

SPARTAN STORES INC
Form DEF 14A
June 27, 2008

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

SCHEDULE 14A

**Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)**

Filed by the Registrant ☒ x

Filed by a Party other than the Registrant ☐ o

Check the appropriate box:

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

SPARTAN STORES, INC.

(Name of Registrant as Specified in Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- ☒ x No fee required.
- ☐ o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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(1) Amount previously paid:

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

(3) Filing party:

(4) Date filed:

SPARTAN STORES, INC.
850 76th Street, S.W.
P.O. Box 8700
Grand Rapids, Michigan 49518-8700
(616) 878-2000

June 27, 2008

Dear Shareholder:

We cordially invite you to attend the 2008 Annual Meeting of Shareholders of Spartan Stores, Inc., to be held on Wednesday, August 13, 2008, at the JW Marriott Hotel, 235 Louis Street, N.W., Grand Rapids, Michigan 49503, beginning at 10:00 a.m., local time. Your Board of Directors looks forward to greeting those shareholders who are able to attend the meeting.

At the meeting, you will vote on election of three directors and ratification of the selection of Deloitte & Touche LLP as our independent auditors for fiscal 2009. We will also present a report on our business activities.

We have enclosed a notice of the meeting and our proxy statement, which includes information about the nominees for our Board of Directors, and information about the different methods you can use to vote your proxy, including by telephone or internet. Also enclosed is our annual report to shareholders for the year ended March 29, 2008. We encourage you to read these documents carefully.

The annual meeting will be webcast live. Anyone may access the webcast by visiting the "For Investors" section of our website, www.spartanstores.com, and following the links to the live webcast.

It is important that your shares be represented at the annual meeting, regardless of how many shares you own. **Please sign, date and return the enclosed proxy card as soon as possible, or vote your shares by telephone or internet as described in the Introduction section of our proxy statement.** Regardless of whether or not you plan to attend the annual meeting, voting your shares prior to the meeting will not affect your right to vote in person if you attend the meeting. If you plan to attend, please mark the appropriate box on the proxy card to help us plan for the meeting.

Thank you.

Sincerely,

Craig C. Sturken
Chairman and Chief Executive Officer

**Your vote is important. Even if you plan to attend the meeting,
PLEASE SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD PROMPTLY OR
VOTE BY TELEPHONE OR INTERNET.**

**SPARTAN STORES, INC.
NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

To our shareholders:

The 2008 Annual Meeting of Shareholders of Spartan Stores, Inc. will be held at the JW Marriott Hotel, 235 Louis Street, N.W., Grand Rapids, Michigan 49503, on Wednesday, August 13, 2008, at 10:00 a.m., local time. At the meeting, we will consider and vote on:

1. election of three directors;
2. ratification of the selection of Deloitte & Touche LLP as our independent auditors for fiscal 2009; and
3. any other business that may properly come before the meeting.

You are receiving this notice and can vote at the meeting and any adjournment of the meeting if you were a shareholder of record on June 18, 2008.

A copy of Spartan Stores' annual report to shareholders for the year ended March 29, 2008 is enclosed with this notice. Electronic versions of the annual report and the Company's proxy statement are also available in the "For Investors" section of our website, www.spartanstores.com.

In addition, you may obtain electronic copies of all of our filings with the U.S. Securities and Exchange Commission in the "For Investors" section of our website, www.spartanstores.com, by clicking the "SEC Filings" link.

BY ORDER OF THE BOARD OF DIRECTORS

Alex J. DeYonker
Executive Vice President, General Counsel, and Secretary
June 27, 2008

Your vote is important. Even if you plan to attend the meeting, PLEASE SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD PROMPTLY OR VOTE BY TELEPHONE OR INTERNET. See the information in the Introduction section of our proxy statement regarding how to vote by telephone or internet,

how to revoke a proxy, and how to vote in person.

SPARTAN STORES, INC.

ANNUAL MEETING OF SHAREHOLDERS TO BE HELD AUGUST 13, 2008

PROXY STATEMENT Dated June 27, 2008

Introduction

Use of Terms

In this proxy statement, "we," "us," "our," the "Company" and "Spartan Stores" refer to Spartan Stores, Inc., and "you" and "your" refer to each shareholder of Spartan Stores, Inc.

Questions and Answers About the Proxy Materials and Our 2008 Annual Meeting

Q. Why am I receiving these materials?

A. The Company's Board of Directors is providing these proxy materials to you in connection with its solicitation of proxies for use at the Spartan Stores, Inc. 2008 annual meeting of shareholders, which will take place on Wednesday, August 13, 2008, at the JW Marriott Hotel, 235 Louis Street, N.W., Grand Rapids, Michigan 49503, at 10:00 a.m., local time. Shareholders are invited to attend the annual meeting and are requested to vote upon the proposals described in this proxy statement.

Q. What information is contained in these materials?

A. The information included in this proxy statement relates to the proposals to be voted upon at the annual meeting, the voting process, the compensation of our directors and named executive officers, and certain other required information. Your proxy, which you may use to vote on the proposals described in this proxy statement, is also enclosed.

Q. When did the Company begin sending and delivering this proxy statement to shareholders?

A. We began sending and delivering this proxy statement to our shareholders on approximately June 27, 2008.

Q. What proposals will be voted on at the annual meeting?

A. There are two proposals scheduled to be voted on at the annual meeting:

election of three directors for three year terms expiring in 2011; and

ratification of the selection of Deloitte & Touche LLP as our independent auditors for fiscal 2009.

In addition, any other business that may properly come before the meeting will be considered and voted on. As of the date of this proxy statement, we are not aware of any other matters to be considered and voted on at the annual meeting. If any other matters are presented, the persons named as proxies on the enclosed proxy card will have discretionary authority to vote for you on those matters.

Q. How does the Company's Board of Directors recommend that I vote?

A. Your Board of Directors recommends that you vote FOR election of each nominee named in this proxy statement and FOR ratification of the selection of Deloitte &

Touche LLP as our independent auditors for fiscal 2009.

Q. Who may vote?

- A. You may vote at the annual meeting if you were a shareholder of record of Spartan Stores common stock at the close of business on June 18, 2008. Each shareholder is entitled to one vote per share of Spartan Stores common stock on each matter presented for a shareholder vote at the meeting. As of June 18, 2008, 22,107,465 shares of Spartan Stores common stock were outstanding.

Q. How do I vote?

- A. If you properly sign and return the enclosed proxy card, the shares represented by that proxy card will be voted at the annual meeting and at any adjournment of the meeting.

If you specify a choice on the proxy card, your shares will be voted as specified. If you do not specify a choice, your shares will be voted for election of each of the nominees named in this proxy statement and for ratification of Deloitte & Touche LLP as our independent auditors for fiscal 2009. If any other matter comes before the meeting, your shares will be voted in the discretion of the persons named as proxies on the proxy card.

If you are a shareholder of record, Spartan Stores also offers you the convenience of voting by telephone or through the Internet, 24 hours a day, seven days a week.

Internet Voting. You may vote via the Internet by visiting www.cesvote.com. Have the instructions attached to your proxy card ready when you access the site, and follow the prompts to record your vote. This vote will be counted immediately and there is no need to send in your proxy card.

Telephone Voting. To vote by telephone, dial the toll-free number on the instructions attached to your proxy card and listen for further directions. You must have a touch-tone phone. Telephonic votes will be counted immediately and there is no need to send in your proxy card.

Q. How do I vote if I hold my shares in "street name"?

- A. If you hold your shares in "street name," which means that your shares are registered in the name of a bank, broker or other nominee (which we will collectively refer to as your "broker"), your broker must vote your street name shares in the manner you direct if you provide it with proper and timely voting instructions. Please use the voting forms and instructions provided by your broker or its agent. These forms and instructions typically permit you to give voting instructions by telephone or Internet if you wish. If you are a street name holder and want to change your vote, you must contact your broker. Please note that you may not vote shares held in street name in person at the annual meeting unless you request and receive a valid proxy from your broker.

Q. Can I change my mind after I return my proxy?

- A. Yes. You may revoke your proxy at any time before it is voted at the meeting by doing any of the following four things:

by delivering written notice of revocation to Spartan Stores' Secretary, 850 76th Street, S.W., P.O. Box 8700, Grand Rapids, Michigan 49518-8700;

by delivering a proxy card bearing a later date than the proxy that you wish to revoke;

by casting a subsequent vote via telephone or the Internet, as described above; or

by attending the meeting and voting in person.

Merely attending the meeting will not, by itself, revoke your proxy. Your last valid vote that we receive before or at the annual meeting is the vote that will be counted.

Q. What is the quorum requirement for the annual meeting?

- A. To conduct business at the annual meeting, a quorum of shareholders must be present. The presence in person or by properly executed proxy of the holders of a majority of all issued and outstanding shares of Spartan Stores common stock entitled to vote at the meeting is necessary for a quorum. To determine whether a quorum is present, we will include shares that are present or represented by proxy, including abstentions and shares represented by a broker non-vote on any matter. Although broker non-votes count for quorum purposes, we do not count them as votes for or against any proposal.

Q. May the annual meeting be adjourned?

- A. Yes. The shareholders present at the meeting, in person or by proxy, may, by a majority vote, adjourn the meeting despite the absence of a quorum. If a quorum is not present at the meeting, we expect to adjourn the meeting to solicit additional proxies.

Q. What vote is necessary to approve the proposals?

- A. Election of Directors. A plurality of the shares voting is required to elect directors. This means that, if there are more nominees than positions to be filled, the nominees who receive the most votes will be elected to the open director positions. Abstentions, broker non-votes and other shares that are not voted in person or by proxy will not be included in the vote count to determine if a plurality of shares voted in favor of each nominee.

Ratification of Independent Auditors. The ratification of the selection of Deloitte & Touche LLP as our independent auditors for fiscal 2009 will be approved if a majority of the shares that are voted on the proposal at the meeting are voted in favor of ratification. Abstentions, broker non-votes and other shares that are not voted on the proposal in person or by proxy will not be included in the vote count to determine if a majority of shares voted in favor of this proposal.

Required Vote for Other Matters. We do not know of any other matters to be presented at the meeting. Generally, any other proposal to be voted on at the meeting would be approved if a majority of the shares that are voted on the proposal at the meeting are voted in favor of the proposal. Abstentions, broker non-votes and other shares that are not voted on the proposal in person or by proxy would not be included in the vote count to determine if a majority of shares voted in favor of each such proposal.

Q. What are broker non-votes and what effect do they have on the voting on the proposals?

- A. Generally, broker non-votes occur when shares held by a broker in "street name" for a beneficial owner are not voted with respect to a particular proposal because the broker has not received voting instructions from the beneficial owner and the broker lacks discretionary voting power to vote those shares. A broker is typically entitled to vote shares held for a beneficial owner on routine matters, such as the ratification of the appointment of Deloitte & Touche LLP as independent auditors, without instructions from the beneficial owner of those shares.

Q. What does it mean if I receive more than one proxy or voting instruction card?

- A. It means your shares are registered differently or are in more than one account. Please provide voting instructions for all proxy and voting instruction cards you receive.

Q. Where can I find the voting results of the annual meeting?

- A. We will announce preliminary voting results at the annual meeting and publish final results in our quarterly report on Form 10-Q for the second quarter of fiscal 2009.

Election of Directors

The Board of Directors proposes that the following three individuals be elected as directors of Spartan Stores for three-year terms expiring at the 2011 annual meeting of shareholders:

Elizabeth A. Nickels
Kenneth T. Stevens
James F. Wright

Biographical information concerning the nominees appears below under the heading "The Board of Directors."

The persons named as proxies on the proxy card intend to vote for the election of each of the nominees. The proposed nominees are willing to be elected and to serve as directors. If any nominee becomes unable to serve or is otherwise unavailable for election, which we do not anticipate, the incumbent Board of Directors may select a substitute nominee. If a substitute nominee is selected, the shares represented by your proxy card will be voted for the election of the substitute nominee, unless you give other instructions. If a substitute is not selected, all proxies will be voted for the election of the remaining nominees. Proxies will not be voted for more than three nominees.

Your Board of Directors recommends that you vote FOR election of all nominees as directors.

Ratification of Selection of Independent Auditors

Spartan Stores' Audit Committee has approved the selection of Deloitte & Touche LLP as the Company's independent auditors to audit the financial statements and internal controls of Spartan Stores and its subsidiaries for fiscal 2009, and to perform such other appropriate accounting services as may be approved by the Audit Committee. The Audit Committee and the Board of Directors propose and recommend that shareholders ratify the selection of Deloitte & Touche LLP to serve as the Company's independent auditors for the fiscal year ending March 27, 2009.

More information concerning the relationship of the Company with its independent auditors appears below under the headings "Audit Committee," "Independent Auditors," and "Audit Committee Report."

If the shareholders do not ratify the selection of Deloitte & Touche LLP, the Audit Committee will consider a change in auditors for the next year.

Representatives of Deloitte & Touche LLP are expected to be present at the annual meeting, will have the opportunity to make a statement if they desire to do so, and are expected to be available to respond to appropriate questions from shareholders.

Your Board of Directors and Audit Committee, which consists entirely of independent directors, recommend that you vote FOR ratification of the selection of Deloitte & Touche LLP as our independent auditors for fiscal 2009.

Corporate Governance Principles

Spartan Stores is committed to developing and implementing principles of corporate governance to help the Board fulfill its responsibilities to shareholders and to provide a framework for overseeing the management of the Company. The formal requirements pertaining to Spartan Stores' corporate governance structure are set forth in our restated

articles of incorporation, bylaws and committee charters. The Board has adopted a written Corporate Governance Policy. The Policy is designed to communicate our fundamental governance principles and to provide management, associates, and shareholders with insight to the Board's ethical standards, expectations for conducting business, and decision-making processes. The Policy includes, among other things, guidelines regarding:

Board size and criteria;

director independence;

term limits and retirement of directors;

Board meetings and committees;

evaluation and compensation of the Board and executive officers;

directors' access to management and outside advisors;

strategic planning;

succession planning; and

communications.

This section of our proxy statement summarizes certain charters, policies, and principles relating to Spartan Stores' corporate governance. More information regarding the Company's corporate governance, including a copy of our Corporate Governance Policy, is available in the "For Investors-Corporate Governance" section of our website, www.spartanstores.com.

Director Independence

The Board believes that the independence of directors is an essential feature of the Company's governance. Independent directors help assure that the Board and its committees are dedicated to acting in the best interests of the shareholders. Accordingly, Spartan Stores' Corporate Governance Policy requires that at least two-thirds of the directors must be independent (as defined by the applicable standards of the SEC and the NASDAQ Marketplace Rules).

More than two-thirds of the Company's Board has consisted of independent directors for years. Currently, seven of Spartan Stores' nine directors are independent. At present, the Board has only two management directors, Craig Sturken, the Chairman and Chief Executive Officer, and Dennis Eidson, the President and Chief Operating Officer.

If the Chairperson of the Board is also the Chief Executive Officer, as is currently the case, then the Chairperson of the Nominating and Corporate Governance Committee has additional responsibilities and authority. Specifically, the Chairperson of the Nominating and Corporate Governance Committee acts as the principal liaison between the independent directors and the Chairperson of the Board and advises the Chairperson of the Board as to the quality, quantity and timeliness of the flow of information from management that is necessary for the independent directors to effectively and responsibly perform their duties. Although management is responsible for the preparation of materials for the Board, the Chairperson of the Nominating and Corporate Governance Committee may request the inclusion of specific material. The Chairperson of the Nominating and Corporate Governance Committee may also recommend to

the Chairperson of the Board the retention of consultants who report directly to the Board.

Committee Charters

The Board has appointed four chartered committees: the Audit Committee, the Compensation Committee, the Nominating and Corporate Governance Committee, and the Executive Committee. The Board has approved a written committee charter for each of these committees. The charters define basic principles regarding the committee's organization, purpose, authority and responsibilities. The charters for the Audit, Compensation, and Nominating and Corporate Governance Committees are available in the "For

Investors-Corporate Governance" section of our website, www.spartanstores.com.

Director Attendance

The Board is proud of its record of recruiting and retaining directors who have a diversity of experience, who have the highest personal and professional integrity, who have demonstrated exceptional ability and judgment, and who are effective in serving the long-term interests of shareholders. Board and committee attendance is critical to the proper functioning of the Board of Directors and is a priority. Each director is expected to make every effort to personally attend every Board meeting and every meeting of each committee on which he or she serves as a member.

Spartan Stores' Board of Directors held six meetings during the fiscal year ended March 29, 2008, which we refer to as "fiscal 2008." In fiscal 2008, each director attended at least 75% of the total of all meetings of the Board of Directors and the committees on which he or she served. The Board is scheduled to meet at least quarterly and may meet more frequently. Independent directors meet in executive sessions, without the presence of management, at each regularly scheduled Board meeting.

Directors are also expected to attend the annual meeting of shareholders in person unless compelling personal circumstances prevent attendance. Despite the geographic diversity of their home cities, all of Spartan Stores' then-current directors have attended the annual meetings of shareholders for at least the past four years.

Alignment of Shareholder, Management, and Director Interests

The Board has long believed that directors and management should have a significant financial stake in the Company to align their interests with those of the shareholders. Therefore, the Board and the Compensation Committee have made equity awards a substantial component of management and director compensation. In addition, Spartan's Board of Directors has established stock ownership guidelines for corporate officers and directors to ensure that they face the same downside risk and upside potential as shareholders. Under the stock ownership guidelines, the Company's executive officers are expected to achieve and maintain a level of stock ownership having a value that is approximately equal to or greater than a specified multiple of the executive's annual base salary, ranging for various positions from five times the applicable salary to one times the applicable salary. Each member of the Board of Directors is expected to acquire and continue to hold shares of the Company's common stock having an aggregate market value from time to time which equals or exceeds five times the rate of the regular annual retainer then in effect for non-employee directors who are not chairs. Please see the "Compensation Discussion and Analysis" and "Compensation of Directors" sections of this proxy statement for additional information.

Majority Voting

The Board believes that the Company and its shareholders are best served by having directors who enjoy the confidence of the Company's shareholders. It will be presumed that any director who receives a greater number of votes "withheld" than votes "for" such election in an uncontested election at an annual meeting of shareholders (a "Majority Withheld Vote") does not have the full confidence of the shareholders. A director receiving a Majority Withheld Vote is required to promptly offer his or her resignation from the Board to the Nominating and Corporate Governance Committee upon certification of the shareholder vote. The resignation will be effective if and when accepted by the Nominating and Corporate Governance Committee.

Retirement and Change in Employment Status

The Board of Directors believes that it is generally appropriate for directors to retire before the age of 72. A director will not

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ordinarily be nominated for re-election to the Board of Directors following the expiration of the term of office which ends after his or her 72nd birthday. The Board of Directors recognizes, however, that the wisdom, experience and contribution of an older director could benefit the Board and the Nominating and Corporate Governance Committee may, in its discretion, nominate a director for re-election after his or her 72nd birthday in a case which the Nominating and Corporate Governance Committee determines to be exceptional.

Directors recognize that they have been chosen for nomination or appointment to the Board of Directors in part because of the knowledge and insight they gain on a continuing basis from their active employment in their current positions and for the public respect they bring to the Company and its Board of Directors because of the positions they hold in the business community. A director who experiences a material change in his or her employment status is expected to promptly offer his or her resignation as a director to the Nominating and Corporate Governance Committee. The Committee will promptly consider and vote upon acceptance or rejection of the director's offer to resign (excluding the affected director from consideration of and voting on acceptance of the resignation).

Other Board Memberships

Spartan Stores recognizes that the proper direction and management of the Company requires the dedication of the executive officers and a significant commitment from its directors. Accordingly, the Board has established a policy governing membership on the boards of other companies.

Executive officers of the Company must notify the Nominating and Corporate Governance Committee before serving as a member of the board of directors of any other business organization. The Nominating and Corporate Governance Committee reviews the Chief Executive Officer's membership on external boards of directors at least annually. The Chief Executive Officer may not serve on the board of directors of more than one business organization not affiliated with the Company without the prior review and approval of the Nominating and Corporate Governance Committee. The Committee may limit the directorships for any other executive officer if it believes that they will interfere with the executive officer's responsibilities to the Company. Non-management directors may not serve on more than three other public company boards without the prior review and approval of the Nominating and Corporate Governance Committee.

Codes of Conduct and Ethics

Spartan Stores is committed to the highest standards of integrity, honesty, and ethics in business. The Board has approved, and the Audit Committee administers, a Code of Conduct and Business Ethics (the "Code") that articulates the Company's standards regarding business ethics and expectations regarding the conduct of directors, management, and associates. This Code establishes basic guidelines to help the Company comply with legal requirements and conduct our business with honesty and integrity. The Code sets forth rules of conduct concerning disclosure of information, conflicts of interest, accurate recordkeeping and reporting, and receipt of personal benefits. The Code requires all associates of the Company to report promptly any violations of the Code. Associates may report violations through the Company's HonorLine telephone system on a confidential and anonymous basis. The Code is available in the "For Investors-Corporate Governance" section of our website, www.spartanstores.com.

In addition, the Company has a comprehensive code of ethics and conduct applicable to all associates that articulates the Company's core values and sets forth standards of conduct regarding a broad range of topics, including antitrust compliance, securities matters, respect for the environment, political contributions, workplace conduct, and other matters that are essential to the integrity of our business activities.

Succession Planning

The Board of Directors reviews periodically succession planning for the Company's executive officers to manage continuity of leadership in the execution of the Company's business strategies. For more information, please see our Corporate Governance Policy and the Compensation Committee Charter in the "For Investors" section of our website, www.spartanstores.com.

Board and Management Communication

Spartan Stores is committed to open and effective communication between the Board and management. Directors are encouraged to consult with any Spartan Stores manager or associate and may visit Company facilities without the approval or presence of corporate management. The Board encourages executive officers to invite managers to Board meetings from time to time who can provide additional insight into matters under discussion. The Board is required to dedicate a substantial portion of at least one meeting per year to discussions with management regarding the Company's strategic plan.

Director Education

Spartan Stores encourages all of its directors to attend continuing education programs so that they may stay abreast of developments in corporate governance and best practices and further develop their expertise. The Company expects that each director will attend an appropriate continuing director education program at least once every two years.

Nominee Qualifications and the Nominations Process

The Board of Directors believes that Spartan Stores and its shareholders are best served by having a Board of Directors that brings a diversity of education, experience, skills, and perspective to Board meetings. Accordingly, there are no specific or minimum qualifications or criteria for nomination for election or appointment to the Board of Directors. The Nominating and Corporate Governance Committee identifies and evaluates nominees for director on a case-by-case basis and has no written procedures for doing so.

The Company has engaged and paid fees to third party search firms to assist the Nominating and Corporate Governance Committee in identifying possible nominees for director and providing information to assist the Committee in the evaluation of possible nominees.

There is no material difference in the manner in which the Nominating and Corporate Governance Committee evaluates nominees for director that were recommended by a shareholder.

Shareholder Nominations of Director Candidates

Under our restated articles of incorporation, a shareholder of record may nominate a person for election as a director at a meeting of shareholders at which directors will be elected if, and only if, the shareholder has delivered timely notice to the Secretary of Spartan Stores setting forth:

the name, age, business address and residence address of each proposed nominee;

the principal occupation or employment of each nominee;

the number of shares of Spartan Stores stock that each nominee beneficially owns;

a statement that each nominee is willing to be nominated; and

any other information concerning each nominee that would be required under the rules of the Securities and Exchange Commission ("SEC") in a proxy statement soliciting proxies for the election of those nominees.

The Nominating and Corporate Governance Committee will consider every nominee proposed by a shareholder that is received in a timely manner in accordance with these procedures and report each such nomination, along with the Nominating and Corporate Governance Committee's recommendations, to the full Board of Directors.

To be timely, a shareholder's notice must be delivered to or mailed and received at Spartan Stores' principal executive offices at least 120 days before the date of notice of the meeting in the case of an annual meeting of shareholders, or not more than seven days following the date of notice of the meeting in the case of a special meeting of shareholders. Any nomination that does not comply with these procedures will be void.

The Nominating and Corporate Governance Committee may also, in its discretion, consider shareholders' informal recommendations of possible nominees. Shareholders may send such informal recommendations to the Committee by directing them in care of the Secretary of the Company at the address that appears on the first page of this proxy statement.

Shareholder Communications with Directors

In accordance with the Spartan Stores' Shareholder Communication Policy, shareholders who wish to send communications to Spartan Stores' Board of Directors may do so by sending them in care of the Secretary of the Company at the address that appears on the first page of this proxy statement. Such communications may be addressed either to specified individual directors or the entire Board. The Secretary has the discretion to screen and not forward to directors communications which the Secretary determines in his or her discretion are communications unrelated to the business or governance of Spartan Stores and its subsidiaries, commercial solicitations, offensive, obscene, or otherwise inappropriate. The Secretary will, however, compile all shareholder communications which are not forwarded and such communications will be available to any director. A copy of our Shareholder Communication Policy can be found in the "For Investors-Corporate Governance" section of our website, www.spartanstores.com.

The Board of Directors

General

The Board of Directors currently consists of nine directors. Assuming that all of the nominees are elected, there will be nine directors immediately following the annual meeting. The Board of Directors is divided into three classes, with each class as nearly equal in number as possible. Each class of directors serves a three-year term, with the term of one class expiring at the annual meeting in each successive year. Ms. Nickels, Mr. Stevens, and Mr. Wright are standing for re-election.

Biographical information concerning the directors and the nominees for election to the Board of Directors is presented below. Except as otherwise indicated, each of these persons has had the same principal position and employment for over five years.

Nominees for Director With Terms Expiring in 2011

Elizabeth A. Nickels (age 46) has been a director of Spartan Stores since 2000. Since February 2000, Ms. Nickels has served as an executive at Herman Miller, Inc., an office furniture manufacturing company whose stock is traded on the Nasdaq Global Select Market. She is currently President of Herman Miller for Healthcare, a position she has held since August 2007, and Executive Vice President of Herman Miller, Inc., a title she has held since February

2000. Ms. Nickels also served as Chief Financial Officer of Herman Miller from February 2000 to August 2007. From 1993 to

February 2000, she was Vice President and Chief Financial Officer of Universal Forest Products, Inc., a wood products manufacturer whose stock is traded on the Nasdaq Global Select Market. Ms. Nickels is a certified public accountant.

Kenneth T. Stevens (age 56) has been a director of Spartan Stores since 2002. Mr. Stevens served as the President, Chief Operating Officer, and a member of the board of directors of TweenBrands, Inc., a clothing retailer whose stock is listed on the New York Stock Exchange, from January 2007 to June 2008. Since October 2007, Mr. Stevens has served as a director of Virgin Mobile USA, Inc., a telecommunications provider whose stock is traded on the New York Stock Exchange. From June to September 2006, Mr. Stevens was Executive Vice President and Chief Financial Officer of Limited Brands, Inc. a clothing retailer whose stock is traded on the New York Stock Exchange. Prior to his employment with Limited Brands, Inc., Mr. Stevens had been the Chief Executive Officer of Express, a retail clothing division of Limited Brands, Inc. from March 2004 to June 2006. From February 2003 to March 2004, he served as President of Bath & Body Works, also a division of Limited Brands, Inc. From February 2002 to January 2003, he served as the Chief Operating Officer of Bath & Body Works. From December 2000 to November 2001, he served as President and Chief Operating Officer of inChord Communications Inc., a group of communication companies that provide customized marketing solutions. From April 1996 to November 2000, he served as Chairman and Chief Executive Officer of Bank One Retail Group. From 1992 to 1993, Mr. Stevens was the treasurer of PepsiCo, a diversified food and beverage company whose stock is traded on the New York Stock Exchange. From 1995 to 1998, he was a director of and served on the audit committee of the board of directors of La Quinta Corp., a lodging company whose stock is traded on the New York Stock Exchange.

James F. Wright (age 58) has been a director of Spartan Stores since 2002. Since November 2007, he has served as Chairman of the Board, President, and Chief Executive Officer of Tractor Supply Company, a farm equipment and supply retailer whose stock is listed on The Nasdaq Stock Market. Mr. Wright was President and Chief Executive Officer of Tractor Supply from October 2004 to November 2007, and was President and Chief Operating Officer of Tractor Supply from 2000 until October 2004. From 1997 to 2000, he served as President and Chief Executive Officer of Tire Kingdom, a chain of retail tire stores headquartered in West Palm Beach, Florida.

Directors With Terms Expiring in 2009

M. Shân Atkins (age 51) has been a director of Spartan Stores since 2003. Since 2001, Ms. Atkins has been Managing Director of Chetrum Capital LLC, a private investment firm. Ms. Atkins is a director of The Pep Boys - Manny, Moe and Jack, an auto parts and service retailer whose common stock is listed on the New York Stock Exchange, and serves as Chair of that company's audit committee. Ms. Atkins is also a director of Tim Hortons, Inc., Canada's leading quick service restaurant chain whose stock is traded on the New York Stock Exchange, and Shoppers Drug Mart Corporation, a retail drug store chain whose stock is traded on the Toronto Stock Exchange. From 1999 to 2001, Ms. Atkins served as a director and a member of the audit committee of Chapters, Inc., a book retailer whose stock was traded on the Toronto Stock Exchange prior to the company's acquisition. From 1996 to 2001, Ms. Atkins served in a variety of executive positions with Sears, Roebuck and Co. (now known as Sears Holdings Corporation), a retailer whose common stock is listed on the New York Stock Exchange, most recently as Executive Vice President, Strategic Initiatives. From 1982 to 1996, she served in a variety of positions with Bain and Company, Inc., an international management consulting firm, where she specialized in the consumer and retail sectors, most recently serving as Vice President. Ms. Atkins was an auditor with Price Waterhouse in Toronto, Canada, from 1979 to 1981. She has been a member of the Canadian Institute of Chartered Accountants since 1981 and is a certified public accountant.

Dr. Frank M. Gambino (age 54) has been a director of Spartan Stores since 2003. Dr. Gambino is a Professor of Marketing and the Director of the Food & Consumer Package Goods Marketing Program in the Haworth College of Business at Western Michigan

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University. He has been on the WMU faculty since 1984. Prior to joining WMU he had over 15 years of experience in the retail food industry. Dr. Gambino remains active within the food and consumer package goods industries at both the national and regional level. He is a frequent speaker, trainer and consultant to a diverse group of industry organizations. Currently, he serves on the Retail Site Development Committee for Wakefern Food Corporation of Elizabeth, New Jersey, which is an advisory committee that reports to the Wakefern Board of Directors. He is also secretary to the Western Michigan University Food Industry Advisory Board. He is a past member of the board of directors for Alliance Foods and the Food Distribution Research Society and past senator to the WMU Faculty Senate. He has served and continues to serve on several industry advisory groups including such organizations as the National Grocers Association and the Food Marketing Institute.

Timothy J. O'Donovan (age 63) has been a director of Spartan Stores since 2003. Mr. O'Donovan is the Chairman of the Board of Wolverine World Wide, Inc., a footwear company whose common stock is listed on the New York Stock Exchange, a position he has held since April 2005. From April 2005 to April 2007, he served as Chief Executive Officer of Wolverine in addition to his duties as Chairman of the Board. Mr. O'Donovan was President and Chief Executive Officer of Wolverine from April 2000 until April 2005, and has been a director of Wolverine since 1993. From 1996 to April 2000, Mr. O'Donovan was the Chief Operating Officer and President of Wolverine. Before 1996, Mr. O'Donovan was Executive Vice President of Wolverine. Mr. O'Donovan is also a director of Kaydon Corporation, a designer and manufacturer of bearing systems whose stock is traded on the New York Stock Exchange.

Directors With Terms Expiring in 2010

Craig C. Sturken (age 64) has been a director of Spartan Stores since March 2003, Chief Executive Officer of Spartan Stores since March 2003, President of Spartan Stores from March 2003 to October 2007, and Chairman of the Board of Spartan Stores since August 2003. Mr. Sturken spent his entire career in the grocery industry and has more than 40 years of retail grocery experience, including 10 years with the Great Atlantic & Pacific Tea Company ("A&P"), a food retailer whose stock is traded on the New York Stock Exchange. From October 2000 to March 2002, Mr. Sturken was the CEO of A&P's Atlantic region, after which he retired. From October 1992 to October 2000, he was CEO of A&P's Midwest region. Before A&P, Mr. Sturken held executive positions with The Grand Union Company and Hannaford Brothers' Company.

Frederick J. Morganthall, II (age 56) has been a director of Spartan Stores since his appointment to the Board in May 2006. Since October 1997, Mr. Morganthall has been the President of Harris Teeter, Inc., a supermarket chain operating in North Carolina, South Carolina, Virginia, Georgia, Tennessee, and Florida. Harris Teeter is a wholly owned subsidiary of Ruddick Corporation, a holding company whose stock is traded on the New York Stock Exchange. Mr. Morganthall has served in senior management positions with Harris Teeter for over thirteen years. Prior to becoming President of Harris Teeter, Mr. Morganthall served Harris Teeter in other executive positions since 1992.

Dennis Eidson (age 54) has been a director of Spartan Stores since October 2007, President of Spartan Stores since October 2007 and Chief Operating Officer since February 2007, and was our Executive Vice President Marketing and Merchandising from March 2003 to February 2007. Prior to joining Spartan Stores, Mr. Eidson served as the Divisional President and Chief Executive Officer of A&P's Midwest region from October 2000 to July 2002, as the Executive Vice President Sales and Merchandising of A&P's Midwest region from March 2000 to October 2000, and as the Vice President of Merchandising of A&P's Farmer Jack division from June 1997 to March 2000.

Board Committees

Spartan Stores' Board has four standing committees:

the Executive Committee;

the Audit Committee;

the Compensation Committee; and

the Nominating and Corporate Governance Committee.

The table below shows the current membership of each Board committee and the number of meetings each Committee held in fiscal 2008.

BOARD OF DIRECTORS COMMITTEE MEMBERSHIP

Director	Independent Director(1)	Executive Committee	Audit Committee	Compensation Committee	Nominating & Corporate Governance Committee
M. Shân Atkins	Yes		Member		Member
Dennis Eidson	No				
Dr. Frank M. Gambino	Yes			Member	Member
Frederick J. Morganthall, II	Yes		Member		Member
Elizabeth A. Nickels	Yes	Member	Chair		Member
Timothy J. O'Donovan	Yes	Member		Chair	Member
Kenneth T. Stevens	Yes		Member		Member
Craig C. Sturken	No	Chair			
James F. Wright	Yes	Member		Member	Chair
Number of Meetings in Fiscal 2008		1	6	6	4

- (1) Independent under NASDAQ independence standards for directors generally and for each Committee on which the director serves.

Executive Committee. The Executive Committee has the full power and authority of the Board to manage the business affairs and property of Spartan Stores between meetings of the full Board. The Executive Committee has authority to recommend to the Board a successor to the Chief Executive Officer when a vacancy occurs.

Audit Committee. The Board of Directors has established the Audit Committee to assist the Board in fulfilling its fiduciary responsibilities with respect to accounting, auditing, financial reporting, internal control, and legal compliance. The Audit Committee oversees management and the independent auditors in the Company's accounting and financial reporting processes and audits of the Company's financial statements. The Audit Committee serves as a focal point for communication among the Board, the independent auditors, the internal auditors and management with regard to accounting, reporting, and internal controls. The Audit Committee represents the Board in oversight of:

the integrity of the financial statements of the Company;

the Company's system of disclosure controls and procedures and internal controls over financial reporting;

the independence and performance of the Company's independent auditors (who are ultimately responsible to the Board of Directors and the Audit Committee);

the performance of the Company's internal audit function; and

compliance by the Company with legal and regulatory requirements.

The Audit Committee has direct authority and responsibility for the appointment, compensation, retention and oversight of the work of any accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attestation services for the Company. The Audit Committee is also directly responsible for the resolution of disagreements between management and the independent auditors regarding financial reporting. The Audit Committee reviews the performance, independence, and objectivity of the independent auditors at least annually and takes or recommends to the full Board appropriate action to ensure the independence of the independent auditors. Independent auditors report directly to the Audit Committee.

See "Independent Auditors-Audit Committee Approval Policies" for a discussion of the Audit Committee's procedures for approving services to be provided by the independent auditors to Spartan Stores and its subsidiaries.

The Audit Committee operates under a charter adopted by the Board of Directors. A copy of the Audit Committee Charter is available in the "For Investors-Corporate Governance" section of our website, www.spartanstores.com.

The Board of Directors has determined that Audit Committee members M. Shân Atkins, Elizabeth A. Nickels and Kenneth T. Stevens are Audit Committee financial experts, as that term is defined in Item 401(h)(2) of Securities and Exchange Commission Regulation S-K. Under SEC regulations, a person who is determined to be an Audit Committee financial expert will not be deemed an expert for any purpose, including without limitation for purposes of Section 11 of the Securities Act of 1933, as a result of being designated or identified as an Audit Committee financial expert, and the designation or identification of a person as an Audit Committee financial expert does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Audit Committee and Board of Directors in the absence of such designation or identification or affect the duties, obligations or liability of any other member of the Audit Committee or Board of Directors.

Each member of the Audit Committee is independent, as that term is defined in Rule

4200(a)(15) and Rule 4350(d)(2)(A) of the NASDAQ Marketplace Rules.

Compensation Committee. The Board of Directors has established the Compensation Committee to assist the Board of Directors in fulfilling its responsibilities relating to compensation of the Company's executive officers and the Company's compensation and benefit programs and policies. The Compensation Committee has full power and authority to perform the responsibilities of a public company compensation committee under applicable law, regulations, stock exchange rules, and public company custom and practice.

The Compensation Committee has the authority and responsibility to:

determine and oversee the Company's executive compensation philosophy structure, policies and programs, and assess whether the Company's compensation structure establishes appropriate incentives for management and associates;

administer, amend, interpret or make recommendations to the Board of Directors with respect to retirement, stock incentive, cash incentive, welfare and other compensation and benefit plans of the Company that are approved by the Board of Directors ("Plans");

approve stock option and other stock incentive awards and authorize the issuance of shares of the Company's Common Stock, options and rights to acquire Common Stock, awards and units denominated in Common Stock, and other interests in the Company's Common Stock pursuant to the Plans;

review and approve corporate and personal goals and objectives relevant to the compensation and evaluation of the Chief Executive Officer, and evaluate the performance of the Chief Executive Officer in light of those goals and objectives in coordination with the Nominating and Corporate Governance Committee;

approve the base salary, annual bonus plan and award opportunities and long-term incentive plan and award opportunities of the Chief Executive Officer;

review with the Chief Executive Officer and approve the base salary, annual bonus plan and award opportunities and long-term incentive plan and award opportunities of the Company's other executive officers;

review succession planning for the Chief Executive Officer and other key executive officers of the Company;

review, recommend and approve employment agreements and severance arrangements for executive officers, including change-in-control provisions, plans or agreements;

review, recommend and approve Company policies pertaining to executive perquisites and personal benefits; and

review and approve the compensation and benefits provided to directors and authorize the issuance of equity compensation, including restricted stock and stock options, for services to the Company as a director.

The Compensation Committee also has additional powers, authority and responsibilities that are specified in the Compensation Committee Charter or delegated to the Compensation Committee by the Board of Directors or by Plans approved by the Board of Directors.

Compensation Committee Processes and Procedures. The Compensation Committee typically awards stock options and restricted stock in May of each year, when the Company's results for the preceding year are available for

review by the Compensation Committee. At the May meeting, the Compensation Committee typically reviews company financial results, executive performance, current compensation

levels, and compensation data from Peer Group Companies. The Compensation Committee then establishes executive salaries, grants share-based awards if appropriate, and establishes goals and objectives for the then-current fiscal year.

Consultants and Advisors. The Compensation Committee is authorized to engage consultants, advisors and legal counsel at the expense of the Company. The Compensation Committee Charter requires that any consultant engaged for the purpose of determining the compensation of executive officers must be engaged directly by the Committee and report to the Compensation Committee. The Compensation Committee has authority to approve contracts with and payment of fees and other compensation of consultants, advisors and legal counsel. In fiscal 2008, Hewitt Associates LLC, a compensation consulting firm, was engaged to provide research and analysis regarding compensation best practices and current information regarding compensation levels at companies of similar type, size, and financial performance. Please see the Compensation Discussion and Analysis section of this proxy statement for more information.

Participation by Management. The Company's compensation philosophy and the administration of its various compensation plans are determined by the independent directors of the Compensation Committee. Company policy and NASDAQ rules prohibit participation by the Chief Executive Officer in the process of determining his or her own compensation. The Company's executive officers serve as a resource to the Compensation Committee and provide advice, information, analysis and documentation to the Compensation Committee upon request. In appropriate cases, in its discretion, the Compensation Committee may delegate its authority to the executive officers, being mindful that the Compensation Committee and the Board of Directors are responsible to the Company's shareholders to perform the functions and fulfill the responsibilities charged to the Compensation Committee under its Charter. The Compensation Committee may delegate to the Chief Executive Officer authority to recommend the amount or form of compensation paid to other executive officers and associates subordinate to the Chief Executive Officer, subject to such limitations and reporting responsibilities as the Compensation Committee in its discretion may require. The Compensation Committee will not delegate to executive officers its authority to approve awards of stock options or other stock compensation.

Although the Compensation Committee makes many of the most significant compensation decisions in the first quarter of the fiscal year, the Company's compensation planning process neither begins nor ends with any particular Committee meeting. Compensation decisions are designed to promote our fundamental business objectives and strategy. Business and succession planning, evaluation of management performance, and consideration of the business environment are year-round processes for the Compensation Committee and the full Board of Directors.

Share-based Award Policy. The Board of Directors has long believed that the process by which the Company awards stock options and other share-based compensation must be transparent, fair, and compliant with all applicable legal requirements and stock exchange rules. For these reasons, the Board of Directors has adopted a Stock Option and Share Based Award Policy which provides, among other provisions, that:

Share based awards will not be back-dated. No share based award may have an effective date earlier than the actual date of the action of the Board of Directors or authorized committee of the Board of Directors to approve the award;

The exercise price for all share based awards will be based on the market value of Spartan Stores common stock on the effective date of award (as defined under the applicable plan);

The Company will not time its release of material non-public information for the purpose of affecting the value of executive

compensation, or time the grant of compensation awards to take advantage of material non-public information;

Only the Board of Directors or the Compensation Committee, which consists entirely of independent directors, will approve share based awards. This authority may not be delegated to executive officers or associates; and

All share based awards to the Company's executive officers and directors will be timely reported pursuant to Section 16 of the Securities and Exchange Act of 1934.

A copy of the Stock Option and Share Based Award Policy is available in the "For Investors-Corporate Governance" section of our website, www.spartanstores.com.

Additional information regarding the Company's compensation philosophy and the Compensation Committee's processes and procedures is set forth in the Compensation Discussion and Analysis section of this proxy statement.

The Compensation Committee operates under a charter adopted by the Board of Directors. A copy of the Compensation Committee Charter is available in the "For Investors-Corporate Governance" section of our website, www.spartanstores.com.

Each member of the Compensation Committee is independent, as that term is defined in Rule 4200(a)(15) of the NASDAQ Marketplace Rules.

Nominating and Corporate Governance Committee. The Board of Directors has established the Nominating and Corporate Governance Committee to assist the Board of Directors in fulfilling its responsibilities by providing independent director oversight of nominations for election to the Board of Directors and leadership in the Company's corporate governance. The Committee has full power and authority to perform the responsibilities of a public company nominating and corporate governance committee under applicable law, regulations, stock exchange rules, and public company custom and practice.

The Committee has the authority and responsibility to:

determine, review, administer, interpret, amend and make recommendations to the Board of Directors regarding the Company's corporate governance policy;

review and recommend to the Board of Directors any changes in the size and composition of the Board of Directors and develop and recommend to the Board of Directors criteria for the selection of candidates for election as directors;

provide the independent director oversight of nominations for election to the Board of Directors contemplated by NASDAQ Marketplace Rules;

lead the search for individuals qualified to become members of the Board of Directors, review the qualifications of candidates for election to the Board of Directors, and assess the qualifications, contributions and independence of incumbent directors standing for re-election to the Board of Directors;

recommend to the Board of Directors the candidates to be nominated and recommended by the Board of Directors for election to the Board of Directors at each annual meeting of shareholders or to be appointed by the Board of Directors to fill a vacancy on the Board of Directors;

develop and recommend to the Board of Directors for its approval an annual evaluation process for the Board of Directors, and its standing committees, and conduct and discuss with the Board of Directors the annual

performance evaluation;

evaluate periodically the performance, authority, operations, charter and composition of each standing or ad hoc

committee of the Board of Directors and recommend to the Board of Directors any changes the Committee determines to be appropriate;

review and make recommendations to the Board of Directors on the Board of Director policies and practices relating to corporate governance, independence of directors, conflicts of interest, ethics, and business conduct;

review and make recommendations to the Board of Directors regarding response to proposals of shareholders that relate to corporate governance;

Assess the independence of directors in accordance with applicable rules and regulations at least annually; and

Develop and periodically review and revise, as appropriate, a management succession plan and related procedures; consider and recommend to the Board of Directors candidates for successor to the Chief Executive Officer of the Company and, with appropriate consideration of the Chief Executive Officer's recommendations, candidates for succession to other executive offices.

The Nominating and Corporate Governance Committee also has additional powers, authority and responsibilities specified in its charter or delegated to the committee by the Board of Directors. A copy of the Nominating and Corporate Governance Committee Charter is available in the "For Investors-Corporate Governance" section of our website, www.spartanstores.com.

Under the Corporate Governance Policy, so long as the chair of the Board is also the Chief Executive Officer of Spartan Stores, the chair of the Nominating and Corporate Governance Committee will act as the principal liaison between the independent directors and the Board chair. The chair of the Nominating and Corporate Governance Committee will coordinate, develop the agenda for and chair meetings of the directors in executive session.

Each member of the Nominating and Corporate Governance Committee is "independent" as that term is defined in Rule 4200(a)(15) of the NASDAQ Marketplace Rules.

Independent Auditors

Independent Auditors' Fees

The aggregate fees billed by Deloitte & Touche LLP to Spartan Stores and its subsidiaries for fiscal 2008 and fiscal 2007 are as follows:

	<u>Fiscal 2008</u>	<u>Fiscal 2007</u>
Audit Fees ⁽¹⁾	\$ 625,035	\$ 619,037
Audit-Related Fees ⁽²⁾	50,735	46,720
Tax Fees ⁽³⁾	689,945	338,542
All Other Fees	--	--

(1)

Audit services consist of the annual audit of the financial statements and internal control over financial reporting, reviews of quarterly reports on Form 10-Q, and related consultations.

- (2) Audit-related services consist principally of services related to accounting matters not arising as part of the audit.
- (3) Permissible tax services include tax compliance, tax planning and tax advice that do not impair the independence of the auditors and that are consistent with the SEC's rules on auditor independence. Tax compliance and preparation fees account for \$554,945 and \$321,156 of the total tax fees for fiscal 2008 and fiscal 2007, respectively.

Deloitte & Touche LLP did not provide any services to Spartan Stores or its subsidiaries related to financial information systems design

and implementation during the past two fiscal years.

Audit Committee Approval Policies

The Audit Committee Charter provides the policy and procedures for the approval by the Audit Committee of all services provided by Deloitte & Touche LLP. The charter requires that all services provided by the independent auditors, including audit-related services and non-audit services, must be pre-approved by the Audit Committee. The charter allows the Audit Committee to delegate to one or more members of the Audit Committee the authority to approve the independent auditors' services. The decisions of any Audit Committee member to whom authority is delegated to pre-approve services are reported to the full Audit Committee. The charter also provides that the Audit Committee has authority and responsibility to approve and authorize payment of the independent auditors' fees. Finally, the charter sets forth certain services that the independent auditors are prohibited from providing to Spartan Stores or its subsidiaries. All of the services described above were approved by the Audit Committee. None of the audit-related fees or tax fees were approved by the Audit Committee pursuant to the *de minimus* exception set forth in Section 10A(i)(1)(B) of the Securities Exchange Act of 1934, although the Audit Committee Charter allows such approval.

Audit Committee Report

The Board of Directors has appointed the Audit Committee to assist the Board in fulfilling its fiduciary responsibilities with respect to accounting, auditing, financial reporting, internal control, and legal compliance. The Committee oversees management and the independent auditors in the Company's accounting and financial reporting processes and audits of the Company's financial statements. The Committee serves as a focal point for communication among the Board, the independent auditors, the internal auditors and management with regard to accounting, reporting, and internal controls.

The Committee acts under a charter which has been adopted by the Board of Directors and is available on the Company's website at www.spartanstores.com. The Audit Committee reviews the adequacy of the charter at least annually. The Board of Directors annually reviews the standards for independence for audit committee members under the Nasdaq Marketplace Rules and has determined that each member of the Audit Committee is independent. Three members of the Audit Committee are audit committee financial experts under Securities and Exchange Commission rules.

Management of the Company is responsible for the preparation, presentation and integrity of the Company's financial statements, the Company's accounting and financial reporting, the Company's disclosure controls and internal control over financial reporting, and procedures designed to assure compliance with accounting standards and applicable laws and regulations. The independent public accountants are responsible for auditing the Company's financial statements, expressing an opinion as to their conformity with generally accepted accounting principles, and providing an attestation report on the effectiveness of the Company's internal control over financial reporting.

The Audit Committee has reviewed, and discussed with management and the independent auditors, the Company's audited financial statements for the year ended March 29, 2008, management's assessment of the effectiveness of the Company's internal controls over financial reporting, and the independent auditors' attestation report on the Company's internal controls over financial reporting. The Audit Committee has discussed with the independent auditors the matters required to be discussed by the Statement on Auditing Standards No. 114

(Communications with Audit Committees). The Audit Committee has received the written disclosures and the letter from the independent auditors required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees) and has discussed with the independent auditors their independence. This included consideration of the compatibility of non-audit services with the auditors' independence.

Based on the reviews and discussions described above, the Audit Committee has recommended to the Board of Directors that the audited financial statements be included in Spartan Stores' Annual Report on Form 10-K for the year ended March 29, 2008.

Respectfully submitted,

Elizabeth A. Nickels, Chair
Kenneth T. Stevens
M. Shân Atkins
Frederick J. Morganthall, II

Ownership of Spartan Stores Stock

Five Percent Shareholders

The following table sets forth the number of shares of Spartan Stores common stock reported to be beneficially owned by each person or group which is known to the Company to be a beneficial owner of 5% or more of Spartan Stores' outstanding shares of common stock as of June 13, 2008. This information is based entirely on the most recent Schedule 13-G or amendment filed by the listed party as of June 13, 2008. The Company is not responsible for the accuracy of this information.

Name of Beneficial Owner	Sole Voting Power	Sole Dispositive Power	Shared Voting or Dispositive Power	Total Beneficial Ownership	Percent of Class ⁽¹⁾
Barclays Global Investors, NA ⁽²⁾ 45 Fremont Street San Francisco, CA 94105	966,922	1,245,325	0	1,245,325	5.6%
Opus Capital Group, LLC ⁽³⁾ 1 West Fourth Street, Suite 2500 Cincinnati, OH 45207	300,853	1,103,234	0	1,103,234	5.0%
Loomis Sayles & Co. L.P. ⁽⁴⁾ One Financial Center Boston, MA 02111	1,181,179	1,340,557	0	1,340,557	6.1%
Putnam LLC (d/b/a Putnam Investments) ⁽⁵⁾ One Post Office Square Boston, MA 02109	0	0	1,804,560	1,804,560	8.2%

(1) The percentages set forth in this column were calculated on the basis of 22,107,465 shares of common stock outstanding as of June 18, 2008.

- (2) Based on a Schedule 13G dated as of December 31, 2007 filed by Barclays Global Investors, N.A. and affiliated entities, which reported sole voting and dispositive power as follows: Barclays Global Investors, N.A., sole voting power-492,518, sole dispositive power-566,490; Barclays Global Fund Advisors, sole voting

power-474,404, sole dispositive power-656,410; and Barclays Global Investors, Ltd., sole dispositive power-22,425.

(3) Based on a Schedule 13G dated as of October 25, 2007.

(4) Based on a Schedule 13G dated as of December 31, 2007.

(5) Based on a Schedule 13G filed February 1, 2008 by Putnam LLC (d/b/a Putnam Investments) and affiliated entities, which reported sole voting and dispositive power as follows: Putnam Investment Management, LLC, shared voting power - 48,800, shared dispositive power - 807,311; The Putnam Advisory Company, LLC, shared voting power - 494,918, shared dispositive power - 997,249.

Security Ownership of Management

The table below sets forth the number of shares of Spartan Stores common stock that each of our directors and nominees for director, each executive officer named in the Summary Compensation Table below and all directors, nominees for director and executive officers of Spartan Stores as a group are deemed to have beneficially owned as of April 11, 2008. Ownership of less than 1% of the outstanding shares of common stock is indicated by asterisk.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership ⁽¹⁾			Percent of Class ⁽⁴⁾
	Sole Voting and Dispositive Power ⁽²⁾	Shared Voting or Dispositive Power ⁽³⁾	Total Beneficial Ownership ⁽²⁾	
Theodore C. Adornato	61,378	-	61,378	*
M. Shân Atkins	12,620	-	12,620	*
Alex J. DeYonker	20,871	-	20,871	*
Dennis Eidson	94,538	2,400	96,938	*
Dr. Frank M. Gambino	9,148	-	9,148	*
Frederick S. Morgenthall, II	3,346	-	3,346	*
Elizabeth A. Nickels	15,447	-	15,447	*
Timothy J. O'Donovan	9,148	5,000	14,148	*
David M. Staples	71,345	-	71,345	*
Kenneth T. Stevens	10,809	-	10,809	*
Craig C. Sturken	224,235	7,500	231,735	1.1%
James F. Wright	11,766	-	11,766	*
All directors, nominees and executive officers as a group (15 persons)	739,191	27,900	767,091	3.5%

(1) The number of shares stated is based on information provided by each person listed and includes shares personally owned by the person and shares which, under applicable regulations, are considered to be otherwise beneficially owned by the person as of April 11, 2008.

(2) These numbers include shares held directly and shares subject to options that are currently exercisable or that will be exercisable within 60 days after April 11, 2008. Each listed person having such stock options and the number of shares subject to such options is shown in the chart below:

Theodore C. Adornato	13,351
M. Shân Atkins	395
Alex J. DeYonker	2,725
Dennis Eidson	21,717
Dr. Frank M. Gambino	395
Frederick S. Morgenthall, II	395
Elizabeth A. Nickels	395
Timothy J. O'Donovan	395
David M. Staples	8,000
Kenneth T. Stevens	395
Craig C. Sturken	52,501
James F. Wright	395
All directors, nominees and executive officers as a group	165,751

- (3) These numbers include shares over which the listed person is legally entitled to share voting or dispositive power by reason of joint ownership, trust or other contract or property right, and shares held by spouses, children or other relatives over whom the listed person may have influence by reason of relationship.
- (4) The percentages set forth in this column were calculated on the basis of 21,911,324 shares of common stock outstanding as of April 11, 2008, plus shares of common stock subject to options held by the applicable listed person or persons that are currently exercisable or that will be exercisable within 60 days after April 11, 2008. Shares subject to such options are considered to be outstanding for purposes of this table. The number of shares subject to such options for each listed person that has such options is set forth in footnote (2) above.

Spartan Stores' Executive Officers

Spartan Stores' executive officers are appointed annually by, and serve at the pleasure of, the Board or the Chief Executive Officer.

Biographical information for Mr. Sturken and Mr. Eidson is included above in the "Board of Directors" section of this proxy statement. The following sets forth biographical information as of April 11, 2008 concerning Spartan Stores' executive officers who are not directors:

Theodore C. Adornato (age 54) has been Executive Vice President Retail Operations since 2003. Mr. Adornato served as Regional Vice President of Tops Markets, L.L.C., Eastern Region, a subsidiary of Royal Ahold, from 1998 to 2003. Previously, Mr. Adornato held various management positions with Tops Markets and Acme Markets, Inc.

David deS. Couch (age 57) has served as Vice President Information Technology since 1996. From 1991 to 1996, Mr. Couch was our Director of Informative Technology. Previously, Mr. Couch held positions in product marketing, data center management and communication network management for Hewlett Packard and General Foods Corporation.

Alex J. DeYonker (age 58) has served as Executive Vice President, General Counsel and Secretary since October 2006. Mr. DeYonker joined the Company from Warner Norcross & Judd LLP, a Grand Rapids-based law firm with over 180 attorneys, where he had served as Managing Partner from 2002 to 2006 and Partner from 1988 until joining Spartan Stores. While at Warner Norcross, Mr. DeYonker served as General Counsel to Spartan Stores since 1995 and as the Company's Corporate Secretary since 2000. He was also a Company Board member from 1999

to 2003, serving on the Executive and Nominating Committees.

Derek Jones (age 39) has been Executive Vice President, Supply Chain since September 2006. From March 2004 to August

2006, Mr. Jones was Vice President of Distribution for Unisource Worldwide, Inc., a marketer and distributor of printing and imaging systems and equipment. From July 2000 to March 2004, Mr. Jones was Regional Vice President of Operations for Office Depot, Inc., a global supplier of office products and services.

David M. Staples (age 45) has been Executive Vice President since November 2000 and Chief Financial Officer since January 2000. Mr. Staples also served as Vice President Finance from January 2000 to November 2000. Mr. Staples oversees information technology, real estate, finance, and safety. From December 1998 to January 2000, Mr. Staples served as Divisional Vice President Strategic Planning and Reporting of Kmart Corporation and from June 1997 to December 1998 he served as Divisional Vice President Accounting Operations. He is a certified public accountant.

Thomas A. Van Hall (age 52) has been Vice President Finance since March 2001. Prior to joining Spartan Stores, Mr. Van Hall served as Vice President - Planning and Analysis of the U.S. Foods Division of Sara Lee Corporation from May 2000 to March 2001. From December 1997 to May 2000, he was Vice President - Supply Chain and from 1991 to 1997 he served as Vice President - Finance of the Bil Mar Foods Division of Sara Lee Corporation. He is a certified public accountant.

Executive Compensation

COMPENSATION DISCUSSION AND ANALYSIS

Overview

The Board of Directors has appointed the Compensation Committee to assist the Board in fulfilling its responsibilities relating to compensation of the Company's executive officers and the Company's compensation and benefit programs and policies. The Committee has full power and authority to perform the responsibilities of a public company compensation committee under applicable law, regulations, stock exchange rules, and public company custom and practice. The Compensation Committee determines and implements the Company's executive compensation philosophy, structure, policies and programs, and administers and interprets the Company's compensation and benefit plans.

Objectives of Spartan Stores' Compensation Programs

The four primary objectives of the Company's compensation are to:

attract, retain, motivate, and reward talented executives who are critical to the current and long-term success of the Company;

promote the long-term profitable growth of the Company by linking compensation elements to the achievement of key strategic and financial goals;

reward the Company's executives for individual performance; and

align the interests of the executives with those of the shareholders by linking compensation to the Company's performance and share price.

To achieve these objectives, the Compensation Committee and the Board evaluate individual executive performance and key strategic and financial metrics to determine each executive's level of compensation and opportunity for performance-based compensation.

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Pay for Performance

The Company observes a "pay for performance" policy for executives. This means that the Compensation Committee and the Board have implemented and intend to maintain compensation plans that link a substantial proportion of executive compensation to the achievement of goals that the Board considers important. The measures of performance that the Committee uses are discussed in detail below under the heading *How the Compensation Committee Determines Compensation Levels*.

Elements of Compensation

Executive compensation generally consists of the following elements:

base salary;

performance-based cash compensation, if any, under the Company's non-equity annual incentive plans; and

participation in Spartan's shareholder-approved equity-based incentive plans.

Each component of compensation, as well as the mix of each component, is designed to accomplish one or more of the four compensation objectives described above. We use these elements of compensation because we believe that they provide a mix of fixed and at-risk compensation that creates appropriate incentives for short-term and long-term performance.

Base Salary. Competitive base salaries are necessary to attract and retain well-qualified executives. Pursuant to employment agreements entered into with each of its named executive officers, Spartan Stores reviews the salary of each executive on an annual basis. The Compensation Committee typically completes this review at the May meeting of the Board of Directors.

Annual Incentive Award. We provide the opportunity for each of our executive officers to earn an annual cash incentive award ("Incentive Award"). Incentive Awards are paid under one of the Company's two non-equity incentive plans: the Spartan Stores, Inc. 2000 Annual Incentive Plan (the "2000 Annual Plan"), and the Spartan Stores, Inc. Annual Executive Incentive Plan of 2005 (the "2005 Annual Plan"). Both plans are designed to motivate executive officers and other participants who are in a position to make substantial contributions toward the achievement of goals established under the plans. The plans are designed to:

motivate participants to achieve Spartan Stores' annual financial and business objectives;

allow participants to share appropriately in Spartan Stores' financial success;

provide a competitive incentive compensation opportunity;

create linkage between participant contribution and Spartan Stores' business and financial objectives; and

assist in the attraction, retention, and motivation of plan participants.

For fiscal 2008, Mr. Sturken was the sole participant in the 2005 Annual Plan. The 2005 Annual Plan is designed to permit annual incentive compensation paid under that plan to be deductible under the Internal Revenue Code. Under the terms of the 2005 Annual Plan, the Compensation Committee may use only objective measures of financial performance specified in the Plan itself (or approved by the Company's shareholders at a later date), and it

must specify the relationship between the level of the Incentive Award and the performance measure. Payment of Incentive Awards under the 2005 Annual Plan are entirely contingent on the achievement of specified objective measures of performance. The named executive officers other than Mr. Sturken received Incentive Awards under the 2000 Annual Plan in fiscal 2008. Under the terms of the 2000 Annual Plan, the Compensation Committee has more discretion to establish performance criteria

(which may be subjective) and determine Incentive Award levels.

Spartan's named executive officers and certain other key associates may elect to receive a portion of their Incentive Award in the form of Spartan Stores common stock pursuant to the Company's 2001 Stock Bonus Plan. Under the Plan, participants who make such an election will receive an additional grant of shares in an amount equal to 30% of the percentage of the participant's bonus that he or she elects to receive in stock. The Plan is designed to create additional incentive for participants to make significant contributions to the long-term performance and growth of the Company and to join the interests of participants with the Company's shareholders.

Equity-Based Incentive Awards. Spartan maintains two equity incentive plans that permit the Compensation Committee to award stock options, shares of restricted stock, and other equity awards to executives: the Spartan Stores, Inc. 2001 Stock Incentive Plan and the Spartan Stores, Inc. Stock Incentive Plan of 2005. Both plans have been approved by the Company's shareholders. Awards under Spartan's equity compensation plans are designed to:

align executive and shareholder interests;

reward executives and other key associates for building shareholder value; and

encourage long-term investment in Spartan.

Equity incentive awards have several key advantages over cash compensation, including promoting executive retention through the use of vesting periods and aligning executive and shareholder interests by giving executives an ownership stake in the Company. For the last completed fiscal year, our long-term equity incentive awards consisted of grants of restricted stock and stock options.

Restricted Stock. The Compensation Committee grants restricted stock to named executive officers and certain other key associates of the Company. Shares of restricted stock awarded in fiscal 2008 vest ratably over a five-year period from the date of the grant. Restricted stock awards encourage executives to focus on strategies that promote the long-term profitable growth of the Company and increase shareholder value. Grants of restricted stock have three key advantages over other forms of equity compensation:

Executive Retention. The time-based vesting feature of the Company's restricted stock grants creates strong incentives for executives to have lengthy careers with the Company. Executives who leave the Company generally must forfeit any unvested shares of restricted stock.

Immediate Stock Ownership. The grant of restricted stock increases executives' ownership stake in the Company and immediately helps align their interests with those of the shareholders.

Efficient Use of Shares. Both restricted stock and stock options deliver share-based economic value, but restricted stock can provide at the time of grant more value to the executives with fewer shares compared to stock options. Therefore, the use of restricted stock can be less dilutive to shareholders than stock options.

Executives receive any dividends paid on unvested restricted shares. For information regarding accelerated vesting of restricted stock upon termination or a change-in-control of the Company, please see the section entitled "Potential Payments Upon Termination or Change-in-Control."

Stock Options. The Compensation Committee awards stock options under the Company's equity incentive plans and sets the terms upon which stock options are granted, the number of shares subject to each option and the form of

consideration payable upon the exercise of an option. In fiscal 2008, the Compensation

Committee awarded stock options to each named executive officer. The stock options vest ratably over a four-year period beginning one year from the date of the grant and have a ten-year exercise period. The exercise price for stock options awarded in fiscal 2008 was equal to the closing price of Spartan Stores common stock traded on NASDAQ on the date of the grant.

In addition to the elements of compensation discussed above, our executives participate in certain defined benefit and deferred compensation plans. These plans are discussed elsewhere in this proxy statement.

How the Compensation Committee Determines Compensation Levels

In general, the Compensation Committee seeks to provide target compensation opportunities that are consistent with the median (*i.e.*, 50th percentile) market levels for each major category of compensation for executives in similar positions at companies of comparable size, financial performance, and complexity (referred to in this section as "Peer Group Companies"). For fiscal 2008, the Peer Group Companies were Big Lots, Inc., Brown Shoe Co. Inc., Gordon Food Services, Hannaford Brothers Company, Herman Miller, Hy-Vee, Inc., Jo-Ann Stores, Inc., Linens-N-Things, Inc., Longs Drug Stores Corporation, Inc., Payless Shoesource, Inc., The Pep Boys - Manny, Moe & Jack, PETCO Animal Supplies, Inc., Petsmart, Inc. Pier 1 Imports, Inc., Ross Stores, Inc., Steelcase, Inc., Tractor Supply Co., and Universal Forest Products, Inc.

In some cases, the Committee analyzes competitive compensation practices in the general industry for those positions that may be occupied by officers and executives recruited from outside of the wholesale and retail grocery business.

As permitted by its written charter, the Committee typically engages a consultant or advisor to assist in the research and analysis of competitive compensation practices. In fiscal 2008, the Committee engaged Hewitt Associates LLC ("Hewitt") to provide a review of the Company's compensation programs for selected executive and managerial positions. The services provided by Hewitt included, among others, benchmarking compensation practices by position at the Peer Group Companies.

Pay data for the Peer Group Companies was used to estimate competitive market levels for the Company's executives. For comparative purposes, estimated market levels were size-adjusted by Hewitt to correlate to the revenue responsibilities of the Company's executives. The Company's competitive posture was measured relative to the size-adjusted 50th percentile market levels for the Peer Group Companies.

The Company's compensation targets for each category of compensation are summarized in the following table. The Company's competitive posture was measured relative to the size-adjusted regressed 50th percentiles of the Peer Group Companies.

Pay Component	Target (Compared to Peer Group Companies)
Base Salary	50th percentile
Annual Incentive Award (cash bonus)	50th percentile (30% to 80% of the base salary, with a maximum bonus of

160% of the target
opportunity)

Total Cash
Compensation
(Salary and Annual
Incentive Award)

50th percentile

Long-Term
Incentives (share-
based compensation)

50th percentile,
subject to share
limitation and other
factors

Net Total Cash
Compensation and
Long-Term
Incentives

50th percentile

While the Compensation Committee believes that each component of compensation should be consistent with the targets above, the target serves only as a reference point and does not end the analysis. The Committee also considers:

- individual performance;
- time each executive has served in the position;
- the experience of each executive;
- future potential of the executive;
- retention concerns; and
- company performance.

Base Salaries. Adjustments to base salaries are made as the Committee determines is appropriate in response to changes in the market levels of salaries for corresponding positions within the Peer Group Companies. Other factors considered by the Compensation Committee when adjusting individual base salaries are the executive's performance for the preceding fiscal year, the executive's current compensation, the executive's responsibilities and the Company's performance (determined by reference to consolidated net earnings and levels of sales).

In July 2007, Messrs. Sturken, Eidson, Staples, and Adornato received increases in their base salaries that moved them closer to 50th percentile market levels for corresponding positions within the Peer Group Companies. Mr. Eidson received an additional increase in October 2007 in conjunction with his promotion to President. Despite these increases, the base salaries of these executives remain below the 50th percentile as of the end of fiscal 2008.

For Mr. DeYonker, the Compensation Committee analyzed compensation practices for corresponding positions within both the Peer Group Companies and general industry. Given that Mr. DeYonker's role as general counsel is not highly industry sensitive, the Committee considers market level compensation of the position in the broader marketplace where the Company competes for such executive talent. The Committee concluded that Mr. DeYonker's base salary was above 50th percentile market level based on the Peer Group Companies, but consistent with the 50th percentile market level based on general industry. Therefore, the Committee authorized a modest cost of living increase to Mr. DeYonker's base salary in July 2007.

Incentive Awards. For the 2000 and 2005 Annual Plans, the Compensation Committee sets a target Incentive Award for each individual that approximates the 50th percentile market level for cash incentive awards for similar positions within Peer Group Companies. Incentive Awards are paid to participants under the plans only if specified business objectives are achieved. The Compensation Committee reviews Incentive Awards for our named executive officers and certain other associates annually to establish the financial objectives and award parameters for the current fiscal year. Incentive Awards are paid when the Company's results for the fiscal year become available (typically in May) upon review and approval by the Board.

For all named executive officers, the value of the Incentive Awards are solely dependent on the Company's achievement of specified levels of consolidated net earnings. Depending on the actual performance attained, the named executive officers may receive Incentive Awards, if any, ranging from 50% to 160% of the target bonus. The Company must meet its threshold consolidated net earnings level for any Incentive Awards to be paid to the named executive officers. For fiscal 2008, the Incentive Award paid to each named executive officer was calculated according to the following matrix:

	Percentage of Targeted Consolidated Net Earnings Achieved for Fiscal 2008	Percent of Target Bonus Paid*
	<90%	0%
Threshold	90%	50%
	95%	75%
Target	100%	100%
	105%	115%
	110%	130%
	115%	145%
Maximum	≥120%	160%

- * The threshold, target, and maximum bonus for each named executive officer is reported in the Grants of Plan-Based Awards Table in this proxy statement.

Subject to Section 162(m) of the Internal Revenue Code and the terms of the Company's 2000 Annual Plan and 2005 Annual Plan, the Compensation Committee may make appropriate adjustments to financial methods used to determine Incentive Awards for events that are unrelated to executive performance, such as: asset write-downs; litigation settlements or judgments; changes in tax laws, accounting principles, or other laws affecting reported results; reorganization or restructuring; extraordinary nonrecurring items, acquisitions or divestitures; foreign exchange gains and losses; and other special charges or extraordinary items.

The Company's actual performance for the fiscal year was 113% of the target level of consolidated net earnings under the annual incentive plans, therefore the Company paid 140% of the target bonus to each named executive officer.

Equity-Based Compensation. The Compensation Committee determines the number of shares of restricted stock and number of shares subject to stock options granted to each named executive officer. As discussed above, the Committee generally seeks to provide each executive with share-based compensation having a total economic value that is consistent with the 50th percentile market level for long-term incentive compensation for similar positions within the Peer Group Companies. However, the Compensation Committee also takes into consideration the executive's level of responsibility, the individual's performance during the preceding fiscal year, the availability of shares under the Company's equity-based compensation plans, and retention concerns.

For fiscal 2008, the named executive officers received increases in their equity compensation that moved them closer to 50th percentile market levels for corresponding positions at the Peer Group Companies. Nevertheless, equity compensation for these executives remains below the 50th percentile as of the end of fiscal 2008.

Mix of Compensation Elements

As discussed above, the Compensation Committee generally seeks to provide each executive with the opportunity to earn net total compensation for salary, Annual Incentive Award, and equity-based incentive awards that is consistent with the 50th percentile market levels for similar positions within the Peer Group Companies. The Committee uses a mix of compensation elements that is weighted toward at-risk pay (i.e., annual and long-term incentives). For fiscal 2008, at-risk compensation (consisting of the target Incentive Award and equity-based incentive awards)

accounted for 60% of such net total compensation for our executives in the aggregate, while base salary constituted 40% of such net total compensation. The Company believes this composition results in a pay-for-performance orientation for our executives and creates incentive for our executives to focus on the profitable growth of the Company. The Compensation Committee believes this mix is consistent with the mix of compensation opportunities provided to executives at the 50th percentile market levels of the Peer Group Companies.

When determining the mix of share-based awards, the Compensation Committee considers factors such as the short-term and long-term compensation expense to the Company, the economic value delivered to the executives, the overall level of share ownership by the executives, and share availability under Company plans. For fiscal 2008, the Compensation Committee determined that option awards would account for approximately 30% of the value of the share-based compensation awarded to each named executive officer, and restricted stock would account for the remaining 70%. This is consistent with the mix of awards to named executive officers in fiscal 2006 and 2007.

Stock Ownership Guidelines

Spartan's Board of Directors has established stock ownership guidelines for corporate officers. These guidelines are designed to help ensure that officers face downside risk and upside potential with other shareholders.

Under these guidelines, the Company's executive officers are expected to achieve and maintain a level of stock ownership having a value that is approximately equal to or greater than a specified percentage of the executive's annual base salary. The percentages are as follows:

Position	Percentage of Base Salary
Chief Executive Officer	500%
President	400%
Executive Vice Presidents	300%
Senior Vice President	200%
Vice Presidents and Division Vice Presidents	100%

Each executive is expected to achieve the target value within three years of the date of the individual's promotion or appointment as an executive. Until the specified level of ownership is achieved, executives are required to hold at least 25% of all restricted stock granted to them, and designate at least 20% of any annual bonus granted under the Company's 2000 Annual Plan or 2005 Annual Plan for the purchase of Spartan Stores' stock. As of March 29, 2008, all of the Company's executive officers were in compliance with the Company's stock ownership policy.

Personal Benefits, Perquisites, and Loans

Spartan Stores has long believed that compensation in the form of executive perquisites and personal benefits does not provide transparency for shareholders or efficiently serve the goals of the Company's compensation programs. Consequently, such benefits play a very minor role in the Company's compensation program. Spartan Stores does not provide perquisites such as club memberships, use of private aircraft, use of automobiles owned or leased by the Company, security details, commuting expenses, clothing, jewelry, discounts that are not available to all associates, or personal travel unrelated to our business. Spartan Stores does not make loans or extend credit to its directors or executive officers. None of Spartan Stores' directors or executive officers was indebted to the Company in fiscal 2008.

Severance and Change in Control Payments

Spartan Stores believes that severance payments upon certain terminations of employment benefit the Company and the

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shareholders by attracting and retaining executives and allowing executives to remain focused during uncertain times while also obtaining restrictive covenants for the benefit of the Company. Spartan Stores also believes that payments upon a double-trigger of both termination of employment and a change in control benefit the Company and the shareholders by motivating and encouraging each executive to be receptive to potential strategic transactions that are in the best interest of shareholders, even if the executive faces potential job loss, and by motivating the executives in the period leading up to a potential change in control. To accomplish these goals, Spartan Stores has entered into an employment agreement and an executive severance agreement with each named executive officer, which are discussed in more detail elsewhere in this proxy statement.

Deductibility of Executive Compensation

Section 162(m) of the Internal Revenue Code includes potential limitations on the deductibility of compensation in excess of \$1 million paid to certain officers. It is Spartan Stores' policy to qualify as much of the compensation paid to its officers as possible for deductibility under Section 162(m). However, under appropriate circumstances, Spartan Stores may approve compensation that is not deductible under Section 162(m) if it determines that it would be in the best interests of Spartan Stores and its shareholders for such compensation to be paid.

Summary Compensation Table

The following table shows certain information concerning the compensation earned by the Chief Executive Officer, Chief Financial Officer, and each of the Company's three most highly compensated executive officers who served in positions other than the Chief Executive Officer or Chief Financial Officer (together with the CEO and CFO, the "named executive officers") during the fiscal year ended March 29, 2008.

Name and Principal Position	Year	Salary (\$)	Stock Awards (1)(2) (\$)	Option Awards (1)(3) (\$)	Non-Equity Incentive Plan Compensation(4) (\$)	Change in Pension Value and Non-qualified Deferred Compensation Earnings(5) (\$)	All other Compensation(6) (\$)	Total (\$)
Craig C. Sturken, CEO	2008	\$ 706,635	\$ 515,634	\$ 333,566	\$ 822,273	\$ 40,598	\$ 75,604	\$ 2,494,310
	2007	631,548	312,001	125,493	814,771	32,959	60,939	1,977,711
Dennis Eidson, President and COO	2008	438,750	170,619	54,380	434,720	18,638	34,036	1,151,143
	2007	338,854	95,886	24,961	339,140	14,337	29,116	842,294
David M. Staples, EVP and CFO	2008	353,652	149,207	48,099	249,920	22,334	28,066	851,278
	2007	331,564	95,886	38,255	267,347	19,326	25,223	777,601
Theodore C. Adornato, EVP Retail Operations	2008	286,750	103,120	38,332	206,272	13,031	22,649	670,154
	2007	259,627	67,700	27,706	214,400	11,021	20,540	600,994
Alex J. DeYonker, EVP, General Counsel and Secretary(7)	2008	332,350	60,128	20,444	235,700	-	15,148	663,770
	2007	162,500	16,142	4,282	162,500	-	980	346,404

- (1) These amounts represent the portion of the fair value of restricted stock and options recognized as expense for financial statement reporting purposes in accordance with SFAS No. 123(R), Share Based Payment, and do not represent cash payments to or amounts realized by the named executive officers. Under SFAS 123(R), the fair value of the restricted stock and options are recognized ratably over the vesting period. For details regarding the assumptions used in the valuation of share-based awards, see Note 11, *Stock-Based Compensation*, to the audited financial statements of Spartan Stores, Inc. contained in the Company's Annual Report on Form 10-K for the fiscal year ended March 29, 2008.
- (2) See the Grants of Plan-Based Awards table and accompanying narrative below for information regarding the vesting schedule and other terms of the grant of restricted stock to named executive officers.
- (3) See the Grants of Plan-Based Awards table and accompanying narrative below for information regarding the vesting schedule and other terms of the grant of options to named executive officers.
- (4) The amounts reported in this column represent payments pursuant to the 2005 Annual Plan (for Mr. Sturken) and the 2000 Annual Plan (for all other named executive officers). Please see the Compensation Discussion and Analysis section of this proxy statement for details regarding how these amounts are determined.
- (5) The amounts reported in this column consist of the change in the actuarial present value of the named executive officer's accumulated benefit under the Spartan Stores Cash Balance Pension Plan and Supplemental Executive Retirement Plan, computed as of the pension plan measurement date used for financial statement reporting purposes (December 31). For more information, see the Pension Benefits section of this proxy statement and Note 9, *Associate Retirement Plans*, to our Consolidated Financial Statements for the Fiscal Year Ended March 29, 2008. Earnings on non-qualified deferred compensation are reported below on the Non-Qualified Deferred Compensation table.
- (6) "All Other Compensation" includes the value of Company matching contributions to each executive's qualified and non-qualified retirement plans, dividends on restricted stock awards, and company paid life insurance premiums (a benefit that is generally available to the Company's salaried associates). None of the Company's named executive officers received perquisites or personal benefits having an aggregate value of \$10,000 or greater. The following table provides details regarding all other compensation paid to named executive officers:

Name	Qualified Savings Plan Match	Nonqualified Savings Plan Match	Dividends on Restricted Stock	Insurance Premiums	Total
Mr. Sturken	\$ 6,867	\$ 39,777	\$ 28,730	\$ 230	\$ 75,604
Mr. Eidson	7,015	17,390	9,401	230	34,036
Mr. Staples	6,172	13,194	8,470	230	28,066
Mr. Adornato	6,846	9,688	5,885	230	22,649
Mr. DeYonker	7,818	4,265	2,835	230	15,148

- (7) Mr. DeYonker joined Spartan Stores on October 1, 2006. Accordingly, the reported information for fiscal 2007 is for the partial year beginning on the date of his hire.

Grants of Plan-Based Awards

The following table provides information concerning each grant of an award made to the named executive officers in the last completed fiscal year.

Grants of Plan-Based Awards

Name	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Sh) (2)	Grant Date Fair Value of Stock and Option Awards (\$)(3)
		Threshold (\$)(1)	Target (\$)(1)	Maximum (\$)(1)				
Craig C. Sturken	5/16/2007	292,000	584,000	934,400				\$ --
	5/18/2007				37,000			1,046,360
	5/18/2007					29,000	28.28	319,897
Dennis Eidson	5/16/2007	154,375	308,750	494,000				--
	5/18/2007				13,600			384,608
	5/18/2007					10,600	28.28	116,928
	10/17/2007				1,311			29,498
	10/17/2007					1,020	22.50	8,806
David M. Staples	5/16/2007	88,750	177,500	284,000				--
	5/18/2007				9,600			271,488
	5/18/2007					7,500	28.28	82,732
Theodore C. Adornato	5/16/2007	73,250	146,500	234,400				--
	5/18/2007				6,300			178,164
	5/18/2007					4,900	28.28	54,051
Alex J. DeYonker	5/16/2007	83,700	167,400	267,840				--
	5/18/2007				6,300			178,164
	5/18/2007					4,900	28.28	54,051
	5/27/2008(4)				623			14,142

- (1) The amounts reported in these columns are not actual awards; they represent the possible threshold, target, and maximum awards that could have been earned by each named executive officer for fiscal 2008 under the 2005 Annual Plan (for Mr. Sturken) and the 2000 Annual Plan (for all other executive officers). The actual amount earned by each named executive officer for fiscal 2008 is reported in the Summary Compensation Table. For details regarding how these amounts are determined, see the Compensation Discussion and Analysis section of this proxy statement. For Mr. Eidson, the threshold, target, and maximum amounts payable to him adjusted automatically effective October 17, 2007 due to a salary increase upon his promotion to President. The amounts reported above reflect this adjustment.
- (2) In accordance with the Incentive Plan of 2005, the exercise price per share equals the average of the high and low sales price of Spartan Stores common stock on Nasdaq on the date that the Compensation Committee grants the options (i.e., May 18, 2007). The closing price on May 18, 2007 was \$28.28 per share.
- (3) Amount reported is the aggregate grant date fair value determined in accordance with SFAS No. 123(R), Share Based Payment, and do not represent cash payments to or amounts realized by the named executive officers. For valuation assumptions, see Note 11, *Stock-Based Compensation*, to our consolidated audited financial statements for the fiscal year ended March 29, 2008.

- (4) These shares were awarded to Mr. DeYonker under the terms of the Company's 2001 Stock Bonus Plan. To comply with the Company's executive stock ownership policy, Mr. DeYonker elected to receive a portion of his fiscal 2008 bonus in shares of the Company Common Stock under the Plan. Pursuant to the terms of the Plan, Mr. DeYonker received additional shares of the Company's common stock having a value of 30% of the bonus elected to be received in stock. The additional shares are reported on this table. The value of the fiscal 2008 bonus earned by Mr. DeYonker is reported on the Summary Compensation Table. Please see the Compensation Discussion and Analysis section of this proxy statement for more information regarding the 2001 Stock Bonus Plan.

Discussion of Summary Compensation and Plan-Based Awards Tables

The Company paid the compensation set forth in the Summary Compensation Table and the grants of Plan Based Awards table pursuant to the philosophy, procedures, and practices set forth above in the "Compensation Discussion and Analysis" section of this proxy statement. A summary of certain material terms of our compensation plans and arrangements is set forth below.

Salary; Employment Agreements. Each named executive officer is paid a salary pursuant to an employment agreement with the Company. For information regarding determination of base salaries, see the Compensation Discussion and Analysis section of this proxy statement.

The Company has entered into an Executive Employment Agreement with each of its executive officers. Under the terms of each Agreement, the Company will employ the executive as an officer of the Company for an indefinite period of time. Each executive officer receives a base salary that will be reviewed annually and is eligible to participate in any of the Company's bonus programs. Each executive officer's employment terminates automatically in the event of death, and the Company may terminate the executive's employment for disability or for cause. Please see the Potential Payments Upon Termination or Change-in-Control section of this proxy statement for detailed information regarding payments to executive officers upon termination of employment for any reason.

Bonus. No discretionary bonuses were awarded to the named executive officers in fiscal 2008. For a discussion of the non-equity incentive awards made to named executive officers in fiscal 2008, see the "Incentive Award" information in the Compensation Discussion and Analysis section of this proxy statement.

Non-Equity Incentive Plan Awards. Non-equity incentive plan awards are paid to executives under the 2000 Annual Plan or the 2005 Annual Plan. Awards are paid to participants only if the Company achieves specified levels of consolidated net earnings for the fiscal year. The range of awards for the fiscal year is typically determined each May by the Compensation Committee, and awards, if any, are typically paid the following May after the Company's year-end financial results are available. For details regarding how non-equity incentive awards are determined and paid, see the information regarding annual incentive plan awards in the Compensation Discussion and Analysis section of this proxy statement.

Pension Benefits and Non-Qualified Deferred Compensation. For information on pension benefits and non-qualified deferred compensation, please see the tables and accompanying narrative below.

Options. All options granted to named executive officers in fiscal 2008 were granted pursuant to the Company's Spartan Stores, Inc. Stock Incentive Plan of 2005. The options are exercisable in four equal yearly increments. In other words, one-fourth of the option becomes exercisable on the first anniversary of the grant date, the second one-fourth becomes exercisable on the second anniversary of the grant date, the third one-fourth becomes exercisable on the third anniversary of the grant date and the final one-fourth becomes exercisable on the fourth anniversary of the grant date (May 18, 2011). All options were granted for a term of 10 years. Options terminate, subject to limited exercise provisions, in the event of death or other termination of employment. The exercise price

of the options may be paid in cash or by surrendering shares of Spartan Stores common stock that the option holder has owned for at least six months.

Restricted Stock. All shares reported in this column were awarded to the named executive officers pursuant to the Spartan Stores, Inc. Stock Incentive Plan of 2005. The shares vest in five equal yearly increments. In other words, the first one-fifth of the shares vest on the first anniversary of the grant date, the second one-fifth of the shares vest on the second anniversary of the grant date, the third one-fifth of the shares vest on the third anniversary of the grant date, the fourth one-fifth of the shares vest on the fourth anniversary of the grant date, and the final one-fifth of the shares vest on the fifth anniversary of the grant date (May 18, 2012). Dividends are paid on shares of restricted stock at the rate dividends are paid on common stock.

All Other Compensation. The amounts reported under "All Other Compensation" include dividends paid on unvested restricted stock awards (which are paid at the same rate as dividends paid on the Company's common stock), matching payments for contributions to the Company's qualified retirement plans, and the dollar value of premiums paid by the Company for group term life insurance for the named executive officers. The Company pays group term life insurance premiums for all of its associates.

The following table provides information concerning unexercised options, stock awards that have not vested, and equity incentive plan awards for each named executive officer outstanding as of March 29, 2008.

Outstanding Equity Awards at Fiscal Year-End

Name	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options (#) Exercisable(1)	Number of Securities Underlying Unexercised Options (#) Unexercisable(3)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested(3) (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)(2)
Craig C. Sturken	-	29,000	\$28.28	5/18/2017	143,650	\$2,923,278
	13,250	39,750	13.70	5/10/2016		
	9,375	9,375	11.50	5/11/2015		
	-	4,688	3.25	5/12/2014		
Dennis Eidson	-	1,020	22.50	10/17/2017	47,661	969,901
	-	10,600	28.28	5/18/2017		
	3,000	9,000	13.70	5/10/2016		
	3,125	3,125	11.50	5/11/2015		
	1,562	1,563	3.25	5/12/2014		
	5,000	-	2.44	3/17/2013		
David M. Staples	-	7,500	28.28	5/18/2017	42,350	861,823
	-	9,000	13.70	5/10/2016		
	-	3,125	11.50	5/11/2015		
	-	1,563	3.25	5/12/2014		
Theodore C. Adornato	-	4,900	28.28	5/18/2017	29,425	598,799
	2,000	6,000	13.70	5/10/2016		
	1,094	2,188	11.50	5/11/2015		
	1,094	1,094	3.25	5/12/2014		
	3,750	-	5.65	12/8/2013		
Alex J. DeYonker	-	4,900	28.28	5/18/2017	13,300	270,655
	1,500	4,500	17.13	10/1/2016		

(1) All exercisable options are fully vested.

(2) The market value reflected in this column is based on a closing market price of \$20.35 on March 28, 2008 as reported by the Nasdaq Global Select Market.

(3) The following table sets forth the vesting dates for unvested option awards and restricted stock awards to each named executive officer as of March 29, 2008:

Vesting Date	Craig C. Sturken		Dennis Eidson		David M. Staples		Theodore C. Adornato		Alex J. DeYonker	
	Options Vesting (#)	Restr. Stock Vesting (#)	Options Vesting (#)	Restr. Stock Vesting (#)	Options Vesting (#)	Restr. Stock Vesting (#)	Options Vesting (#)	Restr. Stock Vesting (#)	Options Vesting (#)	Restr. Stock Vesting (#)
5/10/2008	13,250	12,600	3,000	3,500	3,000	3,500	2,000	2,500	-	-
5/11/2008	4,688	11,250	1,562	3,750	1,562	3,750	1,094	2,625	-	-
5/12/2008	4,688	11,250	1,563	3,750	1,563	3,750	1,094	2,625	-	-
5/18/2008	7,250	7,400	2,905	2,982	1,875	1,920	1,225	1,260	1,225	1,260
10/1/2008	-	-	-	-	-	-	-	-	1,500	1,750
5/10/2009	13,250	12,600	3,000	3,500	3,000	3,500	2,000	2,500	-	-
5/11/2009	4,687	11,250	1,563	3,750	1,563	3,750	1,094	2,625	-	-
5/12/2009	-	11,250	-	3,750	-	3,750	-	2,625	-	-
5/18/2009	7,250	7,400	2,905	2,982	1,875	1,920	1,225	1,260	1,225	1,260
10/1/2009	-	-	-	-	-	-	-	-	1,500	1,750
5/10/2010	13,250	12,600	3,000	3,500	3,000	3,500	2,000	2,500	-	-
5/11/2010	-	11,250	-	3,750	-	3,750	-	2,625	-	-
5/18/2010	7,250	7,400	2,905	2,982	1,875	1,920	1,225	1,260	1,225	1,260
10/1/2010	-	-	-	-	-	-	-	-	1,500	1,750
5/10/2011	-	12,600	-	3,500	-	3,500	-	2,500	-	-
5/18/2011	7,250	7,400	2,905	2,982	1,875	1,920	1,225	1,260	1,225	1,260
10/1/2011	-	-	-	-	-	-	-	-	-	1,750
5/18/2012	-	7,400	-	2,983	-	1,920	-	1,260	-	1,260

Option Exercises and Stock Vested Table

The following table provides information concerning each exercise of stock options, SARs and similar instruments, and each vesting of stock, including restricted stock, restricted stock units and similar instruments, during the last completed fiscal year for each of the named executive officers on an aggregated basis.

Option Exercises and Stock Vested

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise \$(1)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting \$(2)
Craig C. Sturken	42,187	\$ 944,708	35,100	\$ 946,296
Dennis Eidson	-	-	11,000	296,910
David M. Staples	18,625	372,849	11,000	296,910
Theodore C. Adornato	-	-	7,750	209,160
Alex J. DeYonker	-	-	1,500	33,615

(1)

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The dollar values reported in this column are calculated by determining the difference between the average of the highest and lowest market price of the securities underlying the options and the exercise prices of the options on the dates of exercise.

- (2) The dollar values reported in this column are calculated using the market value of the stock on the date of vesting.

Pension Benefits

Spartan Stores' Pension Plan utilizes a cash balance formula. Under the formula in the amended and restated Spartan Stores, Inc. Cash Balance Pension Plan, principal credits are added annually to a participant's "account." There are two types of principal credits: basic credits and transition credits. The basic credit formula has been periodically amended and was suspended for the period beginning April 1, 2003 and ending March 31, 2004. As of April 1, 2004, basic credits were reinstated. As of April 1, 2004, the basic credit formula equals a percentage of the participant's compensation based upon a participant's years of service at the beginning of the calendar year in accordance with the following table:

Years of Service as of January 1	Percentage of Participant's Compensation
0 - 5	2.5 %
6 - 15	3
16 - 25	4
26 or more	5

In addition to the basic credit, a participant may be eligible to receive a transition credit equal to a percentage of the participant's compensation based upon the participant's age on the first day of the calendar year.

Transition credits are available for 1998 through 2007 calendar years for associates that were participants at time of the conversion to the Cash Balance Pension Plan, however, no named executive officer is eligible for these credits.

In addition to the principal credits, interest credits are also added annually to a participant's account based upon the participant's account balance as of the last day of the immediately preceding calendar year. Effective as of April 1, 2004, the interest rate used for this purpose is the average of the 10-year Treasury interest rate over the 12 months ending in November of the prior calendar year.

Upon termination of employment, a participant will be entitled to his or her vested accrued benefit, which may be distributed either in a monthly annuity or in a lump sum. A participant is considered vested after 5 years of vested service. For the calendar years beginning January 1, 2004 a year of vested services is credited for each calendar year that a participant is credited with 1,000 hours of service. If distributed in a lump sum, the participant's benefit generally will be equal to the participant's account balance.

All non-union associates of Spartan Stores, Inc. or Spartan Stores Associates, LLC, except associates who are classified as store security, are eligible to participate. A participant's years of service for vesting purposes includes all service with the Company, including service in an ineligible job classification. However, for purposes of determining the participant's service for basic and transition credit purposes, years of service generally only includes employment while a participant in the Plan.

The table on the following page summarizes the pension benefits for our named executive officers.

Pension Benefits

Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefit \$(1)(2)
Craig C. Sturken	Spartan Stores, Inc. Cash Balance Pension Plan	4.75	\$ 28,286
	Supplemental Executive Retirement Plan	4.75	102,588
Dennis Eidson	Spartan Stores, Inc. Cash Balance Pension Plan	4.75	23,248
	Supplemental Executive Retirement Plan	4.75	33,146
David M. Staples	Spartan Stores, Inc. Cash Balance Pension Plan	7.92	56,286
	Supplemental Executive Retirement Plan	7.92	55,748
Theodore C. Adornato(3)	Spartan Stores, Inc. Cash Balance Pension Plan	3.00	17,124
	Supplemental Executive Retirement Plan	3.00	16,224
Alex J. DeYonker(3)	Spartan Stores, Inc. Cash Balance Pension Plan	0.00	-
	Supplemental Executive Retirement Plan	0.00	-

- (1) Represents the actuarial present value of the named executive officer's accumulated benefit under the plan, computed as of the same pension plan measurement date used for financial statement reporting purposes (December 31). For more information, see Note 9, *Associate Retirement Plans*, to our Consolidated Financial Statements for the Fiscal Year Ended March 29, 2008.
- (2) None of our named executive officers received a distribution from any pension plan during the fiscal year ended March 29, 2008.
- (3) Mr. Adornato's actual service to the Company exceeds his credited service by one year as of the measurement date. Mr. DeYonker's actual service to the Company exceeds his credited service by 1.25 years as of the measurement date.

Nonqualified defined contribution plans and other nonqualified deferred compensation plans.

Spartan Stores maintains two nonqualified deferred compensation plans: the Supplemental Executive Retirement Plan ("SERP"), which provides nonqualified deferred compensation benefits to Spartan Stores' officers, and the Supplemental Executive Savings Plan (the "SESP"), which is a nonqualified deferred compensation plan for Spartan Stores' officers and director-level associates.

The purpose of the SERP is to provide officers with the benefits that they are otherwise denied under the Pension Plan due to the annual dollar limit on compensation and other limitations of the Internal Revenue Code, which are referred to collectively as the "statutory limits." Accordingly, each officer's benefit under the SERP is equal to the officer's benefit that would have accrued under the Pension Plan but for the operation of the statutory limits, minus the accrued benefit actually payable to the officer under the Pension Plan calculated in accordance with the statutory limits.

Benefits under the SERP are paid from Spartan Stores' general assets. There is no

separate trust that has been established to fund benefits.

Participants in the SESP may defer up to 50% of base salary and up to 100% of any bonuses under the plan. This opportunity is in addition to a participant's savings opportunity under the qualified Spartan Stores, Inc. Savings Plus Plan. Participants in the SESP are also entitled to a Company-matching contribution which mirrors the matching contribution under the Savings Plus Plan, except the limitations of the Internal Revenue Code do not apply. Therefore, based on the current level of matching contributions being made to the Savings Plus Plan, to the extent a participant defers at least a total of 6% of his or her actual compensation (including deferrals) to the SESP and the Savings Plus Plan each payroll period, the participant will receive a total match between the SESP and the Savings Plus Plan equal to 3% of his or her actual compensation (including deferrals) on a calendar year basis. The SESP provides participants with various investment alternatives, consisting primarily of mutual funds. The investments are only hypothetical investments, also referred to as phantom investments. The investment results for a participant are determined as if the contributions had actually been invested in the selected investment fund during the relevant time period. There is a vesting requirement for matching contributions for both the Savings Plus Plan and the SESP for participants hired January 1, 2004 and after equal to 20% per calendar year beginning in year 2, fully vested after 6 years of vested service receiving one year of vested service for each calendar year of 1,000 hours of credited service.

The following table provides certain information regarding participation of the named executive officers in our non-qualified deferred compensation plans.

Non-Qualified Deferred Compensation

Name	Executive Contributions In Last FY(1) (\$)	Registrant Contributions In Last FY(2) (\$)	Aggregate Earnings In Last FY (\$)	Aggregate Withdrawals/ Distributions (\$)	Aggregate Balance At Last FYE(3) (\$)
Craig C. Sturken	\$ 76,072	\$ 39,777	\$ -24,157	\$ -	\$ 240,371
Dennis Eidson	31,133	17,390	-6,737	-	145,563
David M. Staples	45,681	13,194	-21,923	-	176,224
Theodore C. Adornato	17,188	9,688	-2,466	-	53,907
Alex J. DeYonker	9,041	4,265	-451	-	12,412

- (1) All of the amounts in this column are also reported as either "Salary" or "Non-Equity Incentive Plan Awards" in the Summary Compensation Table of this proxy statement.
- (2) All of the amounts in this column are also reported as "All Other Compensation" in the Summary Compensation Table of this proxy statement.
- (3) The aggregate balance at last fiscal year-end shown in this column includes Company contributions in prior years which were reported as "All Other Compensation" on the Summary Compensation Table for the applicable year. Company contributions in prior years that have previously been reported for each named executive officer are as follows: \$35,062 for Mr. Sturken, \$19,811 for Mr. Staples, \$27,291 for Mr. Eidson, and \$10,134 for Mr. Adornato.

Potential Payments Upon Termination or Change-in-Control

Employment Agreements

Spartan Stores has entered into an employment agreement with each named executive officer. Mr. Sturken's employment agreement provides that his employment may be terminated upon his death or disability, by Spartan Stores at will, by Mr. Sturken at his option upon 30 days' written notice to Spartan Stores, for cause (as defined in the employment agreement) or upon certain other events. Upon termination by Spartan Stores for any reason other than for cause or Mr. Sturken's death or disability, or upon termination by Mr. Sturken for good reason (as defined in the employment agreement), Mr. Sturken will receive the payments and benefits described and quantified on the tables below.

Each of Spartan Stores' other executive officers has an employment agreement with Spartan Stores providing that if the officer's employment is terminated by Spartan Stores other than due to death, disability or cause (as defined in the employment agreement), or if the employment is terminated by the officer for good reason (as defined in the employment agreement), the officer will receive the payments and benefits described and quantified on the tables below.

Each named executive officer's employment agreement requires that the officer meet certain conditions to be eligible for severance pay, including execution of a release of certain employment-related claims and compliance with the post-employment confidentiality and non-competition provisions of the employment agreement.

Executives will not receive severance payments or benefits under the Executive Employment Agreements if they receive any payments or benefits under the Executive Severance Agreements, which are described below.

Executive Severance Agreements

Each of Spartan Stores' executive officers has an executive severance agreement with Spartan Stores. Under these agreements, if the officer's employment with Spartan Stores terminates for reasons other than a nonqualifying termination (as described below) during a defined period (36 months for Mr. Sturken and 24 months for the President and each Executive Vice-President) after a change in control (as described below) of Spartan Stores, then the officer will receive the payments and benefits described and quantified in the tables below.

Spartan Stores will not provide benefits under the executive severance agreements in the event of a "nonqualifying termination." A nonqualifying termination is defined in the agreements as any of the following: termination by Spartan Stores for cause, termination by the officer (with notice to the Company) for any reason other than for good reason (as defined in the executive severance agreement), retirement of the officer, and death or disability of the officer.

The term "change in control" is defined in the executive severance agreements generally as (1) the acquisition by any person or group of 20% or more of the outstanding common stock or voting power of Spartan Stores, (2) the majority of the Board being comprised of persons other than the current members of the Board or their successors whose nominations were approved by at least two-thirds of the Board, or (3) the approval by the shareholders of certain mergers, reorganizations, plans of dissolution or sales of substantially all of Spartan Stores' assets.

The Company believes that the employment agreements and executive severance agreements help retain our executives and keep them focused on implementing our strategic plan during a time of increased

competition, consolidation, and uncertainty in our industry. The agreements provide a measure of earnings security by offering income protection in the form of severance and continued benefits if the executive is terminated without cause, economic protection for the executive's family if the executive becomes disabled or dies, and additional protections in connection with a change in control of the company.

Providing severance to our executives is an appropriate bridge to subsequent employment if the person is terminated without cause. This is particularly so for executive-level positions for which the opportunities are typically more limited and the job search lead time longer. In addition, the agreements benefit the company by enabling executives to remain focused on the business of the company in uncertain times without the distraction of potential job loss.

The executive severance agreements are even more important in the context of a change in control as we believe they will motivate and encourage each executive to be receptive to potential strategic transactions that are in the best interest of shareholders, even if the executive faces potential job loss, which would otherwise result in losing the opportunity to vest in equity awards, which comprise a significant portion of each executive's compensation. We believe this benefits the company and the potential acquirer because it enables the company to retain and motivate the executive during the time preceding a potential change in control.

The following table summarizes the potential payments and benefits payable to each named executive officer upon termination for the reasons set forth below, assuming that the triggering event took place on March 29, 2008 (and that no change in control took place before the triggering event).

**Potential Payments upon Termination Not in Connection
with a Change in Control**

	Craig C. Sturken	Dennis Eidson	David M. Staples	Theodore C. Adornato	Alex J. DeYonker
Termination Other than for Retirement, Death, Disability or Cause(1)(2)					
Salary Continuation(3)	\$ 730,000	\$ 475,000	\$ 355,000	\$ 293,000	\$ 334,800
Health Coverage Continuation (COBRA)(4)	9,379	9,865	14,019	4,667	9,379
Outplacement Assistance	10,000	10,000	10,000	10,000	10,000
TOTAL	\$ 749,379	\$ 494,865	\$ 379,019	\$ 307,667	\$ 354,179
Retirement, Death, or Disability(5)(6)					
Restricted Stock Vesting(7)	\$ 456,577	\$ 152,626	\$ 131,315	\$ 90,513	\$ 42,185

- (1) Under the Employment Agreements with each named executive officer, the Company will provide severance payments and benefits only if the named executive officer is terminated by the Company at will (*i.e.*, not for death, disability, or "cause" as defined in the agreements), or if the executive terminates the employment for "good reason," as defined in the Employment Agreements.

- (2) Any named executive officer who is terminated for cause (as defined in the Employment Agreements) will receive only salary and benefits accrued as of the date of termination.
- (3) The Employment Agreements with each named executive officer requires continuation of the executive's salary for a period of fifty-two weeks following the week in which the employment terminates.
- (4) Amounts reported consist of the payment by the Company of the COBRA continuation coverage premium necessary to continue the named executive officer's then-current health, dental, and prescription drug coverage (for the executive and any dependents) for a period of 52 weeks following termination, assuming an 8% annual increase in the cost of coverage.
- (5) The named executive officers will receive benefits under the SERP and Cash Balance Pension Plan as described in the "Pension Benefits" and "Non-Qualified Deferred Compensation" sections of this proxy statement.
- (6) Under the terms of the Company's stock incentive plans, a participant that retires as an associate of the Company may exercise any options granted under the Plan according to their terms during the remaining term of the options. If a participant dies or becomes disabled, then any options that are not exercisable at the time of the death or disability are forfeited.
- (7) Under the terms of the Company's stock incentive plans, if a Plan participant retires, becomes disabled, or dies, then the participant will receive a pro-rata portion of any unvested restricted stock. The number of shares to be received is equal to the total number of shares granted to the participant multiplied by the number of full months that have elapsed since the date of the grant, divided by the total number of months remaining in the restricted period. However, the Compensation Committee, in its sole discretion, may waive any restrictions remaining on any remaining shares of restricted stock before or after the death, retirement, or disability of the participant.

The following table summarizes the potential payments and benefits payable to each of Spartan's named executive officers upon termination after a change of control of the Company, assuming that the termination took place on March 29, 2008.

**Potential Payments upon Termination in
Connection with a Change in Control**

	Craig C. Sturken	Dennis Eidson	David M. Staples	Theodore C. Adornato	Alex J. DeYonker
Lump Sum Payment(1)	\$ 4,634,314	\$ 1,628,280	\$ 1,244,695	\$ 1,014,800	\$ 1,004,401
Acceleration of Options(2)	234,963	144,313	110,065	72,946	66,830
Acceleration of Restricted Stock(2)	1,734,542	604,923	483,718	330,895	251,781
Cash Balance Pension Plan Benefit and SERP Benefit(3)	171,039	74,924	45,878	46,188	29,178
Continued Benefits(4)	58,117	39,690	54,095	24,841	38,042
Outplacement Services(5)	109,500	71,250	53,250	43,950	50,220
Excise Tax Gross-Up(6)	2,072,938	785,267	-	-	446,454
TOTAL	\$ 9,015,413	\$ 3,348,647	\$ 1,991,701	\$ 1,533,620	\$ 1,886,906

- (1) Under the Executive Severance Agreements, each officer is entitled to receive a lump sum payment equal to his or her target bonus under the 2000 Annual Plan or 2005 Annual Plan (as applicable), prorated for the time the officer was employed in the fiscal year of termination, and the amount of salary and estimated bonus that would have been payable to the officer had his or her employment continued for an additional 36 months for the CEO and 24 months for the President and each Executive Vice-President.

- (2) The Executive Severance Agreements provide that upon a change in control, all of the officer's unvested stock options will vest and all restrictions on ownership of stock previously issued to the officer will lapse. The amounts in these rows represent the previously unamortized expense that would be recognized in connection with the acceleration of unvested equity grants.
- (3) Each Executive Severance Agreement calls for a lump sum payment equal to: (i) the difference between the named executive officer's SERP account balance as of the date of employment termination and the account balance if the executive remained employed for the number of additional months specified in the Severance Agreement; and (ii) a lump sum payment equal to the difference between the amount he or she would have been entitled to receive under the Spartan Stores, Inc. Cash Balance Pension Plan, assuming the officer was fully vested under the Plan and had continued employment for the number of additional months specified in the Severance Agreement. For both (i) and (ii), the number of additional months that the named executive officer is assumed to have remained employed is 36 for Mr. Sturken and 24 for Messrs. Staples, Eidson, Adornato, and DeYonker.
- (4) Under the Executive Severance Agreements, each named executive officer will receive continuation of the following benefits (a) all health, dental and prescription drug benefits for the officer and his or her family; (b) tax and financial planning benefits; and (c) Company funded life insurance coverage for 36 months for Mr. Sturken and 24 months for Messrs. Eidson, Staples, Adornato, and DeYonker.
- (5) Under the Executive Severance Agreement, each named executive officer is entitled to outplacement assistance in an amount not to exceed 15% of the officer's then-current salary.
- (6) Upon a change in control, associates may be subject to certain excise taxes under Section 280G of the Internal Revenue Code. The Executive Severance Agreements require the Company to reimburse the affected associates for those excise taxes as well as any income and excise taxes payable by the executive as a result of any reimbursements for the 280G excise taxes (the "Excise Tax Gross-Up"). The amounts in the table are based on a 280G excise tax rate of 20%, a 35.08% effective federal income tax rate, a 1.45% Medicare tax rate and a 3.9% state income tax rate.

Compensation of Directors

Spartan Stores believes that attracting and retaining talented directors is of fundamental importance to the Company and its shareholders. The Compensation Committee works with the Nominating and Corporate Governance Committee to ensure that the Company's non-employee directors are fairly compensated for their services to the Company. Employee directors do not receive compensation for service as a director. In making director compensation decisions, the Compensation Committee is guided by three basic principles:

Compensation should fairly pay directors for services expected of a director of a company of similar size and scope to the Company;

Compensation should align directors' interests with the long-term interests of shareholders; and

The structure of the compensation should be simple, transparent and easy for shareholders to understand.

The Compensation Committee conducts periodic reviews of non-employee director compensation and benefits with these guiding principles in mind. Each non-executive director receives an annual retainer of \$30,000 per year and \$1,500 for attendance at each meeting of the Board of Directors (or \$750 if attending the meeting by telephone conference), and \$1,000 for attendance at any meeting of a Board committee (or \$500 if attending by telephone conference). The Audit Committee chair receives an additional \$7,500 fee, and the chairs

of the Compensation Committee and Nominating and Corporate Governance Committee each receives an additional \$5,000 fee. Non-executive directors also are reimbursed for travel and lodging expenses for meetings attended.

In addition to an annual retainer and fees, each non-employee director receives an annual equity award. The value of the annual award is \$50,000 and is granted in the same form and percentage mix of stock options, restricted stock, or other equity awards as made to executive officers.

The Company has established stock ownership guidelines for non-employee directors to help align the interests of directors with those of our shareholders. Under these guidelines, each director is expected to acquire and continue to hold shares of the Company's common stock having an aggregate market value from time to time which equals or exceeds five times the rate of the regular annual retainer then in effect for non-employee directors who are not chairs. Each director is expected to achieve the target ownership level within five years of becoming a director.

On May 18, 2007, each non-executive director was issued 1,491 shares of restricted stock and options to purchase 1,186 shares of Spartan Stores common stock pursuant to the Stock Incentive Plan of 2005, which vest over a period of three years, subject to certain limitations and acceleration of vesting upon retirement.

The following table provides information concerning the compensation of directors for Spartan's last completed fiscal year.

Director Compensation

Name	Fees Earned Or Paid in Cash (\$)	Stock Awards(1)(2) (\$)	Option Awards(1)(2) (\$)	Total(3) (\$)
M. Shân Atkins	\$ 44,500	\$ 25,714	\$ 3,594	\$ 73,808
Dr. Frank M. Gambino	43,250	25,714	3,594	72,558
Frederick J. Morganthall, II	44,250	18,560	3,594	66,404
Elizabeth A. Nickels	52,000	25,714	3,594	81,308
Timothy J. O'Donovan	48,750	25,714	3,594	78,058
Kenneth T. Stevens	43,500	25,714	3,594	72,808
James F. Wright	49,500	25,714	3,594	78,808

- (1) The amounts reported in these columns represent the dollar amounts recognized by the Company for financial statement reporting purposes with respect to the fiscal year in accordance with FAS 123R. For details regarding the assumptions used in the valuation of share-based awards, see Note 11, Stock-Based Compensation, to the audited financial statements of Spartan Stores, Inc. contained in the Company's Annual Report on Form 10-K for the fiscal year ended March 29, 2008.
- (2) On May 18, 2007 each of the directors named above received a grant of 1,491 shares of restricted stock having a grant date fair value of \$28.28 and options to purchase 1,186 shares of common stock having an aggregate grant date fair value of \$10.99. The restricted stock and options vest ratably over a three year period beginning May 18, 2007 and ending May 18, 2010.
- (3) As of March 29, 2008, each director named above had 1,186 option awards outstanding, and each director except Mr. Morganthall had restricted stock awards outstanding at fiscal year end in the amount of 4,203 shares. The 4,203 shares consists of 1,739 shares granted on May 11, 2005 that will vest on May 11, 2008, 1,460 shares that will vest at the rate of one-third per year beginning on May 10, 2007, and 1,491 shares that will vest at a rate of one-third per year beginning on May 18, 2008. Mr. Morganthall had restricted stock awards outstanding at fiscal year end in the amount of 1,460 shares granted May 10, 2006 that will vest at a rate of one-third per year beginning on May 10, 2007, and 1,491 shares that will vest at the rate of one-third per year beginning May 18, 2008.

Compensation Committee Interlocks and Insider Participation

Messrs. Wright and O'Donovan and Dr. Gambino served as members of the Compensation Committee during the last completed fiscal year. None of the above members of the Compensation Committee were, during the fiscal year, an officer or associate of Spartan or formerly an officer of Spartan. None of Spartan's executive officers served as a member of a compensation committee (or Board committee performing a similar function) for another entity.

Compensation Committee Report

Compensation Committee Report. The Compensation Committee has reviewed and discussed with management the information provided under the heading "Compensation Discussion and Analysis." Based on this review and discussion, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in Spartan's annual report on Form 10-K and proxy statement.

Respectfully submitted,

Frank M. Gambino
Timothy J. O'Donovan
James F. Wright

Transactions with Related Persons

Spartan Stores recognizes that transactions with related persons can present potential or actual conflicts of interest. Accordingly, the Company has adopted written policies and procedures intended to ensure that potential conflicts of interests are identified, reviewed, approved, and disclosed as necessary. The Company has regular communications with related persons and relevant associates regarding these policies.

It is the responsibility of Spartan Stores' management to conduct an appropriate review of all transactions with "related persons" (as defined by NASDAQ and SEC rules) for potential conflicts of interest situations on an ongoing basis. Pursuant to NASDAQ Marketplace Rule 4350(h) and the Audit Committee Charter, the Audit Committee must evaluate and approve every proposed transaction with a related person. For any proposed transaction in which a director has an interest, Spartan Stores' general policy and practice is that the director may proceed with the transaction only if the material facts of the transaction and the director's interest in the transaction have been disclosed to the Audit Committee of the Board, the Audit Committee determines that the transaction is fair to Spartan Stores, and the transaction is approved by the Audit Committee. Any such transaction must be made on terms no less favorable to Spartan Stores than those offered generally to entities that are not affiliated with any director.

Directors and executive officers are required to complete an annual written questionnaire that solicits information regarding any direct or indirect interest that they or members of their family may have in a any transaction or series of transactions involving the Company and having a value of \$120,000 or more. Directors and executive officers are required to promptly update the Company of any change in the information provided by them in the questionnaire.

Spartan Stores has adopted a written conflict of interest policy that requires all associates to report actual and potential conflicts of interest to the Company's internal auditor.

There were no related person transactions requiring disclosure under SEC rules during the fiscal year ended

March 29, 2008 or the current fiscal year to the date of this proxy statement.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires Spartan Stores' directors and officers and persons who beneficially own more than 10% of the outstanding shares of Spartan Stores common stock to file reports of ownership and changes in ownership of shares of common stock with the SEC. Directors, officers and greater than 10% beneficial owners are required by SEC regulations to furnish Spartan Stores with copies of all Section 16(a) reports they file with the SEC. Spartan Stores and its legal counsel file Forms 4 and other reports under Section 16(a) on behalf of directors and executive officers to report transactions with the Company under our compensation and benefit plans. Based solely on our review of the copies of such reports received by us, or written representations from certain reporting persons that no reports on Form 5 were required for those persons for fiscal 2008, we believe that there have been no failures to timely file required reports by our directors and officers, except that a Form 4 reporting the withholding of shares of common stock by the Company to satisfy tax obligations upon the vesting of restricted stock was filed late for each of Mr. DeYonker and Mr. Jones. Each such Form 4 reported one transaction and was filed on April 21, 2008.

Shareholder Proposals

To be considered timely, shareholder proposals intended to be presented at the 2009 annual meeting of shareholders, whether or not intended to be included in the proxy statement and form of proxy relating to that meeting, must be received by the Company at its principal executive offices not later than February 27, 2009. Shareholder proposals intended for consideration for inclusion in our proxy statement and form of proxy relating to that meeting should be made in accordance with SEC Rule 14a-8. All shareholder proposals must comply with the notice provisions set forth in Spartan Stores' bylaws which require that a written notice of a proposal to be considered at the Company's 2009 annual meeting must be delivered to the Secretary of the Company at the principal executive offices of the Company not later than February 27, 2009, if the meeting is held within 30 days of the calendar date of the 2008 annual meeting. To be effective, such a notice must comply fully with the bylaws. You should address all shareholder proposals to the attention of our Secretary, 850 76th Street, S.W., P.O. Box 8700, Grand Rapids, Michigan 49518-8700.

Solicitation of Proxies

We will initially solicit proxies by mail. In addition, directors, officers and associates of Spartan Stores and its subsidiaries may solicit proxies by telephone or facsimile or in person without additional compensation. Proxies may be solicited by nominees and other fiduciaries who may mail materials to or otherwise communicate with the beneficial owners of shares held by them. We will bear all costs of the preparation and solicitation of proxies, including the charges and expenses of brokerage firms, banks, trustees or other nominees for forwarding proxy material to beneficial owners. We have engaged Georgeson Inc. at an estimated cost of \$7,000, plus expenses and disbursements, to assist in solicitation of proxies.

By Order of the Board of Directors

Alex J. DeYonker
Executive Vice President, General Counsel, and Secretary

Grand Rapids, Michigan
June 27, 2008

SPARTAN STORES, INC.

850 76th Street S.W.
P.O. Box 8700
Grand Rapids, Michigan 49518

Spartan Stores, Inc. will be holding its Annual Meeting of Shareholders on August 13, 2008. The enclosed Notice of Annual Meeting provides information regarding the matters that are expected to be voted on at the meeting. Your vote is important to us. Even if you plan to attend the meeting, please read the enclosed materials and vote through the Internet, by telephone or by mailing the Proxy Card below.

Telephone and Internet Voting.

On the reverse side of this card are instructions on how to vote through the Internet or by telephone. Please consider voting through one of these methods. Your vote is recorded as if you mailed in your Proxy. We believe voting through the Internet or by telephone is convenient, and it also saves money.

Thank you in advance for your participation in our 2008 Annual Meeting.

Spartan Stores, Inc.

âPlease fold and detach card at perforation before mailing.â

SPARTAN STORES, INC.

PROXY

1. ELECTION OF DIRECTORS

Nominees:	(01) Elizabeth A. Nickels	(02) Kenneth T. Stevens	(03) James F. Wright
	☐ FOR all	☐ WITHHOLD all	☐ FOR all except (*)

***(INSTRUCTION: To withhold authority to vote for any individual nominee, strike that nominee's name in the list above.)**

Your Board of Directors Recommends that You Vote FOR ALL NOMINEES

2. Proposal to ratify the appointment of Deloitte & Touche LLP as independent auditors for the current fiscal year.

☐ FOR	☐ AGAINST	☐ ABSTAIN
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Your Board of Directors Recommends that You Vote FOR this Proposal

(CONTINUED AND TO BE SIGNED ON REVERSE SIDE.)

c/o National City Bank
 Shareholder Services Operations
 Locator 5352
 P. O. Box 94509
 Cleveland, OH 44101-4509

VOTE BY TELEPHONE

Have your proxy card available when you call the **Toll-Free number 1-888-693-8683** using a touch-tone phone and follow the simple instructions to record your vote.

VOTE BY INTERNET

Have your proxy card available when you access the website **<http://www.cesvote.com>**, and follow the simple instructions to record your vote.

VOTE BY MAIL

Please mark, sign and date your proxy card and return it in the **postage-paid envelope** provided or return it to: National City Bank, P.O. Box 535300, Pittsburgh PA 15253-9837. Mailed proxies must be received no later than August 13, 2008, at 10:00 a.m. Eastern Daylight Time.

Vote by Telephone Call toll-free using a touch-tone phone: 1-888-693-8683	Vote by Internet Access the website and cast your vote: http://www.cesvote.com	Vote by Mail Return your proxy in the postage-paid envelope provided.
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Vote 24 hours a day, 7 days a week!

Your telephone or Internet vote must be received by 6:00 a.m. Eastern Daylight Time on August 13, 2008, to assure that it is counted in the final tabulation.

PLEASE DO NOT VOTE BY MORE THAN ONE METHOD. THE LAST VOTE RECEIVED WILL BE THE OFFICIAL VOTE. DO NOT RETURN THIS PROXY IF YOU ARE VOTING BY THE INTERNET OR BY TELEPHONE.

à _____

This Proxy must be signed and dated below.

âPlease fold and detach card at perforation before mailing.â

SPARTAN STORES, INC.

PROXY

This proxy is solicited on behalf of the Board of Directors.

The undersigned shareholder hereby appoints Craig C. Sturken and David M. Staples, and each of them, each with full power of substitution, proxies to represent the undersigned shareholder and to vote all shares of Common Stock of Spartan Stores, Inc. that the shareholder would be entitled to vote on all matters which come before the Annual Meeting of Shareholders to be held at the JW Marriott Hotel, 235 Louis Street, N.W., Grand Rapids, Michigan 49503, beginning at 10:00 a.m., local time, on Wednesday, August 13, 2008, and any adjournment of that meeting.

If this Proxy is properly executed, the shares represented by this Proxy will be voted as specified. If no specification is made, the shares represented by this Proxy will be voted for the election of all nominees named on this Proxy as directors and for approval of the proposal identified on this Proxy. The shares represented by this Proxy will be voted in the discretion of the proxies on any other matters that may come before the meeting.

Signature(s)

Signature(s)

Date: _____

IMPORTANT - Please sign exactly as your name(s) appears on this Proxy. When signing on behalf of a corporation, partnership, estate or trust, indicate title or capacity of person signing. **If shares are held jointly, each holder must sign.**