age 62. Because Mr. DeLaney has already met the f Early Payment Criteria as of the 2013 fiscal year-end, his benefits are payable as of July 1, 2013. The other NEOs' ed below would be payable as of their normal retirement date (age 65). The amount for Mr. DeLaney due to a ollowing a change of control also reflect a reduction of $2,465,881, pursuant to provisions in the SERP that provide for n benefits to the extent they are not deductible under Section 280G of the Internal Revenue Code.

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Disability, Involuntary Termination without Cause, or Resignation for Good Reason			Termination without Cause following a Change in Control		
# of Monthly Payments	Monthly Payment Amounts	Monthly PIA Supplement (Until Age 62)	# of Monthly Payments	Monthly Payment Amounts	Monthly PIA Supplement (Until Age 62)
344	$ 31,621	$ 1,912	344	$ 33,799	$ 1,912
296	2,599	0	296	2,599	0
262	41,803	0	262	41,803	0
288	18,598	0	288	18,598	0
264	27,488	0	N/A	N/A	N/A

ontrol without Termination — Benefit payments are not triggered.

erformance Unit Plans" above for a discussion of the CPUs. The amounts shown include payment of awards made in 011 and November 2012. For purposes of this disclosure, and as defined in the plan, we have assumed the following formance:

— Amounts reflect the pro-rated estimated value of awards pursuant to the fiscal 2012-2014 performance cycle based on erformance and the pro-rated estimated value of awards pursuant to the fiscal 2013-2015 performance cycle based on rformance. The awards are pro-rated for the number of fiscal years during which the executive was actively employed, whether the executive was employed for the entirety of the relevant fiscal year. The pro rata factors used are 66.6% for 2-2014 performance cycle and 33.2% for the 2013-2015 performance cycle for all executives.

- Amounts reflect the estimated value of awards pursuant to the fiscal 2012-2014 performance cycle based on forecasted e and the estimated value of awards pursuant to the fiscal 2013-2015 performance cycle based on forecasted

nounts reflect the estimated value of awards pursuant to the fiscal 2012-2014 and 2013-2015 performance cycles based on rformance, pro-rated for the portion of each performance cycle completed at the time of death with respect to the fiscal erformance cycle and pro-rated for the number of fiscal years during which the executive was actively employed, f whether the executive was employed for the entirety of the relevant fiscal year, with respect to the 2013-2015 cycle. The pro-rata factors used are 66.6% for the fiscal 2012-2014 performance cycle and 33.2% for the 2013-2015 cycle for all executives.

Control — Amounts reflect the target award value of awards pursuant to the fiscal 2012-2014 and fiscal 2013-2015 cycles.

shown include the value of unvested accelerated restricted stock units and restricted stock, valued at the closing price nmon stock on the New York Stock Exchange on June 29, 2013, the last business day of our 2013 fiscal year, plus the etween the exercise prices of unvested accelerated options and the closing price of Sysco common stock on the New Exchange on June 29, 2013 multiplied by the number of such options outstanding. See "Outstanding Equity Awards at End" for disclosure of the events causing an acceleration of outstanding unvested options and restricted stock. Assumes esting of all unvested restricted stock units, restricted stock and stock options.

ments we will make in connection with additional life insurance coverage, long-term disability coverage, including ome coverage, and long-term care insurance. In the event of death, a lump sum Basic Life Insurance benefit is payable equal to one-times the executive's prior year W-2 earnings, capped at $150,000. An additional benefit is paid in an al to two-times the executive's base salary at the beginning of the year in which the death occurred, capped at The value of the benefits payable is doubled in the event of an accidental death. In the event of disability, a monthly Disability benefit of $25,000 would have been payable to age 65, following a 180-day elimination period.

ee medical benefits and the payment of accrued but unused vacation.

mployment with Sysco terminated effective June 29, 2013.

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Compensation Risk Analysis

sation Committee oversees the company's executive compensation program and regularly reviews the program against egic goals, industry practices and emerging trends in order to ensure alignment with stockholder interests. The elieves that Sysco's performance-based bonus and equity programs provide executives with incentives to create ckholder value.

Committee expanded its review of compensation programs across the Sysco enterprise to monitor whether the program encourage or otherwise promote the taking of inappropriate or unacceptable risks that could threaten the company's ue. This review was updated in 2013. The assessment placed particular emphasis on identifying employees who have nt compensation risk in the variability of their compensation and also the ability to expose the company to significant . The Committee primarily focused on the compensation for the senior executives of Sysco Corporation and its mpanies, as these are the employees whose actions have the greatest potential to expose the company to significant although the review addressed all forms and levels of variable and other compensation that the Committee believed bly provide employees with incentives to undertake risky behavior on behalf of Sysco. Having completed this review, e continues to believe that many of Sysco's long-standing practices are designed to effectively promote the creation of ue, discourage behavior that leads to excessive risk, and mitigate the material risks associated with executive and other programs.

es include the following:

utive compensation programs are designed to include a mix of elements so that the compensation mix is not overly her short-term or long-term incentives.

utive annual incentive award programs (both the MIP annual incentive award and the three-year cash performance units) financial metrics which are objective and drive long-term stockholder value (including diluted earnings, return on ital and increase in sales and total shareholder return). Moreover, the Committee attempts to set ranges for these t encourage success without encouraging excessive risk taking to achieve short-term results. The Committee has the retion to remove any and all participants from the annual MIP annual incentive award program prior to the end of the which the annual incentive award relates and may reduce the amount of the annual incentive award pay out, in its any time prior to the fiscal year end.

tive programs do not allow for unlimited payouts, and annual incentive award caps limit the extent that employees could ofit by taking on excessive risk.

three different types of long-term incentives (stock options, restricted stock units and cash performance units) for lps to minimize the risk that they will take actions that could cause harm to the Corporation and its stockholders. The k options and restricted stock units are primarily based on stock price appreciation, which is determined by how the s our common stock.

rmance periods encourage executives to attain sustained performance over several periods, rather than performance in a . CPUs are based on a three-year performance period. Stock options become exercisable over a five year period and sable for up to seven years to ten years from the date of grant (depending on the grant), encouraging executives to look ppreciation in equity values.

nership guidelines described under "Stock Ownership — Stock Ownership Guidelines" above align the interests of our icers with the long-term interests of all stockholders and encourage our executives to execute our strategies for growth anner.

Committee adopted a clawback policy, which is described under "Compensation Discussion and Analysis— Executive n Governance and Other Information — Executive Compensation Recoupment Policy" above. In the event we are required financial statements, other than as a result of an accounting change, we will recover MIP annual incentive award CPU three-year incentive-based compensation from all MIP participants.

most recent review, management and the Committee do not believe that the compensation policies and practices of risks that are reasonably likely to have a material adverse effect on the Company.

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APPROVE THE ADOPTION OF THE SYSCO CORPORATION 2013 LONG-TERM INCENTIVE PLAN (ITEM 2)

2, 2013, upon recommendation of the Compensation Committee, the Board of Directors approved the adoption of the ration 2013 Long-Term Incentive Plan, subject to stockholder approval. If approved by the stockholders at the Annual 2013 Stock Incentive Plan will become effective on November 15, 2013. If approved, the 2013 Long-Term Incentive e a successor to the 2007 Stock Incentive Plan. No additional awards would be made after November 15, 2013 under k Incentive Plan.

at the proposed Plan is necessary in order to allow Sysco to continue to utilize equity awards and performance awards attract the services of key individuals essential to Sysco's long-term growth and financial success and to further align ts with those of Sysco's stockholders. Sysco relies on equity awards to retain and attract key employees and e Board members and believes that equity incentives are necessary for Sysco to remain competitive with regard to attracting highly qualified individuals upon whom, in large measure, the future growth and success of Sysco depend.

g factors were taken into account by the Compensation Committee and the Board in approving the proposed Plan: rical burn rate under other shareholder approved equity plans; the number of shares remaining available under the 2007 ve Plan for future awards; the number of outstanding stock options and unvested restricted shares; potential dilution n the proposed increase in authorized shares; and the potential shareholder value transfer resulting from the proposed

f the 2013 Long Term Incentive Plan is set forth below. This summary is, however, qualified by and subject to the full an, as proposed, which is attached as Annex II. Capitalized terms used in this summary that are not otherwise defined ective meanings given such terms in the Plan.

Proposed Terms of the 2013 Long-Term Incentive Plan

1) Authorize Shares for Issuance under the Long-Term Incentive Plan

ng-Term Incentive Plan would permit a total number of shares available for issuance under the Plan equal to the sum of 0 new shares, plus (ii) the number of shares remaining available for issuance under the 2007 Stock Incentive Plan, but previously exercised, vested or paid awards as of November 14, 2013. As of September 17, 2013, 10,607,579 shares e for issuance under the 2007 Stock Incentive Plan. As such, the proposed Plan would increase the total shares available y 45,000,000 to approximately 55,607,599.

Authorize the Total Number of Shares Available for Issuance as Options and Stock Appreciation Rights under the Plan

ng-Term Incentive Plan would increase the total number of number of shares available for issuance by the Company as Stock Appreciation Rights, or SARs, from 10,607,579 to 55,607,599. As of September 17, 2013, Options to purchase hares and no SARs had been issued under the 2007 Stock Incentive Plan. As such, the proposed 2013 Long-Term n would increase the shares available for issuance as Options and SARs by 45 million to approximately 55,607,599. y historically has issued an annual grant certain senior managers in November of each year. It is anticipated that 13 grants would be made under the 2013 Stock Incentive Plan, contingent on its approval by shareholders.

e the Total Number of Shares Available for Issuance as Restricted Stock, Restricted Stock Units and Other Stock-Based Awards

oposed Plan, of the entire pool eligible for grant, the total number of shares available for issuance as Restricted Stock, ock Units and Other Stock-Based Awards under the Plan would be 17,500,000. As of September 17, 2013, 2,873,404 en issued as Restricted Stock, Restricted Stock Units and Other Stock-Based Awards under the 2007 Stock Incentive mpany historically has issued an annual grant to certain senior managers in November of each year. It is anticipated that 013 grants would be made under the 2013 Stock Incentive Plan, contingent on its approval by shareholders. As of , 2013, the closing price of Sysco common stock on the New York Stock Exchange was $33.17 per share.

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The 2013 Long-Term Incentive Plan

g is a summary of the principal provisions of the Plan, as proposed. The full text of the Plan is attached hereto as Annex

Key Terms of the Plan

	If approved, the Plan is effective November 15, 2013 and awards may be granted through November 15, 2023.
icipants	All employees, non-employee directors or key advisors selected by the Committee.
Authorized	Approximately 55.6 million, with the entire pool authorized to be issued as Options or SARs, and up to 17.5 million shares of the pool authorized to be issued as Restricted Stock, Restricted Stock Units and Other Stock-Based Awards.
	Stock Options (Incentive and Non-Qualified) ("Options"), Restricted Stock, Restricted Stock Units, Other Stock-Based Awards, Stock Appreciation Rights ("SARs") and Cash-Based Awards (all types, collectively, "awards")
hare Limits	Options and/or SARs relating to no more than 2,000,000 shares may be granted to any individual in any given fiscal year, and all awards other than Options and SARs granted to any individual in any given fiscal year are limited to no more than 500,000 shares
od	Determined by the Committee, but no more than one-third of the shares subject to each grant may vest per year for the first three years, except for awards conditioned on the attainment of Performance Goals
Exercise Period	Determined by the Committee, but not more than ten years from the date of grant
Exercise Price	Not less than fair market value on date of grant, defined as the closing price on the NYSE on the day prior to grant

- No repricing without stockholder approval
- No reload options and discounted stock options
- Acceleration of payment or vesting of any award other than for death, disability, retirement or upon a change in control
- No dividends or dividend equivalents may be paid on shares subject to Option or SAR.
-

The Plan includes a limit on the number of shares that may be issued as full-value awards

Purpose of the Plan

of the Plan is to promote the interests of the Company and its stockholders by providing executive officers, employees, e directors, and key advisors of the Company and its defined subsidiaries with appropriate incentives and rewards to em to enter into and remain in their positions with the Company and to acquire a proprietary interest in the long-term e Company, as well as to reward the performance of these individuals in fulfilling their personal responsibilities for d annual achievements.

trongly that our equity compensation programs and emphasis on employee stock ownership have been integral to our and will be important to our ability to achieve consistently superior performance in the years ahead.

Administration of the Plan

wise determined by the Board, the Compensation Committee (the "Committee") administers the Plan. The Committee is lely of "non-employee directors" within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as "Exchange Act"), "outside directors" within the meaning of Section 162(m) of the Internal Revenue Code, and "independent hin the meaning of NYSE listing standards.

ee has the power, in its discretion, to grant awards under the Plan, to select the individuals to whom awards are granted, the terms of the grants, to interpret the provisions of the Plan and to otherwise administer the Plan. Except as prohibited law or stock exchange rules, the Committee may delegate all or any of its responsibilities and powers under the Plan to of its members, including, without limitation, the power to designate participants and determine the amount, timing and ls under the Plan. In no event, however, shall the Committee have the power to accelerate the payment or vesting of any han in the event of death, disability, retirement or a change in control of the Company.

vides that members of the Committee shall be indemnified and held harmless by the company from any loss or expense n claims and litigation arising from actions related to the Plan.

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Adjustments to Shares Subject to the Plan

of common stock subject to an award are forfeited or cancelled, or if an award terminates or expires without a f shares to the grantee, the shares of common stock with respect to such award shall, to the extent of any such forfeiture on, again be available for awards under the Plan; provided, however, that with respect to SARs that are settled in k, the aggregate number of shares of common stock subject to the SAR grant shall be counted against the shares ssuance under the Plan as one share for every share subject thereto, regardless of the number of shares used to settle the ercise. Also, shares of stock will not again be available if such shares are surrendered or withheld as payment of either price of an award and/or withholding taxes with respect to an award. Awards that are settled solely in cash will not mber of shares of stock available for awards.

ny undergoes a recapitalization, reclassification, stock split, stock dividend, combination, subdivision or another similar ffecting the common stock, or if the company makes an extraordinary dividend or distribution (including, without implement a spinoff), then, subject to any required action by stockholders, the number and kind of shares available n, and the various award grant limitations contained in the Plan, will be automatically adjusted accordingly. In addition, required stockholder action, the number and kind of shares covered by outstanding awards and the price per share of wards, shall be automatically proportionately adjusted to reflect such an event.

ny merges or consolidates with another corporation, or is liquidated or disposes of all or substantially all of its assets, mittee may deal with outstanding Options under the Plan in any of the following ways: First, it may provide for each Option or other award to receive, upon exercise of such Option or award, the same securities or other property that the ockholders receive in the transaction. Second, it may provide for each holder of an Option or other award to receive, e of such Option or award, stock of the surviving corporation in the transaction, having a value equal, on a per share per share consideration received by the company's stockholders in the transaction. Third, it may cause Options or other t (if they have not otherwise vested under the change-in-control provisions of the Plan). Fourth, it may cancel Options vided that in the case of in-the-money Options or SARs, the cancellation shall be contingent upon a payment to the f an amount equal to the difference between the value of the underlying shares (based on the transaction consideration) ise or base price.

Eligibility and Participation

participate in the Plan is limited to employees, non-employee directors and key advisors of the Company and its diaries. In the last fiscal grant cycle, a total of 854 individuals received awards under the 2007 Stock Incentive Plan.

Options and Other Awards

ee may grant Options and other awards to eligible individuals. The Committee will have complete discretion, subject to he Plan, to determine the persons to whom Options and other awards will be awarded, the time or times of grant, and s and conditions of the grant. The awards may be granted with value and payment contingent upon Performance Goals.

Performance Goals

hat may be granted under the Plan also may be granted contingent on achievement of a Performance Goal. Under the nance Goals may be based on one or more of the following criteria applied to one or more of the company, its defined and/or certain specified affiliates (if applicable, such criteria shall be determined in accordance with generally accepted rinciples (“GAAP”) or based upon the company’s GAAP financial statements): (1) return on total stockholder equity; (2) share of Stock; (3) earnings before any or all of interest, taxes, minority interest, depreciation and amortization; (4) ofit; (5) sales or revenues; (6) return on assets, capital or investment; (7) market share; (8) control of operating or g expenses; (9) reductions in certain costs (including reductions in inventories or accounts receivable or reductions in penses); (10) operating profit; (11) implementation or completion of critical projects or processes; (12) operating cash e cash flow, (14) return on capital or increase in pretax earnings; (15) net earnings; (16) margins; (17) market price of ’s securities; (18) pre-tax earnings or variations of income criteria in varying time periods; (19) economic value added; targets; (21) increase in net after-tax earnings per share; (22) working capital targets; (23) enterprise value; (24) safety losing of acquisitions or dispositions or other business expansion or contraction; (26) operating profit or improvements profit; (27) improvements in certain asset or financial measures (including working capital and the ratio of sales to net tal); (28) any combination of, or a specified increase in, any of the foregoing; and (29) general comparisons with other es or industry groups or classifications with regard to one or more of the foregoing criteria. The Performance Goals upon the attainment of specified levels of performance under one or more of the criteria described above relative to the of other comparable entities. To the extent permitted under Section 162(m) of the Internal Revenue Code (including, ation, compliance with any requirements for stockholder approval), the Committee may designate additional business ich the Performance Goals may be based or adjust, modify or amend the aforementioned business criteria. Performance clude a threshold level of performance below which no award will be earned, a level of performance at which the target award will be earned and a level of performance at which the maximum amount of the award will be earned. The its sole discretion has the authority to make equitable adjustments to the Performance Goals in recognition of unusual ng events.

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Option Exercise Price and Vesting of Awards

ee determines the exercise price with respect to each Option at the time of grant. The Option exercise price per share of k may not be less than 100% of the fair market value per share of the common stock underlying the Option on the date no Option may be repriced in violation of the repricing limitations discussed in “Amendment and Termination” below. of determining the Option exercise price, fair market value is defined as the closing price on the NYSE the first prior to the date of grant. The Committee may determine at the time of grant the terms under which Options and SARs become exercisable. However, no Option or SAR may have a term in excess of 10 years, and all awards are subject to hree-year vesting schedule, with no more than one-third of the shares subject to the award vesting each year; provided, at the time of the grant of an Option or SAR, the Committee may place restrictions on the exercisability or vesting of r SAR that shall lapse, in whole or in part, only upon the attainment of Performance Goals; provided that such Goals shall relate to periods of performance of at least one fiscal year, and if the Option or SAR is granted to a 162(m) rant of the Option or SAR and the establishment of the Performance Goals shall be made during the period required l Revenue Code Section 162(m).

Stock Appreciation Rights (SARs)

e right to receive stock, cash, or other property equal in value to the difference between the grant price of the SAR and ice of the company’s stock on the exercise date. SARs may be granted independently or in tandem with an Option at the of the related Option. An SAR granted in tandem with an Option shall be exercisable only to the extent the underlying ercisable. An SAR confers on the grantee a right to receive an amount with respect to each share of common stock o, upon exercise thereof, equal to the excess of (A) the fair market value of one share of common stock on the date of (B) the grant price of the SAR (which in the case of an SAR granted in tandem with an Option shall be equal to the of the underlying Option, and which in the case of any other SAR shall be such price as the Committee may determine nt shall be less than the fair market value of a share of common stock on the date of grant of such SAR).

Exercise of Options and SARs

SARs are exercisable in accordance with such terms and conditions and during such periods as may be established by e. For Options, notice of exercise must be accompanied by a payment equal to the applicable Option exercise price plus ng taxes due, such amount to be paid in cash or by tendering, either by actual delivery of shares or by attestation, shares tock that are acceptable to the Committee, such shares to be valued at fair market value as of the day the shares are aid in any combination of cash and shares, as determined by the Committee. To the extent permitted by applicable law, may elect to pay the exercise price through the contemporaneous sale by a third party broker of shares of common stock n exercise yielding net sales proceeds equal to the exercise price and any withholding tax due and the remission of those to the company.

Transferability of Awards

erwise provided by the Committee, Options, SARs and any unvested other awards may not be transferred except by able laws of descent and distribution. Notwithstanding the foregoing, in no event may any such award be transferred to or consideration at any time.

Termination of Options and Other Awards

SARs shall be exercisable during such periods as may be established by the Committee. Except as discussed below and Control," Options and SARs will expire on the earlier to occur of the expiration date of the Option or 90 days after the an Option holder's employment with the company or any of its subsidiaries. Unless otherwise provided in an award before the expiration of an Option or SAR, a holder's employment terminates as a result of retirement in good standing under the established rules of the company then in effect, the Option or SAR will remain in effect, vest and be n accordance with its terms. Upon the death of an employee while employed by the company or its subsidiaries, e extent then exercisable, shall remain exercisable by the executors or administrators of his or her estate for up to three ng the date of death, but in no event later than the original termination date of the Option or SAR. However, no Option be exercised more than 10 years from the date of grant. To the extent not exercised by the applicable deadline, the R will terminate.

to all other awards, any unvested awards shall immediately vest, and all restrictions pertaining to such other awards d have no further effect, upon the holder's death or retirement in good standing or disability under the established rules ny then in effect, except as otherwise provided by the Committee at grant of the award.

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Restricted Stock and Restricted Stock Units

ock is common stock that the company grants subject to transfer restrictions and vesting criteria. A Restricted Stock t to receive stock or cash equal to the value of a share of stock at the end of a specified period that the company grants nsfer restrictions and vesting criteria. The grant of these awards under the Plan are subject to such terms, conditions and the Committee determines consistent with the terms of the Plan.

f grant, the Committee may place restrictions on Restricted Stock and Restricted Stock Units that shall lapse, in whole nly upon the attainment of Performance Goals; provided that such Performance Goals shall relate to periods of of at least one fiscal year, and if the award is granted to a 162(m) Officer, the grant of the award and the establishment mance Goals shall be made during the period required under Internal Revenue Code Section 162(m). Except to the ted under the award agreement relating to the Restricted Stock, a grantee granted Restricted Stock shall have all of the ckholder including the right to vote Restricted Stock and the right to receive dividends.

wise provided in an award agreement, upon the vesting of a Restricted Stock Unit, there shall be delivered to the n 30 days of the date on which such award (or any portion thereof) vests, the number of shares of common stock equal r of Restricted Stock Units becoming so vested.

Other Stock-Based Awards

o allows the Committee to grant "Other Stock-Based Awards," which means a right or other interest that may be or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, common stock. This hout limitation, (i) unrestricted stock awarded as a bonus or upon the attainment of Performance Goals or otherwise as der the Plan and (ii) a right to acquire stock from the company containing terms and conditions prescribed by the At the time of the grant of Other Stock-Based Awards, the Committee may place restrictions on the payout or vesting of Based Awards that shall lapse, in whole or in part, only upon the attainment of Performance Goals; provided that such Goals shall relate to periods of performance of at least one fiscal year, and if the award is granted to a 162(m) Officer, he Award and the establishment of the Performance Goals shall be made during the period required under Internal de Section 162(m). Other Stock-Based Awards may not be granted with the right to receive dividend equivalent

Cash Awards

Dividend Equivalent Rights

Restricted Stock Units may provide the grantee with the right to receive dividend equivalent payments with respect to to the award (both before and after the stock subject to the award is earned, vested, or acquired), which payments may e currently or credited to an account for the grantee, and may be settled in cash or stock, at such times as determined by ee on the date of the grant of the Restricted Stock Unit. Any such settlements and any such crediting of dividend nay, at the time of grant of the Restricted Stock Unit, be made subject to the transfer restrictions, forfeiture risks, vesting ns of the underlying Restricted Stock Units or such other conditions, restrictions and contingencies as the Committee n at the time of grant of the Restricted Stock Unit, including a requirement that such credited amounts are reinvested in ents, provided that all such conditions, restrictions and contingencies shall comply with the requirements of Internal e Section 409A. Options and SARs may not be granted with the right to receive dividend equivalent payments.

Awards to Employees Subject to Taxation Outside of the United States

be granted to grantees who are foreign nationals or who are employed outside the United States or both, on such terms ns different from those specified in the Plan as may, in the judgment of the Committee, be necessary or desirable to urpose of the Plan. Such different terms and conditions may be reflected in addenda to the Plan or in the applicable nent. However, no such different terms or conditions shall be employed if such terms or conditions constitute, or in n, an increase in the aggregate number of shares that may be issued under the Plan or a change in the group of eligible

Forfeiture

ing any other provision of the Plan and except as discussed under "Change in Control" below, if the Committee finds by a that: (i) the participant, before or after termination of his or her relationship with the company or any of its defined for any reason, (a) committed fraud, embezzlement, theft, a felony, or proven dishonesty in the course of his and that such act damaged the company or any of its defined subsidiaries, or (b) disclosed trade secrets of the company defined subsidiaries, or (ii) the participant, before or after termination of his or her employment relationship for any ipated, engaged or had a financial or other interest (whether as an employee, officer, director, consultant, contractor, owner, or otherwise) in any commercial endeavor in the United States which is competitive with the business of the any of its defined subsidiaries in violation of the Sysco Code of Business Conduct as in effect on the date of such or other engagement or in such a manner that would have violated the Code of Business Conduct had the participant ed by the company or any of its defined subsidiaries at the time of the activity in question, or (iii) violated the , clawback and recoupment policies that may be applicable to the participant, then any outstanding Options and SARs ot been exercised and any awards other than Options and SARs that have not vested will be forfeited. The decision of e as to the nature of a participant's conduct, the damage done to the company or any of its defined subsidiaries and the participant's competitive activity will be final. No decision of the Committee, however, will affect the finality of the he participant in any manner. The Committee may, in its discretion, include a form of non-compete, non-solicitation isparagement agreement in any award agreement, and such non-compete, non-solicitation or non-disparagement y be personalized, in the Committee's discretion, to fit the circumstances of any specific grantee.

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Vesting for Certain Terminations of Employment in Connection with a Change in Control

an, if (A) a Change in Control occurs and (B) during the period commencing on the date that is 12 months prior to the f the Change in Control and ending on the date that is 24 months following the Change in Control, the participant's or service with the Company is terminated in a qualifying manner, all outstanding Options and SARs shall vest and cisable and all other outstanding awards shall vest and all restrictions pertaining to such other awards shall lapse and er effect. For purposes of the Plan, a Change in Control event includes, but is not limited to, certain acquisitions of 20% e Company's outstanding common stock, certain changes in the identity of a majority of the members of the Board of certain mergers in which the company's then existing shareholders do not own at least 60% of the outstanding voting he surviving entity. In the event that the employment of a participant who is an employee of the company or any of its diaries is terminated by the company other than for cause, as defined below, during the 24-month period following a ontrol, all of such participant's outstanding Options and SARs may thereafter be exercised by the participant, to the ch Options and SARs were exercisable as of the date of such termination of employment, for (x) a period set forth in e award agreement or (y) until expiration of the stated term of such Option or SAR, whichever period is shorter. The visions relating to competition as described in the immediately preceding paragraph shall not apply to any participant termination of employment pursuant to the Change in Control provisions in the Plan. For purposes of these provisions, use" shall mean "cause" as defined in the participant's award agreement or written employment, consulting or other th the company or a subsidiary, or if not defined in any such agreement, "cause" shall mean conviction of, or plea of nolo he participant for a felony, dishonesty while performing his employment duties, a participant's willful or deliberate form his or her duties in any material respect, or a participant's violation of any non-competition, non-solicitation, y or other restrictive covenants agreement or code of conduct applicable to the participant.

Tax Withholding

hares under the Plan is subject to withholding of all applicable taxes, and the Committee may condition the delivery of r other benefits under the Plan on satisfaction of the applicable withholding obligations. The Committee, in its d subject to such requirements as the Committee may impose prior to the occurrence of such withholding, may permit ding obligations to be satisfied through cash payment by the participant, through the surrender of shares of common he participant already owns, or through the surrender of shares of common stock to which the participant is otherwise the Plan, but only to the extent of the minimum amount required to be withheld under applicable law.

Term of the Plan

r terminated by the Board of Directors, the Plan, if approved, will terminate on November 15, 2023. No awards may be the Plan subsequent to that date.

Amendment and Termination

ay, at any time, amend or terminate the Plan, except that the following actions may not be taken without stockholder any increase in the number of shares that may be issued under the Plan (except by certain adjustments provided under any change in the class of persons eligible to receive ISOs under the Plan; (iii) any change in the requirements of the g the exercise price of Options or grant price of SARs; (iv) any repricing or cancellation and re-grant of any Option or, , other award at a lower exercise, base or purchase price, whether in the form of an amendment, cancellation or grant, or a cash-out of underwater options or any action that provides for awards that contain a so- called "reload" feature additional Options or other awards are granted automatically to the grantee upon exercise of the original Option or any other amendment to the Plan that would require approval of the company’s stockholders under applicable law, le or stock exchange listing requirement.

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U.S Tax Treatment of Awards

is a brief description of the material United States federal income tax consequences associated with awards under the sed on existing United States laws and regulations, and there can be no assurance that those laws and regulations will the future. Tax consequences in other countries may vary. This information is not intended as tax advice to anyone, ticipants in the Plan.

ns. Neither incentive stock option grants nor non-qualified stock option grants cause any tax consequences to the r Sysco at the time of grant. Upon the exercise of a non-qualified stock option, the excess of the market value of the ed over their exercise price is ordinary income to the participant and is deductible by Sysco. The participant's tax basis is the market value thereof at the time of exercise. Any gain or loss realized upon a subsequent disposition of the stock constitute capital gain, in connection with which Sysco will not be entitled to a tax deduction.

rcise of an incentive stock option, the participant will not realize taxable income, but the excess of the fair market value ver the exercise price may give rise to alternative minimum tax. When the stock acquired upon exercise of an incentive is subsequently sold, the participant will recognize income equal to the difference between the sales price and the e of the option. If the sale occurs after the expiration of two years from the grant date and one year from the exercise me will constitute long-term capital gain. If the sale occurs prior to that time, the participant will recognize ordinary extent of the lesser of the gain realized upon the sale or the difference between the fair market value of the acquired ime of exercise and the exercise price; any additional gain will constitute capital gain. Sysco will be entitled to a an amount equal to the ordinary income recognized by the participant, but no deduction in connection with any capital zed by the participant. If the participant exercises an incentive stock option more than three months after his or her of employment due to retirement or more than twelve months after his or her termination of employment due to sability, he or she is deemed to have exercised a non-qualified stock option.

n realized by participants on the exercise of non-qualified stock options or the disposition of shares acquired upon ny incentive stock options should qualify as performance-based compensation under the Code and thus not be subject to 0 deductibility limit of Code Section 162(m).

ciation Rights. A participant granted a stock appreciation right under the Plan will not recognize income, and Sysco lowed a tax deduction, at the time the award is granted. When the participant exercises the stock appreciation right, the sh and the fair market value of any shares of stock or other consideration received will be ordinary income to the nd Sysco will be allowed a corresponding federal income tax deduction at that time. Compensation realized by the n the exercise of the stock appreciation right should qualify as performance-based compensation under the Code and bject to the $1,000,000 deductibility limit of Code Section 162(m).

tock. Restricted stock is not taxable to a participant at the time of grant, but instead is included in ordinary income (at narket value) when the restrictions lapse. A participant may elect, however, to recognize income at the time of grant, in ne fair market value of the restricted shares at the time of grant is included in ordinary income and there is no further nition when the restrictions lapse. If a participant makes such an election and thereafter forfeits the restricted shares, he entitled to no tax deduction, capital loss or other tax benefit. Sysco is entitled to a tax deduction in an amount equal to ncome recognized by the participant, subject to any applicable limitations under Code Section 162(m).

's tax basis for restricted shares will be equal to the amount of ordinary income recognized by the participant. The ll recognize capital gain (or loss) on a sale of the restricted stock if the sale price exceeds (or is lower than) such basis. period for restricted shares for purposes of characterizing gain or loss on the sale of any shares as long- or short-term t the time the participant recognizes ordinary income pursuant to an award. Sysco is not entitled to a tax deduction g to any capital gain or loss of the participant.

tock Units. A participant will not recognize income, and Sysco will not be allowed a tax deduction, at the time a k unit award is granted. Upon receipt of shares of stock (or the equivalent value in cash or any combination of cash and on stock) in settlement of a restricted stock unit award, a participant will recognize ordinary income equal to the fair of the stock and cash received as of that date (less any amount he or she paid for the stock and cash), and Sysco will be responding federal income tax deduction at that time, subject to any applicable limitations under Code Section 162(m).

e Awards. A participant will not recognize income, and Sysco will not be allowed a tax deduction, at the time a award is granted (for example, when the performance goals are established). Upon receipt of stock or cash (or a thereof) in settlement of a performance award, the participant will recognize ordinary income equal to the fair market tock and cash received, and Sysco will be allowed a corresponding federal income tax deduction at that time, subject to e limitations under Code Section 162(m).

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

lding. Sysco has the right to deduct or withhold, or require a participant to remit to Sysco, an amount sufficient to l, state and local taxes (including employment taxes) required by law to be withheld with respect to any exercise, lapse or other taxable event arising as a result of the Plan. The Committee may, at the time the award is granted or thereafter, rmit that any such withholding requirement be satisfied, in whole or in part, by delivery of, or withholding from the having a fair market value on the date of withholding equal to the amount required to be withheld for tax purposes.

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Certain Interests of Directors

g the recommendation of the Board of Directors with respect to the Plan, stockholders should be aware that members of Directors may from time to time have interests that present them with conflicts of interest in connection with this pprove the Plan. For example, Directors who are also employees of the Company will be eligible for the grant of awards n. Currently, only Messrs. DeLaney and Fernandez are both a director and an employee of the company, and neither ves on the Compensation Committee. As proposed, non-employee directors of the Board will also be eligible for grants n. Non-employee directors currently are eligible to receive equity awards under the 2009 Non-Employee Directors he "Director's Plan"). No new awards may be made under the Director's Plan after November 18, 2016. It is anticipated rds to non-employee directors between now and November 18, 2016, will be made pursuant to the Director's Plan. that date will be eligible for grant under the Plan. The Board of Directors believes that approval of the proposed to the Plan will advance the interests of the company and its stockholders by encouraging employees to make ntributions to the long-term success of the company.

Required Vote

ve vote of a majority of votes cast, either for, against or abstain, is required to approve this proposal. Broker non-votes dered to be votes cast for these purposes.

Directors recommends a vote FOR approval of the adoption of the 2013 Long Term Incentive Plan.

ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION (ITEM 3)

non-binding vote from its stockholders to approve the compensation paid to our named executive officers, as disclosed statement pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation rrative discussion. This vote is commonly referred to as a "Say on Pay" vote because it gives stockholders a direct o express their approval or disapproval to the company regarding its pay practices.

in detail in the Compensation Discussion and Analysis, our executive compensation programs are designed to attract, tivate highly talented individuals who are committed to Sysco's vision and strategy. We strive to link executives' pay to ance and their advancement of Sysco's overall performance and business strategies, while also aligning the executives' n those of stockholders and encouraging high-performing executives to remain with Sysco over the course of their believe that the amount of compensation for each named executive officer reflects extensive management experience, h performance and exceptional service to Sysco and our stockholders.

u to consider the details of our executive compensation as disclosed more fully throughout this proxy statement.

f the outcome of this "Say on Pay" vote, Sysco welcomes input from its stockholders regarding executive compensation tters related to the company's success generally. We believe in a corporate governance structure that is responsive to concerns, and we view this vote as a meaningful opportunity to gauge stockholder approval of our executive policies. Given the information provided above and elsewhere in this proxy statement, the Board of Directors asks you e following advisory resolution:

hat Sysco's stockholders approve, on an advisory basis, the compensation paid to Sysco's named executive officers, n this proxy statement."

Required Vote

st for this proposal must exceed the votes cast against it in order for it to be approved. Accordingly, abstentions and otes will not be relevant to the outcome.

Directors recommends a vote FOR the approval of the compensation paid to Sysco's Named Executive Officers.

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REPORT OF THE AUDIT COMMITTEE

ommittee has met and held discussions with management and the independent public accountants regarding Sysco's olidated financial statements for the year ending June 29, 2013. Management represented to the Audit Committee that olidated financial statements were prepared in accordance with generally accepted accounting principles, and the Audit as reviewed and discussed the audited consolidated financial statements with management and the independent public The Audit Committee also discussed with the independent public accountants the matters required to be discussed by n Auditing Standards No. 61(Codification of Statements on Auditing Standards, AU Sec. 380), as modified or d. Sysco's independent public accountants provided to the Audit Committee the written disclosures and the letter Public Company Accounting Oversight Board Rule 3526, "Communication with Audit Committees Concerning e", as modified or supplemented, and the Audit Committee discussed with the independent public accountants that firm's .

Audit Committee's discussion with management and the independent public accountants and the Audit Committee's e representations of management and the report of the independent public accountants, the Audit Committee d to the Board of Directors that the audited consolidated financial statements be included in Sysco's Annual Report on r the year ended June 29, 2013 for filing with the Securities and Exchange Commission.

MMITTEE

fner, Jr.

n Koerber

vcomb

lghman, *Chairman*

FEES PAID TO INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

g table presents fees billed for professional audit services rendered by Ernst & Young LLP for the audit of Sysco's ial statements for fiscal 2013 and 2012, as well as other services rendered by Ernst & Young LLP during those periods:

	Fiscal 2013	Fiscal 2012
	$ 4,947,618	$ 4,085,588
d Fees[2]	124,971	661,160
	2,672,384	2,885,926
es	—	—

fiscal 2013 included $4,866,150 related to the audit and quarterly reviews of the consolidated financial statements audit of the effectiveness of the company's internal control over financial reporting) and $81,468 related to a statutory fees in fiscal 2012 included $3,757,794 related to the audit and quarterly reviews of the consolidated financial ncluding an audit of the effectiveness of the company's internal control over financial reporting), $251,500 related to th and review of documents filed with the SEC and $76,294 related to a statutory audit.

d fees in fiscal 2013 included $122,811 related to the audit of the company's benefit plans and $2,160 for other services. Audit-related fees in fiscal 2012 included $119,000 related to the audit of the company's benefit plans and other audit-related services.

fiscal 2013 included $2,312,765 related to local, state, provincial and federal income tax return preparation, $118,430 rious tax examinations, $232,324 related to assistance with transfer pricing agreements and $8,865 related to various tters. Tax fees in fiscal 2012 included $2,368,211 related to local, state, provincial and federal income tax return $163,411 related to various tax examinations, $194,181 related to assistance with transfer pricing agreements, $15,556 rious state tax matters, $129,446 related to assistance with tax planning transactions and $15,121 for other tax related

Pre-Approval Policy

003, the Audit Committee adopted a formal policy concerning approval of audit and non-audit services to be provided endent auditor to the company. The policy requires that all services, including audit services and permissible audit d non-audit services, to be provided by Ernst & Young LLP to the company, be pre-approved by the Audit Committee. vices performed by Ernst & Young in or with respect to fiscal 2013 and fiscal 2012 were approved in advance by the ttee pursuant to the foregoing pre-approval policy and procedures. During fiscal 2013, Ernst & Young did not provide prohibited under the Sarbanes-Oxley Act of 2002.

RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG LLP AS INDEPENDENT AUDITORS (ITEM 4)

ommittee of the Board has appointed Ernst & Young LLP as Sysco's independent registered public accounting firm for Ernst & Young LLP has served as the company's independent public registered public accounting firm providing ancial and tax services since their engagement in fiscal 2002. In determining to appoint Ernst & Young, the Audit arefully considered Ernst & Young's past performance for the company, its independence with respect to the services to d and its general reputation for adherence to professional auditing standards. In fiscal 2013, the Audit Committee additional evaluation of the services provided by Ernst & Young LLP in its determination of the appointment of ng LLP as Sysco's independent registered public accounting firm for fiscal 2014.

e company is not required to seek ratification, the Audit Committee and the Board believe it is sound corporate o do so. If stockholders do not ratify the appointment of Ernst & Young, the current appointment will stand, but the nittee will consider the stockholders' action in determining whether to appoint Ernst & Young as the company's egistered public accounting firm for fiscal 2015.

ves of Ernst & Young LLP will be present at the Annual Meeting and will have the opportunity to make a statement if do so. They will also be available to respond to appropriate questions.

te - The votes cast for this proposal must exceed the vote cast against in order for it to be approved. Accordingly nd broker non-votes will not be relevant to the outcome.

Directors recommends a vote FOR the ratification of the appointment of the independent registered public accounting 2014.

STOCKHOLDER PROPOSALS

Presenting Business

like to present a proposal under Rule 14a-8 of the Securities Exchange Act of 1934 at our 2014 Annual Meeting of , send the proposal in time for us to receive it no later than June 5, 2014. If the date of our 2014 Annual Meeting is changed by more than 30 days from the date of this year's Annual Meeting, we will inform you of the change and the n we must receive proposals. If you want to present business at our 2014 Annual Meeting outside of the stockholder s of Rule 14a-8 of the Exchange Act and instead pursuant to Article I, Section 8 of the company's Bylaws, the Corporate st receive notice of your proposal by August 17, 2014, but not before July 8, 2014, and you must be a stockholder of date you provide notice of your proposal to the company and on the record date for determining stockholders entitled e meeting and to vote.

Nominating Directors for Election

e Governance and Nominating Committee will consider any director nominees you recommend in writing for the 2014 ing if you submit such written recommendation in conformity with the procedural and informational requirements set rd Of Directors Matters — Election of Directors at 2013 Annual Meeting (Item 1) – Nomination Process" no later than You may also nominate someone yourself at the 2014 Annual Meeting, as long as the Corporate Secretary receives n nomination between July 8, 2014 and August 17, 2014, and you follow the procedures outlined in Article I, Section 7 ny's Bylaws.

Meeting Date Changes

next year's Annual Meeting is advanced by more than 30 days prior to or delayed by more than 60 days after the date of nnual Meeting, we will inform you of the change, and we must receive your director nominee notices or your roposals outside of Rule 14a-8 of the Exchange Act by the latest of 90 days before the Annual Meeting, 10 days after otice of the changed date of the Annual Meeting or 10 days after we publicly disclose the changed date of the Annual

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ANNEX I – NON-GAAP RECONCILIATIONS

Adjusted Diluted Earnings per Share Non-GAAP Reconciliation

ation on the rationale for the use of these measures can be found in our Annual Report on Form 10-K.

s, except for share and per share data)		**2013**
s (GAAP)	**$**	**992,427**
P costs (net of tax)(1)		211,978
EPP charge (net of tax)(1)		26,855
verance charge (net of tax)(1)		14,882
tructuring executive retirement plans (net of tax)(1)		13,461
e-time acquisition-related charge (no tax impact)		5,998
ility closure charge (net of tax)(1)		1,696
NET EARNINGS (NON-GAAP)	**$**	**1,267,297**
ings per share (GAAP)	**$**	**1.67**
P costs (net of tax)(2)		0.36
EPP charge (net of tax)(2)		0.05
verance charge (net of tax)(2)		0.03
tructuring executive retirement plans(2)		0.02
e-time acquisition-related charge (no tax impact)(2)		0.01
ility closure charge (net of tax)(2)		—
DILUTED EARNINGS PER SHARE (NON-GAAP)	**$**	**2.14**
es outstanding		**592,675,110**

te tax impact of adjustments for Business Transformation Project, multiemployer pension plan expenses, severance cutive retirement plans restructuring and facility closure charges was $150.3 million for fiscal 2013.

mponents of diluted earnings per share may not sum to the total adjusted diluted earnings due to rounding.

Free Cash Flow Non-GAAP Reconciliation

s)		**2013**
ovided by operating activities (GAAP)	**$**	**1,511,594**
plant and equipment		(511,862)
m sales of plant and equipment		15,527
low (Non-GAAP)		**1,015,259**

Non-GAAP reconciliation for adjusted sales growth used in management incentive bonus measurement

gement incentive bonus plan requires the removal of sales from acquired companies where the purchase price exceeds Three acquisitions exceeded this threshold in fiscal 2013. As a result, in the non-GAAP reconciliation below for fiscal ave been adjusted to remove the sales achieved by these acquired companies in fiscal 2013. The resulting sales increase s acquired company was used in the measurement of the results of the mangement incentive bonus plan.

s)	2013	2012
P)	**$ 44,411,233**	**$ 42,380,939**
ired company	173,791	—
SALES (NON-GAAP)	**$ 44,237,442**	**$ 42,380,939**
n (GAAP)	**4.79** %	
n (Non-GAAP)	**4.38** %	

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Non-GAAP reconciliation for adjusted return on invested capital used in management incentive bonus measurement

gement incentive bonus plan requires the removal of earnings and related debt incurred from acquired companies where price exceeds $40 million. Three acquisitions exceeded this threshold in fiscal 2013. The calculation of the adjusted requires the exclusion of withdrawals by Sysco operating companies from multi-employer pension plans and charges, including but not limited to those relating to severance, facility closures and consolidations and asset write esult, in the non-GAAP reconciliation below for fiscal 2013, adjusted total invested capital is computed as the sum of ockholder's equity, computed as the average of adjusted stockholders' equity at the beginning of the year and at the end quarter during the year; and (ii) adjusted long-term debt, computed as the average of the adjusted long-term debt at the he year and at the end of each fiscal quarter during the year.

s)		**2013**
s (GAAP)	**$**	**992,427**
quisitions (net of tax)(1)		(3,858)
EPP charge (net of tax)(1)		26,855
verance charge (net of tax)(1)		14,882
tructuring executive retirement plans (net of tax)(1)		13,461
e-time acquisition-related charge (no tax impact)		5,998
ility closure charge (net of tax)(1)		1,696
NET EARNINGS (NON-GAAP)	**$**	**1,051,461**
pital (GAAP)	**$**	**7,930,940**
to invested capital		(52,976)
INVESTED CAPITAL (GAAP)	**$**	**7,877,965**
nvestment capital (GAAP)		**12.51 %**
nvestment capital (Non-GAAP)		**13.35 %**

te tax impact of adjustments for applicable acquisitions, multiemployer pension plan expenses, severance charges, irement plans restructuring and facility closure charges was $32.0 million for fiscal 2013.

on-GAAP reconciliations for adjusted sales and earnings per share growth used in cash performance units measurement

l year ends on the Saturday nearest to June 30th. This resulted in a 52-week year for fiscal 2013, fiscal 2012, fiscal 2011 k year for fiscal 2010. Because the fourth quarter of fiscal 2010 contained an additional week as compared to fiscal ults of operations for fiscal 2010 are not directly comparable to fiscal 2011. Management's cash performance unit plan djustment to fiscal 2010 sales and diluted earnings per share for the estimated impact of the additional week which believes provides a more comparable measurement of sales and diluted earnings per share on a year-over-year basis. As ne non-GAAP reconciliations below for fiscal 2010, sales and diluted earnings per share have been adjusted by th of the total metric for the fourth quarter of fiscal 2010 and the resulting sales and earnings per share increase on a s were used in the measurement of the results of the cash performance units.

				2010	
s)	**2013**	**2012**	**2011**	**(53 Weeks)**	**2009**

P)	**$ 44,411,233**	**$ 42,380,939**	**$ 39,323,489**	**$ 37,243,495**	**$ 36,853,330**
rd week	—	—	—	739,177	—
SALES P)	**$ 44,411,233**	**$ 42,380,939**	**$ 39,323,489**	**$ 36,504,318**	**$ 36,853,330**
n (GAAP)	**4.8 %**	**7.8 %**	**5.6 %**	**1.1 %**	
n (Non-GAAP)	**4.8 %**	**7.8 %**	**7.7 %**	**-0.9 %**	
nance unit :					
verage sales -GAAP)	6.76 %	4.85 %			

	2013	2012	2011	2010 (53 Weeks)	2009
ings per share (GAAP)	**$ 1.67**	**$ 1.90**	**$ 1.96**	**$ 1.99**	**$ 1.77**
rd week	—	—	—	0.04	—
DILUTED EARNINGS E (NON-GAAP)	**$ 1.67**	**$ 1.90**	**$ 1.96**	**$ 1.95**	**$ 1.77**
ings per share (GAAP)	**-12.1 %**	**-3.1 %**	**-1.5 %**	**12.4 %**	
ings per share)	**-12.1 %**	**-3.1 %**	**0.5 %**	**10.2 %**	
nance unit measurement:					
verage diluted earnings per (Non-GAAP)	-4.88 %	2.54 %			

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ANNEX II – LONG TERM INCENTIVE PLAN

SYSCO CORPORATION 2013 LONG-TERM INCENTIVE PLAN

Section 1 General

ective as of the Effective Date (defined below), the Sysco Corporation 2013 Long-Term Incentive Plan (the "Plan") is ished by Sysco Corporation (the "Company") as a successor to the Sysco Corporation 2007 Stock Incentive Plan (the . No additional awards shall be made after the Effective Date under the 2007 Plan. Shares of Stock (as defined below) der the 2007 Plan but not subject to awards under the 2007 Plan as of the Effective Date shall be available for issuance nder this Plan. Outstanding awards under the 2007 Plan shall continue in effect according to their terms as in effect fective Date (subject to such amendments as the Committee (as defined below) determines, consistent with the 2007 cable).

of the Plan is to promote the interests of the Company and the stockholders of the Company by providing (i) executive other employees of the Company and its Subsidiaries (as defined below), (ii) certain advisors who perform services for and its Subsidiaries and (iii) non-employee members of the Board of Directors of the Company (the "Board") with ncentives and rewards to encourage them to enter into and continue in the employ and service of the Company and to prietary interest in the long-term success of the Company, as well as to reward the performance of these individuals in ir personal responsibilities for long-range and annual achievements. The Plan provides for the grant, in the sole the Committee, of options (including "incentive stock options" and "nonqualified stock options"), stock appreciation rights, k, restricted stock units, other stock-based awards and cash-based awards. The Plan is designed so that awards granted ended to comply with the requirements for "qualified performance-based compensation" under Section 162(m) of the ined below) may comply with such requirements, and the Plan and such awards shall be interpreted in a manner h such requirements.

Capitalized terms in the Plan shall be defined as set forth below:

the other definitions contained herein, the following definitions shall apply:

ompany. The term "Affiliated Company" means any company, partnership, association, organization or other entity controlling or under common control with the Company.

term "Award" means any award or benefit granted under the Plan, including, without limitation, Options, SARs, ock, Restricted Stock Units, Other Stock-Based Awards and Cash-Based Awards.

ement. The term "Award Agreement" means a written Award grant agreement under the Plan.

Award. The term "Cash-Based Award" means a right or other interest granted to an Eligible Grantee under Section 4.2(f) at may be denominated or payable in cash, other than an Award pursuant to which the amount of cash is determined by the value of a specific number of shares of Stock. For the avoidance of doubt, dividend equivalents constitute wards.

erm "Cause" means, unless otherwise provided by the Committee, (1) "Cause" as defined in any Award Agreement to antee is a party, or (2) if there is no such Award Agreement or if it does not define Cause: (A) conviction of, or plea of *ere* by, the Grantee of a felony under federal law or the law of the state in which such action occurred, (B) dishonesty in fulfilling the Grantee's employment or service duties, (C) willful and deliberate failure on the part of the Grantee to Grantee's employment or service duties in any material respect or (D) Grantee's violation of any non-competition, on, confidentiality or other restrictive covenants agreement or code of conduct applicable to Grantee. The Committee sole discretion to determine whether "Cause" exists, and its determination shall be final.

ontrol. The term "Change in Control" shall mean:

on by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange as amended (the "Exchange Act")) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated change Act) of 20% or more of either (A) the then-outstanding shares of common stock of the Company (the Company Common Stock") or (B) the combined voting power of the then-outstanding voting securities of the Company te generally in the election of directors (the "Outstanding Company Voting Securities"); *provided, however,* that, for his definition, the following acquisitions shall not constitute a Change in Control: (1) any acquisition directly from the) any acquisition by the Company, (3) any acquisition by any employee benefit plan (or related trust) sponsored or y the Company or any Affiliated Company or (4) any acquisition by any corporation; pursuant to a transaction that subparagraphs (iii)(A), (iii)(B) and (iii)(C) below;

ce of the following: Individuals who, as of the Effective Date, constitute the Board (the "Incumbent Board") cease for any stitute at least a majority of the Board; *provided, however,* that any individual becoming a director subsequent to the te whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a e directors then comprising the Incumbent Board shall be considered as though such individual were a member of the oard, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an atened election contest with respect to the election or removal of directors or other actual or threatened solicitation of nsents by or on behalf of a Person other than the Board;

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on of a reorganization, merger, statutory share exchange or consolidation or similar corporate transaction involving the any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of the Company, or the f assets or stock of another entity by the Company or any of its subsidiaries (each, a "Business Combination"), in each ollowing such Business Combination, (A) all or substantially all of the individuals and entities that were the beneficial e Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior to such nbination beneficially own, directly or indirectly, more than 60% of the then-outstanding shares of common stock and voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case e corporation resulting from such Business Combination (including, without limitation, a corporation that, as a result of tion, owns the Company or all or substantially all of the Company's assets either directly or through one or more , as the case may be, (B) no Person (excluding any corporation resulting from such Business Combination or any nefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially y or indirectly, 20% or more of, respectively, the then-outstanding shares of common stock of the corporation resulting siness Combination or the combined voting power of the then-outstanding voting securities of such corporation, except that such ownership existed prior to the Business Combination, and (C) at least a majority of the members of the board f the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the he initial agreement or of the action of the Board providing for such Business Combination; or

he stockholders of the Company of a complete liquidation or dissolution of the Company.

tee may modify the definition of Change in Control for a particular Award to the limited extent the Committee ppropriate to comply with Section 409A of the Code.

rm "Code" means the Internal Revenue Code of 1986, as amended. A reference to any provision of the Code shall include ny successor provision of the Code.

The term "Committee" means the committee of the Board described in Section 2 hereof and any sub-committee y such Committee pursuant to Section 2.3.

ployee. The term "Covered Employee" means an Employee who is, or who is anticipated to become, between the time of yment of the Award, a "covered employee," as such term is defined in Section 162(m)(3) of the Code (or any successor of).

he term "Disability" means "Disability" as defined in any Award Agreement to which the Grantee is a party.

te. The term “Effective Date” means November 15, 2013, provided that the Plan is approved by the Company’s on such date.

ntee. The term “Eligible Grantee” shall mean any Employee, Non-Employee Director or Key Advisor, as determined by e in its sole discretion.

he term “Employee” means an active employee of the Company or a Subsidiary, but excluding any person who is the Company or a Subsidiary as a “contractor” or “consultant,” no matter how characterized by the Internal Revenue governmental agency or a court, or any employee who is not actively employed, as determined by the Committee. Any aracterization of an individual by the Internal Revenue Service or any court or government agency shall have no effect sification of an individual as an Employee for purposes of this Plan, unless the Committee determines otherwise.

Value. For purposes of determining the “Fair Market Value” of a share of Stock as of any date, the “Fair Market Value” as hall be the closing sale price during regular trading hours of the Stock on the immediately preceding date on the urities market in which shares of Stock is then traded; or, if there were no trades on that date, the closing sale price r trading hours of the Stock on the first trading day prior to that date. If the Stock is not publicly traded at the time a n of Fair Market Value is required to be made hereunder, the determination of such amount shall be made by the such manner as it deems appropriate.

n. The term “Good Reason” means, unless otherwise provided by the Committee, the occurrence of one or more of the thout Grantee’s consent: (i) a material diminution of the Grantee’s authority, duties or responsibilities; (ii) a material geographic location at which Grantee must perform services for the Company or its Subsidiaries; (iii) a material the authority, duties or responsibilities of the supervisor to whom the Grantee is required to report; or (iv) a material the Grantee’s base compensation. The Grantee must provide written notice of termination for Good Reason to the he Subsidiary that employs the Grantee within 30 days after the event constituting Good Reason. The Company or the bsidiary shall have a period of 30 days in which it may correct the act or failure to act that constitutes the grounds for as set forth in the Grantee’s notice of termination. If the Company or applicable Subsidiary does not correct the act or the Grantee must terminate his or her employment for Good Reason within 30 days after the end of the cure period, in ermination to be considered a Good Reason termination.

e term “Grantee” means an Employee, Non-Employee Director or Key Advisor of the Company or a Subsidiary who has an Award under the Plan.

n "ISO" means any Option intended to be and designated as an incentive stock option within the meaning of Section 422

r. The term "Key Advisor" means a consultant or other key advisor who performs services for the Company or a

ee Director. The term "Non-Employee Director" means a member of the Board who is not an Employee.

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erm "NQSO" means any Option that is not designated as an ISO, or which is designated by the Committee as an ISO but uently fails or ceases to qualify as an ISO.

term "Option" means a right, granted to an Eligible Grantee under Section 4.2(a), to purchase shares of Stock. An Option an ISO or an NQSO.

Based Award. The term "Other Stock-Based Award" means a right or other interest granted to an Eligible Grantee under) of the Plan that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, Stock, including but not limited to (i) unrestricted Stock awarded as a bonus or upon the attainment of Performance rwise as permitted under the Plan, and (ii) a right granted to an Eligible Grantee to acquire Stock from the Company rms and conditions prescribed by the Committee.

e Goals. The term "Performance Goals" means performance goals based on the attainment by the Company or any the Company or any Affiliated Company (or any division or business unit of any such entity), or any two or more of , of performance goals pre-established by the Committee in its sole discretion, based on one or more of the following plicable, such criteria shall be determined in accordance with generally accepted accounting principles ("GAAP") or ne Company's GAAP financial statements): (1) return on total stockholder equity; (2) earnings per share of Stock; (3) ore any or all of interest, taxes, minority interest, depreciation and amortization; (4) economic profit; (5) sales or return on assets, capital or investment; (7) market share; (8) control of operating or non-operating expenses; (9) certain costs (including reductions in inventories or accounts receivable or reductions in operating expenses); (10) fit; (11) implementation or completion of critical projects or processes; (12) operating cash flow, (13) free cash flow, capital or increase in pretax earnings; (15) net earnings; (16) margins; (17) market price of the Company's securities; arnings or variations of income criteria in varying time periods; (19) economic value added; (20) expense targets; (21) et after-tax earnings per share; (22) working capital targets; (23) enterprise value; (24) safety record; (25) closing of or dispositions or other business expansion or contraction; (26) operating profit or improvements in operating profit; ments in certain asset or financial measures (including working capital and the ratio of sales to net working capital); bination of, or a specified increase in, any of the foregoing; and (29) general comparisons with other peer companies or ps or classifications with regard to one or more of the foregoing criteria. Subject to the limitations in Section 4.2, the its sole discretion may designate additional business criteria on which the Performance Goals may be based or adjust, amend the aforementioned business criteria. The relative weights of the criteria that comprise the Performance Goals rmined by the Committee in its sole discretion. In establishing the Performance Goals for a performance period, the nay establish different Performance Goals for individual Grantees or groups of Grantees. Subject to the limitations in)(iv), the Committee in its sole discretion shall have the authority to make equitable adjustments to the Performance gnition of unusual or non-recurring events affecting the Company or any Subsidiary of the Company or any Affiliated the financial statements of the Company or any Subsidiary of the Company or any Affiliated Company, in response to plicable laws or regulations, including changes in generally accepted accounting principles or practices, or to account gain, loss or expense determined to be extraordinary or unusual in nature or infrequent in occurrence or related to the segment of a business, as applicable. Performance Goals may include a threshold level of performance below which no e earned, a level of performance at which the target amount of an Award will be earned and a level of performance at ximum amount of the Award will be earned.

tock. The term “Restricted Stock” means an Award of shares of Stock to an Eligible Grantee under Section 4.2(c) that ct to certain restrictions and to a risk of forfeiture. Stock issued upon the exercise of Options or SARs is not “Restricted rposes of the plan, even if subject to post-issuance transfer restrictions or forfeiture conditions. When Restricted Stock s to be “Restricted Stock” for purposes of the Plan.

tock Unit. The term “Restricted Stock Unit” means a right granted to an Eligible Grantee under Section 4.2(d) to receive at the end of a specified deferral period, which right may be conditioned on the satisfaction of specified performance ia.

The term “Retirement” means any termination of employment or service as an Employee, Non-Employee Director or Key result of retirement in good standing under the rules of the Company or a Subsidiary, as applicable, then in effect.

The term “Rule 16b-3” means Rule 16b-3, as from time to time in effect promulgated by the Securities and Exchange under Section 16 of the Securities Exchange Act of 1934, as amended, including any successor to such Rule.

rm “Stock” means shares of the common stock, par value $1 per share, of the Company.

eciation Right or SAR. The term “Stock Appreciation Right” or “SAR” means the right, granted to an Eligible Grantee 4.2(b), to be paid an amount measured by the appreciation in the Fair Market Value of Stock from the date of grant to ercise of the right.

The term “Subsidiary” means any present or future subsidiary corporation of the Company within the meaning of) of the Code, and any present or future business venture designated by the Committee in which the Company has a terest, including, without limitation, any subsidiary corporation in which the Company has at least a 20% ownership termined in the discretion of the Committee, and also including the Baugh Supply Chain Cooperative, Inc. and all of its

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Section 2 Administration

The authority to manage the operation of and administer the Plan shall be vested in a committee (the "Committee") in
ith this Section 2. The Committee shall be selected by the Board, and shall consist solely of two or more members of
o are non-employee directors within the meaning of Rule 16b-3 and are outside directors within the meaning of Code
n). Unless otherwise determined by the Board, Sysco's Compensation Committee shall be designated as the "Committee"

ommittee. The Committee's administration of the Plan shall be subject to the following:

e provisions of the Plan, the Committee will have the authority and discretion to select from among the Eligible
e persons who shall receive Awards, to determine the time or times of receipt, to determine the types of Awards and the
hares covered by the Awards, and to establish the terms, conditions, performance criteria, restrictions, and other
such Awards.

ee will have the authority and discretion to interpret the Plan, to establish, amend, and rescind any rules and regulations
Plan, to determine the terms and provisions of any Award Agreement made pursuant to the Plan, and to make all other
s that may be necessary or advisable for the administration of the Plan.

ation of the Plan by the Committee and any decision made by it under the Plan is final and binding on all persons.

the operation of and administering the Plan, the Committee shall take action in a manner that conforms to the certificate
on and by-laws of the Company, and applicable state corporate law.

ction 3.2 hereof, neither the Board, the Committee nor their respective delegates shall have the authority to (i) reprice
d regrant) any Option, SAR or, if applicable, other Award at a lower exercise, base or purchase price without first
approval of the Company's stockholders, (ii) take any other action (whether in the form of an amendment, cancellation

nt grant, or a cash-out of underwater options) that has the effect of repricing an Option, SAR or other Award, or (iii) tion, SAR or other Award that contains a so-called "reload" feature under which additional Options, SARs or other ranted automatically to the Grantee upon exercise of the original Option, SAR or Award.

he Plan to the contrary notwithstanding, the Committee's authority to modify outstanding Awards shall be limited to the ary so that the existence of such authority does not (i) cause an Award that is not otherwise deferred compensation ction 409A of the Code to become deferred compensation subject to Section 409A of the Code or (ii) cause an Award wise deferred compensation subject to Section 409A of the Code to fail to meet the requirements prescribed by of the Code.

y Committee. Except to the extent prohibited by applicable law or the applicable rules of a stock exchange, the ay allocate all or any portion of its responsibilities and powers to any one or more of its members or, with respect to to Employees other than executive officers, the Chief Executive Officer, including without limitation, the power to ntees hereunder and determine the amount, timing and terms of Awards hereunder. Any such allocation or delegation ed by the Committee at any time.

to be Furnished to Committee. The Company and its Subsidiaries and Affiliated Companies shall furnish the vith such data and information as it determines may be required for it to discharge its duties. The records of the l its Subsidiaries and Affiliated Companies as to an Eligible Grantee's or Grantee's employment or service, termination ent or service, leave of absence, reemployment or reengagement and compensation shall be conclusive unless the etermines such records to be incorrect. Grantees and other persons entitled to benefits under the Plan must furnish the ch evidence, data or information as the Committee considers desirable to carry out the terms of the Plan.

tion. Each person who is or shall have been a member of the Committee, or the Board, shall be indemnified and held he Company against and from any loss, cost, liability or expense that may be imposed upon or reasonably incurred by connection with or resulting from any claim, action, suit or proceeding to which he or she may be a party or in which be involved by reason of any action taken in good faith or failure to act in good faith under the Plan and against and all amounts paid by him or her in settlement thereof, with the Company's approval, or paid by him or her in satisfaction ent in any such action, suit or proceeding against him or her, provided he or she shall give the Company an opportunity, ense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The nt of indemnification shall be in addition to any other rights of indemnification or elimination of liability to which such be entitled under the Company's Certificate of Incorporation or Bylaws, as a matter of law, or otherwise, or any power any may have to indemnify them or hold them harmless.

Section 3 Stock Subject to Plan

lable for Awards; Individual Limitations. Subject to the adjustments described below, the maximum number of ck reserved for the grant of Awards under the Plan shall be the sum of the following: (i) 45,000,000 new shares, plus (ii) f shares of Stock remaining available for issuance under the 2007 Plan but not subject to previously exercised, vested or s of the Effective Date. Of the maximum number of shares of Stock reserved for the grant of Awards under the Plan, up) shares of Stock may be issued in the aggregate pursuant to Options, which may be either ISOs or NQSOs, and SARs, 500,000 shares of Stock may be awarded under the Plan in the aggregate in respect of Awards other than Options and naximum number of shares of Stock that may be covered by all ISOs awarded under the Plan is 37,500,000. The mber of shares of Stock that may be covered by all Options and/or SARs granted to any individual during any fiscal e Plan is 2,000,000. The maximum number of shares of Stock that may be covered by all Awards other than Options or l to any individual during any fiscal year under the Plan is 500,000. The maximum dollar amount that may be covered Based Awards granted to any individual during any fiscal year under the Plan is 1% of the Company's earnings before as publicly disclosed in the "Consolidated Results of Operations" section of the Company's annual report to the Securities e Commission on Form 10-K for the fiscal year ended immediately before the date the applicable Cash-Based Awards maximum number of shares of Stock that may be covered by all Awards granted to any individual Non-Employee ng any fiscal year under the Plan is 20,000. Shares of Stock issuable hereunder may, in whole or in part, be authorized shares or shares of Stock that shall have been or may be reacquired by the Company in the open market, in private r otherwise. If any shares of Stock subject to an Award under this Plan are forfeited or cancelled, or if an Award under ninates or expires without a distribution of shares to the Grantee, the shares of Stock with respect to such Award shall, of any such forfeiture or cancellation, again be available for Awards under the Plan. Notwithstanding the foregoing, to Options and SARs that are settled in Stock, the aggregate number of shares of Stock subject to the Option or SAR counted against the shares available for issuance under the Plan as one share for every share subject thereto, regardless r of shares used to settle the Option or SAR upon exercise. Shares of Stock shall not again be available if such shares ed or withheld as payment of either the exercise price of an Award and/ or withholding taxes in respect of an Award. are settled solely in cash shall not reduce the number of shares of Stock available for Awards. Upon the exercise of any ed in tandem with any Award pursuant to Section 4.2(b)(i), such related Awards shall be cancelled to the extent of the ares of Stock as to which the Award is exercised and, notwithstanding the foregoing, such number of shares shall no ilable for Awards under the Plan. For the avoidance of doubt, if shares of Stock are repurchased on the open market s of the exercise price of Options, such shares may not again be made available for Awards under the Plan.

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s for Changes in Capitalization. If the outstanding shares of Stock are changed into or exchanged for a different nd of shares or other securities of the Company by reason of any (i) stock dividend, spinoff, recapitalization, stock split, on or exchange of shares, subdivision or similar transaction, (ii) a merger, reorganization or consolidation, (iii) a on or change in par value, or (iv) other extraordinary or unusual event affecting the outstanding Company Stock as a the Company's receipt of consideration, or if the value of outstanding shares of Company Stock is substantially reduced a spinoff or the Company's payment of an extraordinary dividend or distribution to its stockholders (each, a "Corporate) then, subject to any required action by the stockholders of the Company, the number and kind of shares of Stock ler the Plan or subject to any limit or maximum hereunder shall automatically be proportionately adjusted, with no d on the part of the Committee or otherwise. Subject to any required action by the stockholders, the number and kind of d by each outstanding Award, and the price per share or the applicable market value in each such Award, to the extent hall be automatically proportionately adjusted for any increase or decrease in the number of issued shares of the ulting from a Corporate Transaction to the extent necessary to prevent dilution or enlargement of the rights of Grantees n. Any adjustments to outstanding Awards shall be consistent with Section 409A or 424 of the Code, to the extent Any adjustments pursuant to this Section 3.2 made by the Committee shall be made by the Committee in its sole d its determination in that respect shall be final, binding and conclusive.

gers and Other Extraordinary Events. If the Company merges or consolidates with another corporation, whether or pany is a surviving corporation, or if the Company is liquidated or sells or otherwise disposes of substantially all of its unexercised Options or other Awards remain outstanding under the plan, (A) subject to the provisions of clause (C) he effective date of the merger, consolidation, liquidation, sale or other disposition, as the case may be, each holder of g Option or other Award shall be entitled, upon exercise of that Option or Award or in place of it, as the case may be, to e option of the Committee and in lieu of shares of Stock, (i) the number and class or classes of shares of stock or other property to which the holder would have been entitled if, immediately prior to the merger, consolidation, liquidation, disposition, the holder had been the holder of record of a number of shares of Stock equal to the number of shares of which that Option may be exercised or are subject to the Award or (ii) shares of stock of the company that is the poration in such merger, consolidation, liquidation, sale or other disposition having a value, as of the date of payment ve, as determined by the Committee in its sole discretion, equal to the value of the shares of stock or other securities or erwise payable under (i) above; (B) if Options or other Awards have not already become exercisable or vested under) hereof, the Committee may waive any limitations set forth in or imposed pursuant to the Plan so that all Options or , from and after a date prior to the effective date of that merger, consolidation, liquidation, sale or other disposition, as be, specified by the Committee, shall be exercisable in full and/or fully vested; and (C) all outstanding Options or cancelled by the Committee as of the effective date of any merger, consolidation, liquidation, sale or other disposition, any such cancellation pursuant to this Section 3.3 shall be contingent upon the payment to the affected Grantees, in the the-money Option or SAR, cash, property or a combination thereof having an aggregate value equal to the excess of the per-share amount of consideration paid pursuant to the merger, consolidation, liquidation, sale or other disposition, as be, giving rise to such cancellation, over the exercise price of such Option or SAR multiplied by the number of shares ect to the Option or SAR. Any adjustments to outstanding Awards under this Section 3.3 shall be consistent with or Section 424 of the Code, to the extent applicable. Any adjustments pursuant to this Section 3.3 shall be made by the its sole discretion, and its determination in that respect shall be final, binding and conclusive, regardless of whether or adjustment shall have the result of causing an ISO to cease to qualify as an ISO.

n Grantees' Rights. Except as hereinbefore expressly provided in this Section 3, a Grantee shall have no rights by subdivision or consolidation of shares of stock of any class or the payment of any stock dividend or any other increase n the number of shares of stock of any class or by reason of any dissolution, liquidation, merger, or consolidation or sets or stock of another corporation, and any issue by the Company of shares of stock of any class shall not affect, and t by reason thereof shall be made with respect to, the number or price of shares of Stock subject to an Award, unless the hall otherwise determine.

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ight and Power. The grant of any Award pursuant to the Plan shall not affect in any way the right or power of the) to make adjustments, reclassifications, reorganizations or changes of its capital or business structure, (B) to merge or C) to dissolve, liquidate, sell, or transfer all or any part of its business or assets or (D) to issue any bonds, debentures, or ther preference stock ahead of or affecting the Stock.

hares. Notwithstanding anything contained in this Section 3, if any action described in this Section 3 results in a re for any Grantee under any Award hereunder, such fraction shall be completely disregarded and the Grantee shall ed to the whole number of shares resulting from such adjustment. All adjustments made by the Committee to effect the Section 3 shall be final, conclusive and binding upon the holders of Options, SARS and other Awards.

Section 4 Awards

e term of each Award shall be for such period as may be determined by the Committee, subject to the limitations set Subject to the terms of the Plan and any applicable Award Agreement, payments to be made by the Company or any the Company upon the grant, maturation, or exercise of an Award may be made in such forms as the Committee shall he date of grant or thereafter, including, without limitation, cash, Stock, or other property. In addition to the foregoing, ee may impose on any Award or the exercise thereof, at the date of grant, such additional terms and conditions, not with the provisions of the Plan, as the Committee shall determine; provided, however, that any such terms and all not be inconsistent with Section 409A of the Code.

ards. The Committee is authorized to grant the Awards described in this Section 4.2, under such terms and conditions the Committee to be consistent with the purposes of the Plan. Such Awards may be granted with value and payment on Performance Goals. Each Award shall be evidenced by an Award Agreement containing such terms and conditions such Award as the Committee shall determine.

Committee is authorized to grant Options to Grantees on the following terms and conditions:

ard. The Award Agreement evidencing an Option shall designate the Option as either an ISO or an NQSO, as the discretion of the Committee.

ce. The exercise price of each Option granted under this Section 4.2 shall be established by the Committee or shall be y a method established by the Committee at the time the Option is granted; provided, however, that the exercise price ss than 100% of the Fair Market Value of a share of Stock on the date of grant of the Award. No dividends or dividend ill be paid on shares of Stock subject to an Option.

e provisions of the Plan, Options shall be exercisable in accordance with such terms and conditions and during such y be established by the Committee; provided, however, that no Option may be exercised more than ten years after its

forth in Section 5.11, no Option granted hereunder may be exercised after the earlier of (I) the expiration of the Option otherwise provided by the Committee in an Award Agreement, ninety days after the severance of an Option holder's or service with the Company or any Subsidiary. At the time of the grant of Options, the Committee may place n the exercisability or vesting of Options that shall lapse, in whole or in part, only upon the attainment of Performance ed that such Performance Goals shall relate to periods of performance of at least one fiscal year.

wise specified by the Committee in the applicable Award Agreement and to the extent consistent with Section 409A of pplicable, an authorized leave of absence, or an absence for military service, lasting less than one year shall not be ermination of employment or service for purposes of an Award under the Plan.

Option Exercise Price. The payment of the exercise price of an Option granted under this Section 4 shall be subject to :

e following provisions of this Section 4.2(a)(iv), the full exercise price for shares of Stock purchased upon the exercise n shall be paid at the time of such exercise (except that, in the case of an exercise arrangement approved by the d described in paragraph 4.2(a)(iv)(C) payment may be made as soon as practicable after the exercise).

price shall be payable in cash or by tendering (either by actual delivery of shares or by attestation) shares of Stock that e to the Committee and were valued at Fair Market Value as of the day the shares are tendered, or in any combination s, or attested shares, as determined by the Committee.

permitted by applicable law and the policies adopted from time to time by the Committee, a Grantee may elect to pay price upon the exercise of an Option by irrevocably authorizing a third party to sell shares of Stock (or a sufficient shares) acquired upon exercise of the Option and remit to the Company a sufficient portion of the sale proceeds to pay rcise price and any tax withholding resulting from such exercise. Such election must occur prior to the expiration date and, in any event, no later than the last trading day prior to the tenth anniversary of the grant date.

permitted by the policies adopted from time to time by the Committee, by the withholding of shares of Stock subject to e Option, which have a Fair Market Value on the date of exercise equal to the exercise price.

ommittee is authorized to grant SARs to Grantees on the following terms and conditions:

ARs may be granted independently or in tandem with an Option at the time of grant of the related Option. An SAR ndem with an Option shall be exercisable only to the extent the underlying Option is exercisable. Payment of an SAR in cash, Stock, property, or a combination of the foregoing, as specified in the Award Agreement or determined in the n of the Committee. At the time of the grant of SARs, the Committee may place restrictions on the exercisability or ARs that shall lapse, in whole or in part, only upon the attainment of Performance Goals; provided that such Goals shall relate to periods of performance of at least one fiscal year.

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ercisability of SARs. SARs shall be exercisable over the exercise period at such times and upon such conditions as the ay determine, as reflected in the Award Agreement; provided, however, that no SAR may be exercised more than ten grant date. Except as set forth in Section 5.11, no SAR granted hereunder may be exercised after the earlier of (A) the the SAR or (B) unless otherwise provided by the Committee in an Award Agreement, ninety days after the severance of er's employment or service with the Company or any Subsidiary.

SAR shall confer on the Grantee a right to receive an amount with respect to each share of Stock subject thereto, upon eof, equal to the excess of (A) the Fair Market Value of one share of Stock on the date of exercise over (B) the grant SAR (which in the case of an SAR granted in tandem with an Option shall be equal to the exercise price of the otion, and which in the case of any other SAR shall be such price as the Committee may determine but in no event shall he Fair Market Value of a share of Stock on the date of grant of such SAR). An SAR may be exercised by giving of such exercise to the Committee or its designated agent. No dividends or dividend equivalents will be paid on shares ct to an SAR.

ock. The Committee is authorized to grant Restricted Stock to Grantees on the following terms and conditions:

Restrictions. Restricted Stock shall be subject to such restrictions on transferability and other restrictions, if any, as the ay impose at the date of grant, which restrictions may lapse separately or in combination at such times, under such s, in such installments, or otherwise, as the Committee may determine. The Committee may place restrictions on tock that shall lapse, in whole or in part, only upon the attainment of Performance Goals; provided that such Goals shall relate to periods of performance of at least one fiscal year. Except to the extent restricted under the Award lating to the Restricted Stock, a Grantee granted Restricted Stock shall have all of the rights of a stockholder including, tion, the right to vote Restricted Stock and the right to receive dividends thereon.

or Stock. Restricted Stock granted under the Plan may be evidenced in such manner as the Committee shall determine. representing Restricted Stock are registered in the name of the Grantee, such certificates shall bear an appropriate ng to the terms, conditions, and restrictions applicable to such Restricted Stock, and the Company may retain physical the certificate.

xcept to the extent restricted under the applicable Award Agreement, cash dividends paid on Restricted Stock shall be vidend payment date subject to no restriction. Unless otherwise determined by the Committee, Stock distributed in ith a stock split or stock dividend shall be subject to the transfer restrictions, forfeiture risks and vesting conditions to ent as the Restricted Stock with respect to which such Stock or other property has been distributed. Dividends may earned Restricted Stock subject to Performance Goals, but shall not be payable unless and until the applicable Goals are met and certified.

ock Units. The Committee is authorized to grant Restricted Stock Units to Grantees, subject to the following terms and

Vesting. At the time of the grant of Restricted Stock Units, the Committee may place restrictions on Restricted Stock ll lapse, in whole or in part, only upon the attainment of Performance Goals; provided that such Performance Goals periods of performance of at least one fiscal year.

Vesting. Unless otherwise provided in an Award Agreement, upon the vesting of a Restricted Stock Unit, there shall o the Grantee, within 30 days of the date on which such Award (or any portion thereof) vests, the number of shares of the number of Restricted Stock Units becoming so vested.

ivalents. To the extent provided in an Award Agreement, subject to the requirements of Section 409A of the Code, an stricted Stock Units may provide the Grantee with the right to receive dividend equivalent payments with respect to to the Award (both before and after the Stock subject to the Award is earned, vested, or acquired), which payments made currently or credited to an account for the Grantee, and may be settled in cash or Stock, as determined by the Any such settlements and any such crediting of dividend equivalents may, at the time of grant of the Restricted Stock e subject to the transfer restrictions, forfeiture risks, vesting and conditions of the Restricted Stock Units and subject to nditions, restrictions and contingencies as the Committee shall establish at the time of grant of the Restricted Stock ng the reinvestment of such credited amounts in Stock equivalents, provided that all such conditions, restrictions and es shall comply with the requirements of Section 409A of the Code. Notwithstanding the foregoing in this)(iii), dividend equivalents may accrue on unearned Restricted Stock Units subject to Performance Goals but shall not less and until the applicable Performance Goals are met and certified.

-Based Awards. The Committee is authorized to grant Awards to Grantees in the form of Other Stock-Based Awards, the Committee to be consistent with the purposes of the Plan. At the time of the grant of Other Stock-Based Awards, ee may place restrictions on the payout or vesting of Other Stock-Based Awards that shall lapse, in whole or in part, e attainment of Performance Goals; provided that such Performance Goals shall relate to periods of performance of at l year.

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ee shall determine the terms and conditions of such Awards at the date of grant. Other Stock-Based Awards may not be the right to receive dividend equivalent payments.

Awards. The Committee is authorized to grant Awards to Grantees in the form of Cash-Based Awards, as deemed by ee to be consistent with the purposes of the Plan. At the time of the grant of Cash-Based Awards, the Committee may ons on the payout or vesting of Cash-Based Awards that shall lapse, in whole or in part, only upon the attainment of Goals. The Committee shall determine the terms and conditions of such Awards at the date of grant.

f Options and SARs. Shares of Stock delivered pursuant to the exercise of an Option or SAR shall be subject to such strictions and contingencies as the Committee may establish in the applicable Award Agreement. Settlement of SARs in shares of Stock (valued at their Fair Market Value at the time of exercise), in cash, or in a combination thereof, as n the discretion of the Committee. The Committee, in its discretion, may impose such conditions, restrictions and with respect to shares of Stock acquired pursuant to the exercise of an Option or an SAR as the Committee determines e.

litional Terms.

wise provided in an Award Agreement and except as set forth below and in Sections 3.3 and 5.11, other than Options, cted Stock, Restricted Stock Units or Other Stock-Based Awards conditioned upon the attainment of Performance Goals performance periods of at least one fiscal year, no Options, SARs, Restricted Stock, Restricted Stock Units or Other Awards granted hereunder may vest in excess of 1/3 of the number of shares subject to the Award per year for the first fter the grant date. Unless the Committee determines otherwise, the date on which the Committee adopts a resolution nting an Award shall be considered the day on which such Award is granted. The term of any Award granted under the exceed ten years from the date of grant. Notwithstanding the foregoing, unless otherwise provided by the Committee in greement, if before the expiration of an Option or SAR, the holder’s employment or service relationship with the a Subsidiary terminates as a result of Retirement or Disability, the Option or SAR will remain in effect, vest and be n accordance with its terms as if the holder remained an Employee, Non-Employee Director or Key Advisor. In the ption or SAR holder’s death during the term of his or her Option or SAR, unless otherwise provided by the Committee Agreement, all unvested Options and SARs will vest immediately and may be exercised by the holder’s estate, or by the om such right devolves from the holder by reason of his or her death, at any time within three years after the date of the h but in no event later than the original termination date of the Option or SAR. In no event may an Option or SAR be er three years following the holder’s death. With respect to all other Awards, any unvested Awards shall immediately estrictions pertaining to such other Awards shall lapse and have no further effect, upon the holder’s death or Retirement under the established rules of the Company then in effect, except as otherwise provided by the Committee at grant of vise set forth in an Award Agreement, with respect to Stock-based Awards, including, Options, SARs, Restricted Stock, ock Units, Other Stock-Based Awards, if (A) a Change in Control occurs and (B) during the period commencing on the 2 months prior to the occurrence of the Change in Control and ending on the date that is 24 months following the ontrol, the Grantee's employment or service with the Company or a Subsidiary is terminated (I) by the Company or a ithout Cause, (II) by the Grantee for Good Reason, (III) by the Company or a Subsidiary on account of the Grantee's (IV) on account of the Grantee's death, then all outstanding Options and SARs shall vest and become exercisable and all ding Awards shall vest and all restrictions pertaining to such other Awards shall lapse and have no further effect. For this paragraph, any Award that vests based on the attainment of Performance Goals shall vest assuming that the Goals were attained at the target level of performance for the applicable performance period. To the extent the f employment or service for one of the above-specified reasons occurs prior to the occurrence of the Change in Control, portion of the applicable Award will be suspended and no vesting shall occur unless and until a Change in Control the 12 month period following the termination of employment or service. If a Change in Control does not occur during period following the termination of employment or service, the unvested portion of the applicable Award will be matically on the date that is 12 months following the termination of employment or service.

rformance-Based Compensation

tee may determine that Restricted Stock, Restricted Stock Units, Other Stock-Based Awards or Cash-Based Awards Covered Employee shall be considered "qualified performance-based compensation" under section 162(m) of the Code, in e provisions of this Section 4.2(i) shall apply.

s are made under this 4.2(i), the Committee shall establish in writing (i) the objective Performance Goals that must be period during which performance will be measured, (iii) the maximum amounts that may be paid if the Performance et, and (iv) any other conditions that the Committee deems appropriate and consistent with the requirements of m) of the Code for "qualified performance-based compensation." The Performance Goals shall satisfy the requirements d performance-based compensation," including the requirement that the achievement of the goals be substantially the time they are established and that the Performance Goals be established in such a way that a third party with f the relevant facts could determine whether and to what extent the Performance Goals have been met. The Committee e discretion to increase the amount of compensation that is payable, but may reduce the amount of compensation that is uant to Awards identified by the Committee as "qualified performance-based compensation."

Goals must be pre-established by the Committee. A Performance Goal is considered pre-established if it is established t later than 90 days after the commencement of the period of service to which the Performance Goal relates, provided ome is substantially uncertain at the time the Committee actually established the goal. However, in no event will a Goal be considered pre-established if it is established after 25% of the period of service (as scheduled in good faith at oal is established) has elapsed.

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ee in its sole discretion shall have the authority to make equitable adjustments to the Performance Goals in recognition non-recurring events affecting the Company or any Subsidiary of the Company or any Affiliated Company or the ements of the Company or any Subsidiary of the Company or any Affiliated Company, in response to changes in vs or regulations, including changes in generally accepted accounting principles or practices, or to account for items of expense determined to be extraordinary or unusual in nature or infrequent in occurrence or related to the disposal of a business, as applicable, provided such adjustment occurs in writing not later than 90 days after the commencement of service to which the Performance Goal relates (and in no event later than the date that 25% of the period of service has ddition, the Committee may specify that certain equitable adjustments to the Performance Goals will be made during e Performance Period, provided such specification occurs in writing not later than 90 days after the commencement of service to which the Performance Goal relates (and in no event later than the date that 25% of the period of service has

tee shall certify the performance results for the performance period specified in the Award Agreement after the period ends. The Committee shall determine the amount, if any, to be paid pursuant to each Award based on the of the Performance Goals and the satisfaction of all other terms of the Award Agreement.

ee may provide in the Award Agreement that Awards under this Section 4.2(i) shall be payable, in whole or in part, in he Grantee's death or Disability, or under other circumstances consistent with the Treasury regulations and rulings under n) of the Code.

Section 5 Operation

ants may be made under the Plan through November 15, 2023. In the event of Plan termination while Awards remain he Plan shall remain in effect as long as any Awards under it are outstanding, although no further grants may be made n termination.

ed Stock. Nothing contained in the Plan shall prohibit the issuance of Stock on an uncertificated basis, to the extent ne Company's Certificate of Incorporation and Bylaws, by applicable law and by the applicable rules of any stock

lding. All distributions under the Plan are subject to withholding of all applicable taxes, and the Committee may delivery of any shares or other benefits under the Plan on satisfaction of the applicable withholding obligations. The n its discretion, and subject to such requirements as the Committee may impose prior to the occurrence of such may permit such withholding obligations to be satisfied through cash payment by the Grantee, through the surrender of ck which the Grantee already owns, through withholding from other compensation payable to the Grantee or through of unrestricted shares of Stock to which the Grantee is otherwise entitled under the Plan, but only to the extent of the ount required to be withheld under applicable law.

s. Subject to the limitations on the number of shares of Stock that may be delivered under the Plan, the Committee may shares of Stock as the form of payment for compensation, grants or rights earned or due under any other compensation ngements of the Company or a Subsidiary, including the plans and arrangements of the Company or a Subsidiary usiness combinations.

ity. Except as otherwise provided by the Committee, Options, SARs and any other unvested Awards or Awards subject ctions hereunder are not transferable except as designated by the Grantee by will or by the laws of descent and Notwithstanding the foregoing, in no event may any such Award be transferred to a third party for consideration at any

me of Elections. Unless otherwise specified herein, each election required or permitted to be made by any Grantee or entitled to benefits under the Plan, and any permitted modification, or revocation thereof, shall be in writing filed with ee at such times, in such form, and subject to such restrictions and limitations, not inconsistent with the terms of the ommittee shall require.

vith Company. An Award under the Plan shall be subject to such terms and conditions, not inconsistent with the Plan, ittee shall, in its sole discretion, prescribe. The terms and conditions of any Award to any Grantee shall be reflected in written document as is determined by the Committee. A copy of such document shall be provided to the Grantee, and e may, but need not, require that the Grantee shall sign a copy of such document. Such document is referred to in the ward Agreement" regardless of whether any Grantee signature is required.

Number. Where the context admits, words in any gender shall include any other gender, words in the singular shall ural and the plural shall include the singular.

f Implied Rights.

ll at all times be unfunded and neither a Grantee nor any other person shall, by reason of participation in the Plan, ight in or title to any assets, funds or property of the Company or any Subsidiary whatsoever, including, without y specific funds, assets, or other property which the Company or any Subsidiary, in its sole discretion, may set aside in of a liability under the Plan. Nothing contained in the Plan and no action taken pursuant hereto shall create or be create a fiduciary relationship between the Company and any Grantee or any other person. A Grantee shall have only a ght to the Stock or amounts, if any, payable under the Plan, unsecured by any assets of the Company or any Subsidiary, ontained in the Plan shall constitute a guarantee that the assets of the Company or any Subsidiary shall be sufficient to fits to any person.

s not constitute a contract of employment or service, and selection as a Grantee will not give any participating lon-Employee Director or Key Advisor the right to be retained in the employ or service of the Company or any or any right or claim to any benefit under the Plan, unless such right or claim has specifically accrued under the terms xcept as otherwise provided in the Plan or the Award Agreement, no Award under the Plan shall confer upon the holder ghts as a stockholder of the Company prior to the date on which the individual fulfills all conditions for receipt of such

Non-Competition Agreements. Notwithstanding any other provision of the Plan, except as provided in Section 5.11 therwise provided in an Award Agreement, if the Committee finds by a majority vote that: (i) the Grantee, before or ion of his or her employment or service with the Company or a Subsidiary (as used in this Section 5.10, an "Employer") n, (a) committed fraud, embezzlement, theft, a felony, or proven dishonesty in the course of his or her employment or ment by Employer, and by such act damaged Employer, or (b) disclosed trade secrets of Employer; (ii) the Grantee, r termination of his or her employment or other engagement with Employer for any reason, participated, engaged or l or other interest (whether as an employee, officer, director, consultant, contractor, stockholder, owner, or otherwise) ercial endeavor in the United States competitive with the business of Employer (a) in violation of the Sysco Corporation ness Conduct, as in effect on the date of such participation or other engagement, or (b) in such a manner that would the Code of Business Conduct had Grantee been employed by Employer at the time of the activity in question; or (iii) the compensation, clawback and recoupment policies that may be applicable to the Grantee, then any outstanding n, in the case of Options or SARs, have not been exercised and, in the case of Awards other than Options or SARs, have ill be forfeited. The decision of the Committee as to the nature of a Grantee's conduct, the damage done to Employer t of the Grantee's competitive activity will be final. No decision of the Committee, however, will affect the finality of of the Grantee by Employer in any manner. The Committee may, in its discretion, include a form of non-compete, ion and/or non-disparagement agreement in any Award Agreement, and such non-compete, non-solicitation or ement agreement may be personalized, in the Committee's discretion, to fit the circumstances of any specific Grantee.

of Employment or Service Following Change in Control. In the event that the employment or service of a Grantee nployee, Non-Employee Director or Key Advisor is terminated by the Company or a Subsidiary, as applicable, other se or by the Grantee for Good Reason, in each case, during the 12- month period before or the 24-month period Change in Control, all of such Grantee's outstanding Options and SARs may thereafter be exercised by the Grantee, to t such Options and SARs were exercisable as of the date of such termination of employment or service (x) for a period date of termination as set forth in the Award Agreement or (y) until expiration of the stated term of such Option or ver period is the shorter. The provisions of clause (ii) of Section 5.10 of the Plan shall not apply to any Grantee who ination of employment or service pursuant to this Section 5.11 with respect to activity after such termination of or service.

. It is intended that all Options and SARs granted under the Plan shall be exempt from the provisions of Section 409A nd that all other Awards under the Plan, to the extent that they constitute "non-qualified deferred compensation" within of Section 409A of the Code, will comply with Section 409A of the Code (and any regulations and guidelines issued The Plan and any Award Agreements issued hereunder may be amended in any respect deemed by the Board or the be necessary in order to preserve compliance with Section 409A of the Code. Notwithstanding anything in this Plan to if required by Section 409A of the Code, if a Grantee is considered a "specified employee" for purposes of Section 409A nd if payment of any Award under this Plan is required to be delayed for a period of six months after "separation from in the meaning of Section 409A of the Code, payment of such Award shall be delayed as required by Section 409A of d the accumulated amounts with respect to such Award shall be paid in a lump sum payment within ten days after the x month period. If the Grantee dies during the postponement period prior to the payment of benefits, the amounts ccount of Section 409A of the Code shall be paid to the Grantee's beneficiary within sixty (60) days after the date of the th. For purposes of Section 409A of the Code, each payment under the Plan shall be treated as a separate payment. In no

Grantee, directly or indirectly, designate the calendar year of payment. To the extent that any provision of the Plan a conflict with the requirements of section 409A of the Code, or would cause the administration of the Plan to fail to quirements of Section 409A of the Code, such provision shall be deemed null and void to the extent permitted by w. Notwithstanding anything in the Plan or any Award Agreement to the contrary, each Grantee shall be solely for the tax consequences of Awards under the Plan, and in no event shall the Company have any responsibility or Award does not meet any applicable requirements of Section 409A of the Code. Although the Company intends to e Plan to prevent taxation under Section 409A of the Code, the Company does not represent or warrant that the Plan or omplies with any provision of federal, state, local or other tax law.

and Other Approvals.

on of the Company to sell or deliver Stock with respect to any Award granted under the Plan shall be subject to all ws, rules and regulations, including all applicable federal and state securities laws, and the obtaining of all such governmental agencies as may be deemed necessary or appropriate by the Committee.

is subject to the requirement that, if at any time the Committee determines, in its absolute discretion, that the listing, r qualification of Stock issuable pursuant to the Plan is required by any securities exchange or under any state or federal consent or approval of any governmental regulatory body is necessary or desirable as a condition of, or in ith, the grant of an Award or the issuance of Stock, no such Award shall be granted or payment made or Stock issued, n part, unless listing, registration, qualification, consent or approval has been effected or obtained free of any conditions e to the Committee.

hat the disposition of Stock acquired pursuant to the Plan is not covered by a then current registration statement under s Act and is not otherwise exempt from such registration, such Stock shall be restricted against transfer to the extent the Securities Act of 1933, as amended, or regulations thereunder, and applicable state securities laws, and the may require a Grantee receiving Stock pursuant to the Plan, as a condition precedent to receipt of such Stock, to he Company in writing that the Stock acquired by such Grantee is acquired for investment only and not with a view to

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to persons subject to section 16 of the Securities and Exchange Act of 1934, as amended, it is the intent of the Company and all transactions under the Plan comply with all applicable provisions of Rule 16b-3.

nder the Plan will be subject to any compensation, clawback and recoupment policies that may be applicable to the f the Company, as in effect from time to time and as approved by the Board or Committee, whether or not approved r the Effective Date. Subject to the requirements of applicable law, any such compensation, clawback and recoupment apply to Awards made after the effective date of the policy.

mployees Subject to Taxation Outside of the United States. Without amending the plan, Awards may be granted to o are foreign nationals or who are employed outside the United States or both, on such terms and conditions different ecified in the Plan as may, in the judgment of the Committee, be necessary or desirable to further the purposes of the fferent terms and conditions may be reflected in Addenda to the Plan or in the applicable Award Agreement. However, rent terms or conditions shall be employed if such terms or conditions constitute, or in effect result in, an increase in the nber of shares which may be issued under the Plan or a change in the definition of Eligible Grantee.

ee Director Award Deferrals. The Committee may permit a Non-Employee Director to defer receipt of the payment e delivery of shares that would otherwise be due to such Non-Employee Director in connection with any Restricted cted Stock Units, Other Stock-Based Awards or Cash-Based Awards. If any such deferral election is permitted, the hall establish rules and procedures for such deferrals and may provide for interest or other earnings to be paid on such hich rules and procedures shall be consistent with applicable requirements of Section 409A of the Code. Unless ecified in a Non-Employee Director's valid election, any deferred amount will be deferred until the earliest to occur of loyee Director's death, separation from service, or Change of Control; provided that any such deferral election is made Employee Director on or prior to December 31 of the calendar year preceding the calendar year in which any such earned, or, if such Non-Employee Director is newly eligible for purposes of Section 409A of the Code, then within 30 g the date he or she is first eligible, and then only with respect to amounts earned after the date of the election.

Section 6 Amendment and Termination

y be terminated or amended by the Board at any time, except that the following actions may not be taken without pproval:

n the number of shares that may be issued under the Plan (except by certain adjustments provided for under the Plan);

 the class of persons eligible to receive ISOs under the Plan;

 the requirements of Sections 4.2(a)(ii) and 4.2(b)(iii) hereof regarding the exercise price of Options and the grant price

 or cancellation and regrant of any Option or, if applicable, other Award at a lower exercise, base or purchase price, e form of an amendment, cancellation or replacement grant, or a cash-out of underwater options or any action that Awards that contain a so-called "reload" feature under which additional Options or other Awards are granted to the Grantee upon exercise of the original Option or Award.

endment to the Plan that would require approval of the Company's stockholders under applicable law, regulation or rule ange listing requirement.

ling any of the foregoing, adjustments pursuant to Section 3 shall not be subject to the foregoing limitations of this

 not be granted under the Plan after the date of termination of the Plan, but Options granted prior to that date shall e exercisable according to their terms.

Section 7 Governing Law

l be governed by, and construed in accordance with, the laws of the State of Texas, except to the extent that the General Law of the State of Delaware shall be specifically applicable.

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o has sales and service relationships with approximately 425,000 customers and remains committed to helping them he foodservice industry and satisfy consumers' appetites. Operating from more than 190 locations throughout the s, Canada, the Bahamas and Ireland, Sysco's product lines are as diverse as the 45,000 employees who support its ions. They include not only the ingredients needed to prepare meals, but also numerous ancillary preparation and s. As a result, Sysco can make a difference in its customers' lives and the success of their businesses.

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