

SYSCO CORP

FORM 10-K (Annual Report)

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

(Mark One)

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

For the fiscal year ended June 29, 2013

OR

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

Commission File Number 1-6544



Sysco Corporation

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

1390 Enclave Parkway

Houston, Texas

(Address of principal executive offices)

74-1648137

(IRS employer
identification number)

77077-2099

(Zip Code)

Registrant's Telephone Number, Including Area Code:

(281) 584-1390

Securities Registered Pursuant to Section 12(b) of the Act:

Title of Each Class
Common Stock, \$1.00 par value

Name of each exchange on
which registered
New York Stock Exchange

Securities Registered Pursuant to Section 12(g) of the Act:

None

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

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

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

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer

Non-accelerated Filer (Do not check if a smaller reporting company)

Accelerated Filer

Smaller Reporting Company

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

The aggregate market value of the voting stock of the registrant held by stockholders who were not affiliates (as defined by regulations of the Securities and Exchange Commission) of the registrant was approximately \$ 18,334,353,000 as of December 29, 2012 (based on the closing sales price on the New York Stock Exchange Composite Tape on December 28, 2012, as reported by The Wall Street Journal (Southwest Edition)). As of August 14, 2013, the registrant had issued and outstanding an aggregate of 588,347,435 shares of its common stock.

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the company's 2013 Proxy Statement to be filed with the Securities and Exchange Commission no later than 120 days after the end of the fiscal year covered by this Form 10-K are incorporated by reference into Part III.

TABLE OF CONTENTS

	<u>Page No.</u>
PART I	
Item 1. Business	1
Item 1A. Risk Factors	5
Item 1B. Unresolved Staff Comments	11
Item 2. Properties	12
Item 3. Legal Proceedings	13
Item 4. Mine Safety Disclosures	13
PART II	
Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Repurchases of Equity Securities	13
Item 6. Selected Financial Data	16
Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations	17
Item 7A. Quantitative and Qualitative Disclosures about Market Risk	44
Item 8. Financial Statements and Supplementary Data	48
Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	96
Item 9A. Controls and Procedures	96
Item 9B. Other Information	96
PART III	
Item 10. Directors, Executive Officers and Corporate Governance	96
Item 11. Executive Compensation	96
Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	96
Item 13. Certain Relationships and Related Transactions, and Director Independence	96
Item 14. Principal Accounting Fees and Services	97
PART IV	
Item 15. Exhibits	97
Signatures	98

PART I

Item 1. Business

Unless this Form 10-K indicates otherwise or the context otherwise requires, the terms “we,” “our,” “us,” “Sysco,” or “the company” as used in this Form 10-K refer to Sysco Corporation together with its consolidated subsidiaries and divisions.

Overview

Sysco Corporation, acting through its subsidiaries and divisions, is the largest North American distributor of food and related products primarily to the foodservice or food-away-from-home industry. We provide products and related services to approximately 425,000 customers, including restaurants, healthcare and educational facilities, lodging establishments and other foodservice customers.

Founded in 1969, Sysco commenced operations as a public company in March 1970 when the stockholders of nine companies exchanged their stock for Sysco common stock. Since our formation, we have grown from \$115.0 million to \$ 44.4 billion in annual sales, both through internal expansion of existing operations and through acquisitions.

Sysco’s fiscal year ends on the Saturday nearest to June 30th. This resulted in a 52-week year ending June 29, 2013 for fiscal 2013, June 30, 2012 for fiscal 2012 and, July 2, 2011 for fiscal 2011.

Sysco Corporation is organized under the laws of Delaware. The address and telephone number of our executive offices are 1390 Enclave Parkway, Houston, Texas 77077-2099, (281) 584-1390. This annual report on Form 10-K, as well as all other reports filed or furnished by Sysco pursuant to Section 13 (a) or 15(d) of the Securities Exchange Act of 1934, are available free of charge on Sysco’s website at www.sysco.com as soon as reasonably practicable after they are electronically filed with or furnished to the Securities and Exchange Commission.

Operating Segments

Sysco provides food and related products to the foodservice or food-away-from-home industry. Under the accounting provisions related to disclosures about segments of an enterprise, we have aggregated our operating companies into a number of segments, of which only Broadline and SYGMA are reportable segments as defined by accounting standards. Broadline operating companies distribute a full line of food products and a wide variety of non-food products to their customers. SYGMA operating companies distribute a full line of food products and a wide variety of non-food products to chain restaurant customer locations. Our other segments include our specialty produce and lodging industry products segments, a company that distributes specialty imported products and a company that distributes to international customers. Specialty produce companies distribute fresh produce and, on a limited basis, other foodservice products. Our lodging industry products company distributes personal care guest amenities, equipment, housekeeping supplies, room accessories and textiles to the lodging industry. Selected financial data for each of our reportable segments as well as financial information concerning geographic areas can be found in Note 21, “Business Segment Information,” in the Notes to Consolidated Financial Statements in Item 8.

Customers and Products

Sysco’s customers in the foodservice industry include restaurants, hospitals and nursing homes, schools and colleges, hotels and motels, industrial caterers and other similar venues where foodservice products are served. Services to our customers are supported by similar physical facilities, vehicles, material handling equipment and techniques, and administrative and operating staffs.

The products we distribute include:

- a full line of frozen foods, such as meats, seafood, fully prepared entrees, fruits, vegetables and desserts;
- a full line of canned and dry foods;
- fresh meats and seafood;
- dairy products;
- beverage products;
- imported specialties; and
- fresh produce.

We also supply a wide variety of non-food items, including:

- paper products such as disposable napkins, plates and cups;
- tableware such as china and silverware;
- cookware such as pots, pans and utensils;

- restaurant and kitchen equipment and supplies; and
- cleaning supplies.

A comparison of the sales mix in the principal product categories during the last three years is presented below:

	2013	2012	2011
Canned and dry products	19 %	19 %	19 %
Fresh and frozen meats	19	19	18
Frozen fruits, vegetables, bakery and other	14	14	14
Dairy products	10	10	11
Poultry	10	10	10
Fresh produce	8	8	8
Paper and disposables	8	8	8
Seafood	5	5	5
Beverage products	4	4	4
Janitorial products	2	2	2
Equipment and smallwares	1	1	1
Medical supplies ⁽¹⁾	-	-	-
	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>

⁽¹⁾ Sales are less than 1% of total

Our distribution centers, which we refer to as operating companies, distribute nationally-branded merchandise, as well as products packaged under our private brands. Products packaged under our private brands have been manufactured for Sysco according to specifications that have been developed by our quality assurance team. In addition, our quality assurance team certifies the manufacturing and processing plants where these products are packaged, enforces our quality control standards and identifies supply sources that satisfy our requirements.

We believe that prompt and accurate delivery of orders, competitive pricing, close contact with customers and the ability to provide a full array of products and services to assist customers in their foodservice operations are of primary importance in the marketing and distribution of foodservice products to our customers. Our operating companies offer daily delivery to certain customer locations and have the capability of delivering special orders on short notice. Through our approximately 12,600 sales and marketing representatives and support staff of Sysco and our operating companies, we stay informed of the needs of our customers and acquaint them with new products and services. Our operating companies also provide ancillary services relating to foodservice distribution, such as providing customers with product usage reports and other data, menu-planning advice, food safety training and assistance in inventory control, as well as access to various third party services designed to add value to our customers' businesses.

No single customer accounted for 10% or more of Sysco's total sales for the fiscal year ended June 29, 2013.

Based upon available information, we estimate that sales by type of customer during the past three fiscal years were as follows:

<u>Type of Customer</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Restaurants	61 %	63 %	62 %
Hospitals and nursing homes	9	10	11
Hotels and motels	5	6	6
Schools and colleges	5	5	5
Other	20	16	16
Totals	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>

Sources of Supply

We purchase from thousands of suppliers, both domestic and international, none of which individually accounts for more than 10% of our purchases. These suppliers consist generally of large corporations selling brand name and private label merchandise, as well as independent regional brand and private label processors and packers. Purchasing is generally carried out through both centrally developed purchasing programs and direct purchasing programs established by our various operating companies.

We administer a consolidated product procurement program designed to develop, obtain and ensure consistent quality food and non-food products. The program covers the purchasing and marketing of Sysco Brand merchandise as well as products from a number of national brand suppliers, encompassing substantially all product lines. Sysco's operating companies purchase product from the suppliers participating in these consolidated programs and from other suppliers, although Sysco Brand products are only available to the operating companies through these consolidated programs. We also focus on increasing profitability by lowering operating

costs and by lowering aggregate inventory levels, which reduces future facility expansion needs at our broadline operating companies, while providing greater value to our suppliers and customers. This includes the construction and operation of regional distribution centers (RDCs), which aggregate inventory demand to optimize the supply chain activities for certain products for all Sysco broadline operating companies in the region. Currently, we have two RDCs in operation, one in Virginia and one in Florida.

Working Capital Practices

Our growth is funded through a combination of cash flow from operations, commercial paper issuances and long-term borrowings. See the discussion in “Management’s Discussion and Analysis of Financial Condition and Results of Operations, Liquidity and Capital Resources” at Item 7 regarding our liquidity, financial position and sources and uses of funds.

Credit terms we extend to our customers can vary from cash on delivery to 30 days or more based on our assessment of each customer’s credit worthiness. We monitor each customer’s account and will suspend shipments if necessary.

A majority of our sales orders are filled within 24 hours of when customer orders are placed. We generally maintain inventory on hand to be able to meet customer demand. The level of inventory on hand will vary by product depending on shelf-life, supplier order fulfillment lead times and customer demand. We also make purchases of additional volumes of certain products based on supply or pricing opportunities.

We take advantage of suppliers’ cash discounts where appropriate and otherwise generally receive payment terms from our suppliers ranging from weekly to 30 days or more.

Corporate Headquarters And Shared Services Center

Our corporate staff makes available a number of services to our operating companies. Members of the corporate staff possess experience and expertise in, among other areas, accounting and finance, treasury, legal, cash management, information technology, employee benefits, engineering, real estate and construction, risk management and insurance, sales and marketing, payroll, human resources, training and development, strategy, and tax compliance services. The corporate office also makes available warehousing and distribution services, which provide assistance in operational best practices including space utilization, energy conservation, fleet management and work flow.

Our shared services center performs support services for employees, suppliers and customers, payroll administration, human resources, customer and vendor contract administration, financial services such as vendor payments, invoicing, cash application, certain credit services, accounting and sales and use tax administration, procurement and maintenance support and sales support for some of our operating companies.

Capital Improvements

To maximize productivity and customer service, we continue to modernize, expand and construct new distribution facilities. During fiscal 2013, 2012 and 2011, approximately \$ 511.9 million, \$ 784.5 million and \$636.4 million, respectively, were invested in delivery fleet, facilities, technology and other capital asset enhancements. We estimate our capital expenditures in fiscal 2014 should be in the range of \$550 million to \$600 million. During the three years ended June 29, 2013, capital expenditures were financed primarily by internally generated funds, our commercial paper program and bank and other borrowings. We expect to finance our fiscal 2014 capital expenditures from the same sources.

Employees

As of June 29, 2013, we had approximately 48,100 full-time employees, approximately 17% of whom were represented by unions, primarily the International Brotherhood of Teamsters. Contract negotiations are handled by each individual operating company. Approximately 35% of our union employees are covered by collective bargaining agreements which have expired or will expire during fiscal 2014 and are subject to renegotiation. Since June 29, 2013, two contracts covering approximately 300 of such employees have been renegotiated. We consider our labor relations to be satisfactory.

Competition

Industry sources estimate that there are more than 15,000 companies engaged in the distribution of food and non-food products to the foodservice industry in the United States. Our customers may also choose to purchase products directly from retail outlets or negotiate prices directly with our suppliers. While we compete primarily with local and regional distributors, a few organizations compete with us on a national basis. We believe that the principal competitive factors in the foodservice industry are effective customer contacts, the ability to deliver a wide range of quality products and related services on a timely and dependable basis and competitive prices. An additional competitive factor for our larger chain restaurant customers is the ability to provide a national distribution network. We consider our primary market to be the foodservice market in the United States and Canada and estimate that we serve about 18% of this approximately \$23.5 billion annual market. We believe, based upon industry trade data, that our sales to the United States and Canada food-away-from-home industry were the highest of any foodservice distributor during fiscal 2013. While adequate industry statistics are not available, we believe that in most instances our local operations are among the leading

distributors of food and related non-food products to foodservice customers in their respective trading areas. We believe our competitive advantages include our more than 7,000 marketing associates, our diversified product base, which includes a differentiated group of high quality Sysco brand products, the diversity in the types of customers we serve, our economies of scale and our wide geographic presence in the United States and Canada, which mitigates some of the impact of regional economic declines that may occur over time and provides a national distribution network for larger chain restaurant customers. We believe our liquidity and access to capital provides us the ability to continuously invest in business improvements. We are the only publicly-traded distributor in the food-away-from-home industry in the United States. While our public company status provides us with some advantages, including access to capital, we believe it also provides us with some disadvantages that our competitors do not have in terms of additional costs related to complying with regulatory requirements.

Government Regulation

Our company is required to comply, and it is our policy to comply, with all applicable laws in the numerous countries throughout the world in which we do business. In many jurisdictions, compliance with competition laws is of special importance to us, and our operations may come under special scrutiny by competition law authorities due to our competitive position in those jurisdictions. In general, competition laws are designed to protect businesses and consumers from anti-competitive behavior.

In the United States, as a marketer and distributor of food products, we are subject to the Federal Food, Drug and Cosmetic Act and regulations promulgated thereunder by the U.S. Food and Drug Administration (FDA). The FDA regulates food safety through various statutory and regulatory mandates, including manufacturing and holding requirements for foods through good manufacturing practice regulations, hazard analysis and critical control point (HACCP) requirements for certain foods, and the food and color additive approval process. The agency also specifies the standards of identity for certain foods, prescribes the format and content of information required to appear on food product labels, regulates food contact packaging and materials, and maintains a Reportable Food Registry for the industry to report when there is a reasonable probability that an article of food will cause serious adverse health consequences. For certain product lines, we are also subject to the Federal Meat Inspection Act, the Poultry Products Inspection Act, the Perishable Agricultural Commodities Act, the Packers and Stockyard Act and regulations promulgated by the U.S. Department of Agriculture (USDA) to interpret and implement these statutory provisions. The USDA imposes standards for product safety, quality and sanitation through the federal meat and poultry inspection program. The USDA reviews and approves the labeling of these products and also establishes standards for the grading and commercial acceptance of produce shipments from our suppliers. We are also subject to the Public Health Security and Bioterrorism Preparedness and Response Act of 2002, which imposes certain registration and record keeping requirements on facilities that manufacture, process, pack or hold food for human or animal consumption.

We and our products are also subject to state and local regulation through such measures as the licensing of our facilities; enforcement by state and local health agencies of state and local standards for our products; and regulation of our trade practices in connection with the sale of our products. Our facilities are subject to inspections and regulations issued pursuant to the U.S. Occupational Safety and Health Act by the U.S. Department of Labor. These regulations require us to comply with certain manufacturing, health and safety standards to protect our employees from accidents and to establish hazard communication programs to transmit information on the hazards of certain chemicals present in products we distribute.

We are also subject to regulation by numerous federal, state and local regulatory agencies, including, but not limited to, the U.S. Department of Labor, which sets employment practice standards for workers, and the U.S. Department of Transportation, which regulates transportation of perishable and hazardous materials and waste, and similar state, provincial and local agencies.

The U.S. Foreign Corrupt Practices Act (FCPA) prohibits bribery of public officials to obtain or retain business in foreign jurisdictions. The FCPA also requires us to keep accurate books and records and to maintain internal accounting controls to detect and prevent bribery and to ensure that transactions are properly authorized. We have implemented and continue to develop a robust anti-corruption compliance program applicable to our global operations to detect and prevent bribery and to comply with these and other anti-corruption laws in countries where we operate.

Outside the United States, our business is subject to numerous similar statutes and regulations, as well as other legal and regulatory requirements.

All of our company's facilities and other operations in the United States and elsewhere around the world are subject to various environmental protection statutes and regulations, including those relating to the use of water resources and the discharge of wastewater. Further, most of our distribution facilities have ammonia-based refrigeration systems and tanks for the storage of diesel fuel and other petroleum products which are subject to laws regulating such systems and storage tanks. Our policy is to comply with all such legal requirements. We are subject to other federal, state, provincial and local provisions relating to the protection of the environment or the discharge of materials; however, these provisions do not materially impact the use or operation of our facilities.

General

We have numerous trademarks that are of significant importance, including the SYSCO[®] trademark and our privately-branded product trademarks that include the SYSCO[®] trademark. These trademarks and the private brands on which they are used are widely recognized within the foodservice industry. Approximately half of our privately-branded sales are from products labeled with our SYSCO[®] trademark without any other trademark. We believe the loss of the SYSCO[®] trademark would have a material adverse effect on our results of operations. Our U.S. trademarks are effective for a ten - year period and the company generally renews its trademarks before their expiration date s unless a particular trademark is no longer in use. The company does not have any material patents or licenses.

We are not engaged in material research and development activities relating to the development of new products or the improvement of existing products.

Our sales do not generally fluctuate significantly on a seasonal basis; therefore, the business of the company is not deemed to be seasonal.

As of June 29, 2013, we operated 193 distribution facilities throughout the United States, Bahamas, Canada, Ireland and Northern Ireland.

Item 1A. Risk Factors

The following discussion of “risk factors” identifies the most significant factors that may adversely affect our business, operations, financial position or future financial performance. This information should be read in conjunction with Management’s Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and related notes contained in this report. The following discussion of risks is not all inclusive but is designed to highlight what we believe are the most significant factors to consider when evaluating our business. These factors could cause our future results to differ from our expectations expressed in the forward-looking statements identified on page 43 and from historical trends.

Industry and General Economic Risks

Periods of significant or prolonged inflation or deflation affect our product costs and may negatively impact our profitability

Volatile food costs have a direct impact on our industry. Periods of product cost inflation may have a negative impact on our profit margins and earnings to the extent that we are unable to pass on all or a portion of such product cost increases to our customers, which may have a negative impact on our business and our profitability. In addition, periods of rapidly increasing inflation may negatively impact our business due to the timing needed to pass on such increases, as well as the impact it may have on discretionary spending by consumers . Conversely, our business may be adversely impacted by periods of product cost deflation because we make a significant portion of our sales at prices that are based on the cost of products we sell plus a percentage margin. As a result, our profit levels may be negatively impacted during periods of product cost deflation, even though our gross profit percentage may remain relatively constant.

Our results and financial condition are directly affected by the volatility in the global economic environment, local market conditions and low consumer confidence, which can adversely affect our sales, margins and net income

The foodservice distribution industry is characterized by relatively high inventory turnover with relatively low profit margins and is especially susceptible to trends and uncertainty in economic activity, such as the general economic slowdown in the US from 2008 to 2011 . The global economic environment has recently been characterized by weak economies, persistently high unemployment rates, inflationary pressures and volatility in financial markets worldwide. In addition, our results of operations are substantially affected by local operating and economic conditions, which can vary substantially by market. The difficult economic conditions can affect us in the following ways:

- Unfavorable conditions can depress sales and/or gross margins in a given market.
- Food cost and fuel cost inflation experienced by the consumer can lead to reductions in the frequency of dining out and the amount spent by consumers for food-away-from-home purchases which could negatively impact our business by reduced demand for our products .
- Heightened uncertainty in the financial markets negatively affects consumer confidence and discretionary spending and can cause disruptions with our customers and suppliers.
- Liquidity issues and the inability of our customers, vendors and suppliers to consistently access credit markets to obtain cash to support operations can cause temporary interruptions in our ability to conduct day-to-day transactions involving the payment to or collection of funds from our customers, vendors and suppliers.

The uncertainty in the global economic environment has adversely affected both business and consumer confidence and spending, and uncertainty about the long-term investment environment could further depress capital investment and economic activity.

Competition in our industry may adversely impact our margins and our ability to retain customers, and makes it difficult for us to maintain our market share, growth rate and profitability

The foodservice distribution industry is highly competitive, with numerous regional and local competitors, and is a mature industry characterized by slowing revenue growth. Additionally, increased competition from non-traditional sources (such as club stores and commercial wholesale outlets with lower cost structures), group purchasing organizations or consolidation among competitors have served to further increase pressure on the industry's profit margins, and continued margin pressure within the industry may have a material adverse impact on our operating results and profitability. New and increased competitive sources may result in increased focus on pricing and on limiting price increases, or may require increased discounting. Such competition may result in margin erosion and/or make it difficult for us to attract and retain customers.

Although our sales historically have grown faster than the market, in recent years we have experienced slowing revenue growth rates. These trends have placed pressure on our profit margins and made it more difficult to achieve growth and pass along cost increases. We expect these trends to continue for the foreseeable future. If we are unable to effectively differentiate ourselves from our competitors, our market share, sales and profitability, through increased expenditures or decreased prices, could be adversely impacted.

We may not be able to fully compensate for increases in fuel costs, and forward purchase commitments intended to contain fuel costs could result in above market fuel costs

The price and supply of fuel can fluctuate significantly based on international, political and economic circumstances, as well as other factors outside our control, such as actions by the Organization of the Petroleum Exporting Countries, or OPEC, and other oil and gas producers, regional production patterns, weather conditions and environmental concerns. On average, on-highway diesel fuel prices increased approximately 2% and 14% in fiscal 2013 and 2012, respectively, as compared to the prior year. Volatile fuel prices have a direct impact on our industry. The cost of fuel affects the price paid by us for products as well as the costs incurred by us to deliver products to our customers. Although we have been able to pass along a portion of increased fuel costs to our customers in the past, there is no guarantee that we can do so again if another period of high fuel costs occurs. If fuel costs increase again in the future, we may experience difficulties in passing all or a portion of these costs along to our customers, which may have a negative impact on our business and our profitability. We routinely enter into forward purchase commitments for a portion of our projected monthly diesel fuel requirements at prices equal to the then-current market price for diesel. If fuel prices decrease significantly, these forward purchases may prove ineffective and result in our paying higher than market costs for a portion of our diesel fuel.

Business and Operational Risks

Our ability to meet our long-term strategic objectives to grow the profitability of our business depends largely on the success of the Business Transformation Project

Our multi-year Business Transformation Project consists of:

- the design and deployment of an Enterprise Resource Planning (ERP) system to implement an integrated software system to support a majority of our business processes and further streamline our operations;
- an operating cost transformation initiative to lower our cost structure ;
- a product cost reduction and category management initiative to use market data and customer insights to make changes to product pricing and product assortment; and
- several other initiatives.

Although we expect the investment in the Business Transformation Project to provide meaningful benefits to the company over the long-term, the costs exceeded the benefits during the testing stages of implementation of ERP, including in fiscal 2013. Successfully managing deployment is critical to our business success. While we expect all of the components of the Business Transformation Project to enhance our value proposition to customers and suppliers and improve our long-term profitability, there can be no assurance that we will realize our expectations within the time frame we have established, if at all.

The actual cost of the ERP system may be greater or less than currently expected and continued delays in the execution of deployment may adversely affect our business and results of operations

ERP implementations are complex and time-consuming projects that involve substantial investments in system software and implementation activities over a multi-year timeframe. Our cost estimates related to our ERP system are based on assumptions which are subject to wide variability, require a great deal of judgment, and are inherently uncertain. Thus, the actual costs of the project in fiscal 2014 (and beyond) may be greater or less than currently expected. We have encountered, and we may continue to encounter,

the need for changes in design or revisions of the project calendar and budget, including incurring expenses at an earlier or later time than currently anticipated. For example, we deployed our ERP system to three additional locations in fiscal 2013 and are experiencing improved functionality in many areas compared to past deployments; however, while the majority of the system functionality is performing as designed, we have identified areas of improvement to certain components of the system that we want to address before we continue deploying to additional locations.

In addition, implementation of the systems require significant management attention and resources over an extended period of time and any significant design errors or further delay in the implementation of the systems could materially and adversely affect our operating results and impact our ability to manage our business. Continued delays in deployment, additional operating problems discovered in the underlying information technology systems' processes, cost overages or limitations on the extent of the business transformation during the ERP implementation process adversely affect our business and results of operations. In addition, because the implementation is expected to continue to involve a significant financial commitment, our business, results of operations and liquidity may also be adversely affected if the ERP system, and the associated process changes, do not prove to be cost effective or do not result in the cost savings and other benefits at the levels that we anticipate. There can be no guarantee that we will be able to realize the intended results of the system software and implementation activities. We expect costs to continue to outweigh benefits for fiscal 2014 as we continue deployment.

We may not realize anticipated benefits from our operating cost reduction efforts

We have implemented a number of cost reduction initiatives that we believe are necessary to position our business for future success and growth. Our future success and earnings growth depend upon our ability to achieve a lower cost structure and operate efficiently in the highly competitive food and beverage industry, particularly in an environment of increased competitive activity and reduced profitability. A variety of factors could cause us not to realize some of the expected cost savings, including, among other things, delays in the anticipated timing of activities related to our cost savings initiatives, lack of sustainability in cost savings over time and unexpected costs associated with operating our business. If we are unable to realize the anticipated benefits from our cost cutting efforts, we could become cost disadvantaged in the marketplace, and our competitiveness and our profitability could decrease. Furthermore, even if we realize the anticipated benefits of our cost reduction efforts, we may experience an adverse impact on our employees and customers which could negatively affect our sales and profits.

We may not realize the full anticipated benefits from our category management initiative

We are in the midst of deploying our category management initiative which encompasses a rigorous process whereby we use market data and customer insights to optimize the product assortment available to our customers, strengthen strategic relationships with our suppliers, and increase our sales and profit margins. If our sales associates are not able to effectively gain acceptance of the new product assortment from our customers, or we and our suppliers are not able to absorb the significant administrative and process changes required, then we may not be able to successfully execute the category management initiative in the timeline we anticipate and we may not capture the financial and other benefits at the levels that we anticipate, or at all. Furthermore, even if we realize the anticipated benefits of our category management initiative, we may experience an adverse impact on our employees and customers which could negatively affect our sales and profits.

Conditions beyond our control can interrupt our supplies and increase our product costs

We obtain substantially all of our foodservice and related products from third-party suppliers. For the most part, we do not have long-term contracts with our suppliers committing them to provide products to us, however we believe the number of long-term contracts will increase as we progress with our category management initiative. Although our purchasing volume can provide benefits when dealing with suppliers, suppliers may not provide the foodservice products and supplies needed by us in the quantities and at the prices requested. We are also subject to delays caused by interruption in production and increases in product costs based on conditions outside of our control. These conditions include work slowdowns, work interruptions, strikes or other job actions by employees of suppliers, short-term weather conditions or more prolonged climate change, crop conditions, water shortages, transportation interruptions, unavailability of fuel or increases in fuel costs, product recalls, competitive demands and natural disasters or other catastrophic events (including, but not limited to food-borne illnesses). Further, increased frequency or duration of extreme weather conditions could also impair production capabilities, disrupt our supply chain or impact demand for our products. Input costs could increase at any point in time for a large portion of the products that we sell for a prolonged period. Our inability to obtain adequate supplies of foodservice and related products as a result of any of the foregoing factors or otherwise could mean that we could not fulfill our obligations to customers, and customers may turn to other distributors.

Adverse publicity about us or lack of confidence in our products could negatively impact our reputation and reduce earnings

Maintaining a good reputation and public confidence in the safety of the products we distribute is critical to our business, particularly to selling Sysco Brand products. The Sysco brand name, trademarks and logos and our reputation are powerful sales and marketing tools, and we devote significant resources to promoting and protecting them. Anything that damages our reputation or the public's confidence in our products, whether or not justified, including adverse publicity about the quality, safety or integrity of our

products or relating to activities by our operations, employees or agents could tarnish our reputation and reduce the value of our brand , and could quickly affect our revenues and profits.

Reports, whether true or not, of food-borne illnesses (such as e-coli, avian flu, bovine spongiform encephalopathy, hepatitis A, trichinosis or salmonella) and injuries caused by food tampering could also severely injure our reputation or negatively impact the public's confidence in our products. If patrons of our restaurant customers become ill from food-borne illnesses, our customers could be forced to temporarily close restaurant locations and our sales and profitability would be correspondingly decreased. In addition, instances of food-borne illnesses or food tampering or other health concerns (even those unrelated to the use of Sysco products), or public concern regarding the safety of our products, can result in negative publicity about the food service distribution industry and cause our sales and profitability to decrease dramatically.

Damage to our reputation and loss of brand equity could reduce demand for our products and services. This reduction in demand, together with the dedication of time and expense necessary to defend our reputation, could have an adverse effect on our financial condition, liquidity and results of operations, as well as require additional resources to rebuild our reputation and restore the value of our brand. Our business prospects, financial condition and results of operations could be adversely affected if our public image or reputation were to be tarnished by negative publicity including dissemination via print, broadcast or social media, or other forms of Internet-based communications. Adverse publicity about regulatory or legal action against us could damage our reputation and image, undermine our customers' confidence and reduce short-term or long-term demand for our products and services, even if the regulatory or legal action is unfounded or not material to our operations. Any of these events could have a material negative impact on our results of operations and financial condition.

If sales to our independent restaurant customers continue to grow at a lower rate than sales to our large regional and national customers, our operating income may decline

Similar to industry trends, we are currently growing our large regional and national customers sales at a faster rate than our sales to independent restaurant locations. Gross margin from our large regional and national customers is generally lower than that of our independent restaurant customers because we typically provide a higher level of services to these customers and are able to earn a higher gross margin as a result . If sales to our independent restaurant customers do not grow at the same or a greater rate as sales to our large regional and national customers, unless we are able to successfully increase prices or reduce our cost structure, our operating income may decline.

As we grow sales to large regional and national customers at a faster pace than we grow sales to independent restaurant customers, we face the risk that large regional and national customers will increase their proportion of our total sales, thus subjecting us to greater risk if we lose one or more of these customers and possibly enabling these larger customers to exert greater pressure on us to reduce our prices

If sales to our large regional and national customers continues to increase at a faster pace of growth than sales to our independent restaurant customers, we may become more dependent on large regional and national customers as they begin to represent a greater proportion of our total sales, and any loss of sales to these customers could have a material negative impact on our results of operations and financial condition. Additionally, as a result of our greater dependence on these customers, we could be pressured by them to lower our prices . In that event, we would need to achieve additional cost savings to offset these price reductions or our gross margins and profitability would be materially adversely affected . We may be unable to change our cost structure and pricing practices rapidly enough to successfully compete in such an environment.

Expanding into international markets and complementary lines of business presents unique challenges, and our expansion efforts with respect to international operations and complementary lines of business may not be successful

In addition to our domestic activities, an element of our strategy includes the possibility of further expansion of operations into international markets. Our ability to successfully operate in international markets may be adversely affected by local laws and customs, legal and regulatory constraints, including compliance with the Foreign Corrupt Practices Act, political and economic conditions and currency regulations of the countries or regions in which we currently operate or intend to operate in the future. Risks inherent in our existing and future international operations also include, among others, the costs and difficulties of managing international operations, difficulties in identifying and gaining access to local suppliers, suffering possible adverse tax consequences, maintaining product quality and greater difficulty in enforcing intellectual property rights. Additionally, foreign currency exchange rates and fluctuations may have an impact on our future costs or on future sales and cash flows from our international operations.

Another element of our strategy includes the possibility of expansion into businesses that are closely related or complementary to, but not currently part of, our core foodservice distribution business. Our ability to successfully operate in these complementary business markets may be adversely affected by legal and regulatory constraints, including compliance with regulatory programs to which we become subject. Risks inherent in branching out into such complementary markets also include the costs and difficulties of managing operations outside of our core business, which may require additional skills and competencies, as well as difficulties in identifying and gaining access to suppliers or customers in new markets.

If we fail to comply with requirements imposed by applicable law or other governmental regulations, we could become subject to lawsuits, investigations and other liabilities and restrictions on our operations that could significantly and adversely affect our business

We are subject to governmental regulation at the federal, state, international, national, provincial and local levels in many areas of our business, such as food safety and sanitation, minimum wage, overtime, wage payment, wage and hour and employment discrimination, immigration, human health and safety, and due to the services we provide in connection with governmentally funded entitlement programs. From time to time, both federal and state governmental agencies have conducted audits of our billing practices as part of investigations of providers of services under governmental contracts, or otherwise. We also receive requests for information from governmental agencies in connection with these audits. While we attempt to comply with all applicable laws and regulations, we cannot represent that we are in full compliance with all applicable laws and regulations or interpretations of these laws and regulations at all times or that we will be able to comply with any future laws, regulations or interpretations of these laws and regulations. We have received notice from the State of California and certain county district attorneys alleging violations of statutes related to the use of drop sites, which are temporary facilities for holding products prior to distributing them to customers. We are fully cooperating with these parties in their investigations. We have discontinued the use of drop sites across the enterprise. While we believe we have mitigated the risk, we may face fines and penalties.

If we fail to comply with applicable laws and regulations or encounter disagreements with respect to our contracts subject to governmental regulations, including those referred to above, we may be subject to investigations, criminal sanctions or civil remedies, including fines, injunctions, prohibitions on exporting, seizures or debarments from contracting with the government. The cost of compliance or the consequences of non-compliance, including debarments, could have a material adverse effect on our business and results of operations. In addition, governmental units may make changes in the regulatory frameworks within which we operate that may require either the corporation as a whole or individual businesses to incur substantial increases in costs in order to comply with such laws and regulations.

Product liability claims could materially impact our business

We, like any other seller of food, face the risk of exposure to product liability claims in the event that the use of products sold by Sysco causes injury or illness. We cannot be sure that consumption of our products will not cause a health-related illness in the future or that we will not be subject to claims or lawsuits relating to such matters. Further, even if a product liability claim is unsuccessful or is not fully pursued, the negative publicity surrounding any assertion that our products caused illness or injury could adversely affect our reputation with existing and potential customers and our corporate and brand image. With respect to product liability claims, we believe we have sufficient primary or excess umbrella liability insurance. However, this insurance may not continue to be available at a reasonable cost or, if available, may not be adequate to cover all of our liabilities. We generally seek contractual indemnification and insurance coverage from parties supplying our products, but this indemnification or insurance coverage is limited, as a practical matter, to the creditworthiness of the indemnifying party and the insured limits of any insurance provided by suppliers. If Sysco does not have adequate insurance or contractual indemnification available, product liability relating to defective products could materially reduce our net earnings and earnings per share.

We must finance and integrate acquired businesses effectively

Historically, a portion of our growth has come through acquisitions. If we are unable to integrate acquired businesses successfully or realize anticipated economic, operational and other benefits and synergies in a timely manner, our earnings per share may be materially adversely impacted. Integration of an acquired business may be more difficult when we acquire a business in a market in which we have limited expertise, or with a culture different from Sysco's. A significant expansion of our business and operations, in terms of geography or magnitude, could strain our administrative and operational resources. Significant acquisitions may also require the issuance of material additional amounts of debt or equity, which could materially alter our debt to equity ratio, increase our interest expense and decrease earnings per share, and make it difficult for us to obtain favorable financing for other acquisitions or capital investments.

We need access to borrowed funds in order to grow, and any default by us under our indebtedness could have a material adverse impact on cash flow and liquidity

A substantial part of our growth historically has been the result of acquisitions and capital expansion. We anticipate additional acquisitions and capital expansion in the future. As a result, our inability to finance acquisitions and capital expenditures through borrowed funds could restrict our ability to expand. Moreover, any default under the documents governing our indebtedness could have a significant adverse effect on our cash flows, as well as the market value of our common stock.

Our level of indebtedness and the terms of our indebtedness could adversely affect our business and liquidity position

As of June 29, 2013, we had approximately \$3 billion of total indebtedness. We have a Board-approved commercial paper program allowing us to issue short-term unsecured notes in an aggregate amount not to exceed \$1.3 billion; a revolving credit facility supporting our U.S. and Canadian commercial paper programs in the amount of \$1.0 billion set to expire on December 29, 2016, with \$925 million extended to December 29, 2017; certain uncommitted bank lines of credit providing for unsecured borrowings for working capital of up to \$ 95.0 million; and a €75.0 million (Euro) multicurrency revolving credit facility for use by our Irish subsidiary set to expire September 25, 2013, which is subject to extension . Our indebtedness may further increase from time to time for various reasons, including fluctuations in operating results, working capital needs, capital expenditures and potential acquisitions or joint ventures. Our increased level of indebtedness and the ultimate cost of such indebtedness could have a negative impact on our liquidity, cost of capital and financial results. In the future, our cash flow and capital resources may not be sufficient for payments of interest on and principal of our debt, and any alternative financing measures available may not be successful and may not permit us to meet our scheduled debt service obligations.

We rely on technology in our business and any technology disruption or delay in implementing new technology could have a material negative impact on our business

Our ability to decrease costs and increase profits, as well as our ability to serve customers most effectively, depends on the reliability of our technology network. We use software and other technology systems, among other things, to generate and select orders, to load and route trucks, to make purchases, manage our warehouses and to monitor and manage our business on a day-to-day basis. Any disruption to these computer systems could adversely impact our customer service, decrease the volume of our business and result in increased costs and lower profits.

Furthermore, process changes will be required as we continue to use our existing warehousing, delivery, and payroll systems to support operations as we implement the ERP system. While Sysco has invested and continues to invest in technology security initiatives and disaster recovery plans, these measures cannot fully insulate us from technology disruption that could result in adverse effects on operations and profits.

We may be required to pay material amounts under multiemployer defined benefit pension plans

We contribute to several multiemployer defined benefit pension plans based on obligations arising under collective bargaining agreements covering union-represented employees. Approximately 10% of our current employees are participants in such multiemployer plans. In fiscal 2013, our total contributions to these plans were approximately \$66 million, which included payments for withdrawal liabilities of \$32 million. The costs of providing benefits through such plans have increased in recent years. The amount of any increase or decrease in our required contributions to these multiemployer plans will depend upon many factors, including the outcome of collective bargaining, actions taken by trustees who manage the plans, government regulations, the actual return on assets held in the plans and the potential payment of a withdrawal liability if we choose to exit . Based upon the information available to us from plan administrators, we believe that several of these multiemployer plans are underfunded. The unfunded liabilities of these plans may result in increased future payments by us and the other participating employers. Underfunded multiemployer pension plans may impose a surcharge requiring additional pension contributions. Our risk of such increased payments may be greater if any of the participating employers in these underfunded plans withdraws from the plan due to insolvency and is not able to contribute an amount sufficient to fund the unfunded liabilities associated with its participants in the plan. Based on the latest information available from plan administrators, we estimate our share of the aggregate withdrawal liability on the multiemployer plans in which we participate could have been as much as \$220 million as of June 29, 2013. A significant increase to funding requirements could adversely affect the Company's financial condition, results of operations or cash flows.

Our funding requirements for our company-sponsored qualified pension plan may increase should financial markets experience future declines

At the end of fiscal 2012, we decided to freeze future benefit accruals under the company-sponsored qualified pension plan (Retirement Plan) as of December 31, 2012 for all U.S.-based salaried and non-union hourly employees. Effective January 1, 2013, these employees were eligible for additional contributions under an enhanced, defined contribution plan. While these actions will serve to limit future growth in our pension liabilities, we had a sizable pension obligation of \$2.7 billion as of June 29, 2013 therefore financial market factors could impact our funding requirements. Although recent pension funding relief legislation has served to defer some required funding, additional contributions may be required if our plan is not fully funded when the provisions that provided the relief are phased out. See Note 13, " Company-Sponsored Employee Benefit Plans" to the Consolidated Financial Statements in Item 8 for a discussion of the funded status of the Retirement Plan.

The amount of our annual contribution to the plan is dependent upon, among other things, the returns on the plan's assets and discount rates used to calculate the plan's liability. Our Retirement Plan holds investments in both equity and fixed income securities. Fluctuations in asset values can cause the amount of our anticipated future contributions to the plan to increase. The projected liability of the plan will be impacted by the fluctuations of interest rates on high quality bonds in the public markets as these are inputs in

determining our minimum funding requirements. Specifically, decreases in these interest rates may have an adverse impact on our funding obligations. To the extent financial markets experience future declines similar to those experienced in fiscal 2008 through the beginning of fiscal 2010, and/or interest rates on high quality bonds in the public markets decline, our required contributions may increase for future years as our funded status decreases, which could have an adverse impact on our liquidity.

Failure to successfully renegotiate union contracts could result in work stoppages

As of June 29, 2013, approximately 8,100 employees at 51 operating companies were members of 57 different local unions associated with the International Brotherhood of Teamsters and other labor organizations. In fiscal 2014, 19 agreements covering approximately 2,800 employees have expired or will expire. Since June 29, 2013, two contract covering approximately 300 of such employees have been renegotiated. Failure of our operating companies to effectively renegotiate these contracts could result in work stoppages. Although our operating subsidiaries have not experienced any significant labor disputes or work stoppages to date, and we believe they have satisfactory relationships with their unions, a work stoppage due to failure of multiple operating subsidiaries to renegotiate union contracts could have a material adverse effect on us.

A shortage of qualified labor could negatively impact our business and materially reduce earnings

Our operations rely heavily on our employees, particularly drivers, and any shortage of qualified labor could significantly affect our business. Our recruiting and retention efforts and efforts to increase productivity gains may not be successful and there may be a shortage of qualified drivers in future periods. Any such shortage would decrease Sysco's ability to effectively serve our customers. Such a shortage would also likely lead to higher wages for employees and a corresponding reduction in our net earnings.

A cybersecurity incident and other technology disruptions could negatively impact our business and our relationships with customers

We use computers in substantially all aspects of our business operations. We also use mobile devices, social networking and other online activities to connect with our employees, suppliers, business partners and our customers. Such uses give rise to cybersecurity risks, including security breach, espionage, system disruption, theft and inadvertent release of information. Our business involves the storage and transmission of numerous classes of sensitive and/or confidential information and intellectual property, including customers' and suppliers personal information, private information about employees, and financial and strategic information about the Company and its business partners. Further, as the Company pursues its strategy to grow through acquisitions and to pursue new initiatives that improve our operations and cost structure, the Company is also expanding and improving its information technologies, resulting in a larger technological presence and corresponding exposure to cybersecurity risk. If we fail to assess and identify cybersecurity risks associated with acquisitions and new initiatives, we may become increasingly vulnerable to such risks. Additionally, while we have implemented measures to prevent security breaches and cyber incidents, our preventative measures and incident response efforts may not be entirely effective. The theft, destruction, loss, misappropriation, or release of sensitive and/or confidential information or intellectual property, or interference with our information technology systems or the technology systems of third parties on which we rely, could result in business disruption, negative publicity, brand damage, violation of privacy laws, loss of customers, potential liability and competitive disadvantage.

Our authorized preferred stock provides anti-takeover benefits that may not be viewed as beneficial to stockholders

Under our Restated Certificate of Incorporation, Sysco's Board of Directors is authorized to issue up to 1,500,000 shares of preferred stock without stockholder approval. Issuance of these shares could make it more difficult for anyone to acquire Sysco without approval of the Board of Directors, depending on the rights and preferences of the stock issued. In addition, if anyone attempts to acquire Sysco without approval of the Board of Directors of Sysco, the existence of this undesignated preferred stock could allow the Board of Directors to adopt a shareholder rights plan without obtaining stockholder approval, which could result in substantial dilution to a potential acquirer. As a result, hostile takeover attempts that might result in an acquisition of Sysco, that could otherwise have been financially beneficial to our stockholders, could be deterred.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

The table below shows the number of distribution facilities occupied by Sysco in each state, province or country and the aggregate square footage devoted to cold and dry storage as of June 29, 2013.

<u>Location</u>	<u>Number of Facilities</u>	<u>Cold Storage (Square Feet in thousands)</u>	<u>Dry Storage (Square Feet in thousands)</u>	<u>Segment Served*</u>
Alabama	2	184	130	BL
Alaska	1	41	28	BL
Arizona	2	129	117	BL, O
Arkansas	2	131	88	BL, O
California	17	1,284	1,225	BL, S, O
Colorado	4	274	212	BL, S, O
Connecticut	3	160	110	BL, O
District of Columbia	1	7	7	BL
Florida	15	1,199	889	BL, S, O
Georgia	5	294	431	BL, S, O
Idaho	2	84	88	BL
Illinois	6	402	535	BL, S, O
Indiana	1	100	109	BL
Iowa	1	93	95	BL
Kansas	1	177	171	BL
Kentucky	1	92	106	BL
Louisiana	1	134	113	BL
Maine	1	59	50	BL
Maryland	2	291	252	BL
Massachusetts	2	249	229	BL, S
Michigan	3	320	300	BL, S
Minnesota	3	239	194	BL
Mississippi	1	95	69	BL
Missouri	2	106	94	BL, S
Montana	1	120	121	BL
Nebraska	1	143	129	BL
Nevada	3	193	156	BL, O
New Jersey	4	140	453	BL, O
New Mexico	1	120	108	BL
New York	4	417	361	BL, O
North Carolina	6	332	303	BL, S, O
North Dakota	1	46	59	BL
Ohio	6	407	423	BL, S, O
Oklahoma	4	192	149	BL, S, O
Oregon	3	177	160	BL, S
Pennsylvania	4	459	405	BL, S
Rhode Island	1	3	-	BL
South Carolina	1	191	98	BL
Tennessee	5	406	426	BL, O
Texas	19	1,107	1,053	BL, S, O
Utah	1	161	107	BL
Virginia	3	564	410	BL
Washington	1	134	92	BL
Wisconsin	3	287	299	BL, O
Bahamas	1	90	23	BL
Alberta, Canada	3	209	202	BL
British Columbia, Canada	8	280	232	BL, O
Manitoba, Canada	1	78	74	BL
New Brunswick, Canada	2	85	41	BL
Newfoundland, Canada	1	33	22	BL
Nova Scotia, Canada	1	31	42	BL
Ontario, Canada	10	435	394	BL, O
Quebec, Canada	6	148	202	BL
Saskatchewan, Canada	1	40	54	BL

<u>Location</u>	<u>Number of Facilities</u>	<u>Cold Storage (Square Feet in thousands)</u>	<u>Dry Storage (Square Feet in thousands)</u>	<u>Segment Served*</u>
Ireland	6	94	71	BL
Northern Ireland	1	2	8	BL
Puerto Rico	1	8	-	O
Total	193	13,276	12,319	

* Segments served include Broadline (BL), SYGMA (S) and Other (O).

We own approximately 21,070,000 square feet of our distribution facilities (or 82.3% of the total square feet), and the remainder is occupied under leases expiring at various dates from fiscal 2014 to fiscal 2032, exclusive of renewal options.

We own our approximately 625,000 square foot headquarters office complex in Houston, Texas. In addition, we own our approximately 669,000 square foot shared services complex in Cypress, Texas.

We are currently constructing a fold-out facility in Ontario, Canada.

As of June 29, 2013, our fleet of approximately 9,100 delivery vehicles consisted of tractor and trailer combinations, vans and panel trucks, most of which are either wholly or partially refrigerated for the transportation of frozen or perishable foods. We own approximately 94% of these vehicles and lease the remainder.

Item 3. *Legal Proceedings*

None.

Item 4. *Mine Safety Disclosures*

Not applicable.

PART II

Item 5. *Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Repurchases of Equity Securities*

The principal market for Sysco's common stock (SY) is the New York Stock Exchange. The table below sets forth the high and low sales prices per share for our common stock as reported on the New York Stock Exchange Composite Tape and the cash dividends declared for the periods indicated.

	<u>Common Stock Prices</u>		<u>Dividends Declared Per Share</u>
	<u>High</u>	<u>Low</u>	
Fiscal 2012:			
First Quarter	\$ 31.73	\$ 25.48	\$ 0.26
Second Quarter	29.62	25.09	0.27
Third Quarter	31.18	28.70	0.27
Fourth Quarter	30.20	27.05	0.27
Fiscal 2013:			
First Quarter	\$ 31.41	\$ 28.23	\$ 0.27
Second Quarter	32.40	29.75	0.28
Third Quarter	35.62	30.55	0.28
Fourth Quarter	35.40	33.07	0.28

The number of record owners of Sysco's common stock as of August 14, 2013 was 12,469.

We made the following share repurchases during the fourth quarter of fiscal 2013:

ISSUER PURCHASES OF EQUITY SECURITIES

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
Month #1				
March 31 – April 27	1,600,486	\$ 34.66	1,572,700	11,813,900
Month #2				
April 28 – May 25	1,716,725	34.78	1,500,000	10,313,900
Month #3				
May 26 – June 29	8,616,830	34.19	8,599,703	1,714,197
Total	11,934,041	\$ 34.33	11,672,403	1,714,197

On November 16, 2011, the Board of Directors approved the repurchase of 20,000,000 shares. Pursuant to the repurchase program, shares may be acquired in the open market or in privately negotiated transactions at the company's discretion, subject to market conditions and other factors.

In July 2004, the Board of Directors authorized us to enter into agreements from time to time to extend our ongoing repurchase program to include repurchases during company announced "blackout periods" of such securities in compliance with Rule 10b5-1 promulgated under the Exchange Act.

Stock Performance Graph

The following performance graph and related information shall not be deemed "soliciting material" or to be "filed" with the Securities and Exchange Commission, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, each as amended, except to the extent that Sysco specifically incorporates such information by reference into such filing.

The following stock performance graph compares the performance of Sysco's Common Stock to the S&P 500 Index and to the S&P 500 Food/Staple Retail Index for Sysco's last five fiscal years.

The graph assumes that the value of the investment in our Common Stock, the S&P 500 Index, and the S&P 500 Food/Staple Index was \$100 on the last trading day of fiscal 2008, and that all dividends were reinvested. Performance data for Sysco, the S&P 500 Index and the S&P 500 Food/Staple Retail Index is provided as of the last trading day of each of our last five fiscal years.



	6/28/08	6/27/09	7/3/10	7/2/11	6/30/12	6/29/13
Sysco Corporation	\$100	\$85	\$108	\$124	\$122	\$144
S&P 500	100	74	84	112	116	140
S&P 500 Food/Staple Retail Index	100	82	83	108	125	151

Item 6 . Selected Financial Data

	Fiscal Year				
	2013	2012	2011	2010 (53 Weeks)	2009
	(In thousands except for per share data)				
Sales	\$ 44,411,233	\$ 42,380,939	\$ 39,323,489	\$ 37,243,495	\$ 36,853,330
Operating income	1,658,478	1,890,632	1,931,502	1,975,868	1,872,211
Earnings before income taxes	1,547,455	1,784,002	1,827,454	1,849,589	1,770,834
Income taxes	555,028	662,417	675,424	669,606	714,886
Net earnings	<u>\$ 992,427</u>	<u>\$ 1,121,585</u>	<u>\$ 1,152,030</u>	<u>\$ 1,179,983</u>	<u>\$ 1,055,948</u>
Net earnings:					
Basic earnings per share	\$ 1.68	\$ 1.91	\$ 1.96	\$ 1.99	\$ 1.77
Diluted earnings per share	1.67	1.90	1.96	1.99	1.77
Dividends declared per share	\$ 1.11	\$ 1.07	\$ 1.03	\$ 0.99	\$ 0.94
Total assets	\$ 12,663,947	\$ 12,137,207	\$ 11,427,190	\$ 10,336,436	\$ 10,160,321
Capital expenditures	511,862	784,501	636,442	594,604	464,561
Current maturities of long-term debt	\$ 207,301	\$ 254,650	\$ 207,031	\$ 7,970	\$ 9,163
Long-term debt	<u>2,639,986</u>	<u>2,763,688</u>	<u>2,279,517</u>	<u>2,472,662</u>	<u>2,467,486</u>
Total long-term debt	2,847,287	3,018,338	2,486,548	2,480,632	2,476,649
Shareholders' equity	<u>5,191,810</u>	<u>4,685,040</u>	<u>4,705,242</u>	<u>3,827,526</u>	<u>3,449,702</u>
Total capitalization	<u>\$ 8,039,097</u>	<u>\$ 7,703,378</u>	<u>\$ 7,191,790</u>	<u>\$ 6,308,158</u>	<u>\$ 5,926,351</u>
Ratio of long-term debt to capitalization	35.4 %	39.2 %	34.6 %	39.3 %	41.8 %

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Our discussion below of our results includes certain non-GAAP financial measures that we believe provide important perspective with respect to underlying business trends. Any non-GAAP financial measure will be denoted as an adjusted measure and our fiscal 2013 comparisons to fiscal 2012 exclude the impact from Business Transformation Project costs, multiemployer pension plan charges, severance charges, executive retirement plans restructuring, a one-time acquisition related charge and facility closure charges. Collectively, these are referred to as Excluded Charges. Our fiscal 2012 comparisons to fiscal 2011 exclude the impact from Business Transformation Project costs, multiemployer pension plan charges, severance charges, corporate-owned life insurance (COLI) policies and certain tax benefits. More information on the rationale for the use of these measures and reconciliations to GAAP numbers can be found under "Non-GAAP Reconciliations."

Overview

Sysco distributes food and related products to restaurants, healthcare and educational facilities, lodging establishments and other foodservice customers. Our operations are primarily located throughout the United States, Bahamas, Canada, Ireland and Northern Ireland and include broadline companies (which include our custom-cut meat operations), SYGMA (our chain restaurant distribution subsidiary), specialty produce companies, hotel supply operations, a company that distributes specialty imported products and a company that distributes to international customers.

We consider our primary market to be the foodservice market in the United States and Canada and estimate that we serve about 18% of this approximately \$235 billion annual market. According to industry sources, the foodservice, or food-away-from-home, market represents approximately 48% of the total dollars spent on food purchases made at the consumer level in the United States.

Industry sources estimate the total foodservice market in the United States experienced a real sales increase of approximately 1.3% in calendar year 2012 and a decline of 0.1% in calendar year 2011. Real sales changes do not include the impact of inflation or deflation.

General economic conditions and consumer confidence can affect the frequency of purchases and amounts spent by consumers for food-away-from-home and, in turn, can impact our customers and our sales. We believe the current general economic conditions, including pressure on consumer disposable income, have contributed to a decline in the foodservice market. Historically, we have grown at a faster rate than the overall industry and believe we have continued to grow our market share in this fragmented industry.

Highlights

Fiscal 2013 was a year in which we progressed with our Business Transformation Project while facing a challenging business and economic environment. The foodservice industry has not fully participated in the overall economic recovery primarily due to constrained consumer spending for food-away-from-home. Our results of operations reflect these challenges as well as expenses related to our Business Transformation Project, payroll costs, charges from the withdrawal from multiemployer pension plans and increased fuel expense. We believe our sales growth and expense management on a cost per cases basis was acceptable, however gross profit did not grow as we planned due partially to competitive pressures and a shift in customer mix. We will remain focused on the execution of our business plan and initiatives from our Business Transformation Project, with the goal for these items to contribute to the long-term success of our customers and in turn, growth in our earnings. We acquired 14 companies during fiscal 2013, which represents annualized sales in excess of \$1 billion. We expect these acquisitions will contribute to our sales growth, enhance our international market presence and product assortment.

Comparison of results from fiscal 2013 to fiscal 2012:

- Sales increased 4.8%, or \$ 2.0 billion to \$ 44.4 billion.
- Operating income decreased 12.3%, or \$ 232.2 million, to \$ 1.7 billion.
- Adjusted operating income decreased 1.7%, or \$36.4 million, to \$2.1 billion.
- Net earnings decreased 11.5%, or \$129.2 million, to \$ 1.0 billion.
- Adjusted net earnings increased 0.1%, or \$1.4 million, to \$1.3 billion.
- Basic earnings per share in fiscal 2013 was \$ 1.68, a 12.0% decrease from the comparable prior year period amount of \$1.91 per share. Diluted earnings per share in fiscal 2013 was \$ 1.67, a 12.1% decrease from the comparable prior year period amount of \$1.90 per share.
- Adjusted diluted earnings per share was \$2.14 in fiscal 2013, a 0.5% decrease from the comparable prior year amount of \$2.15 per share.

See "Non-GAAP Reconciliations" for an explanation of these non-GAAP financial measures.

Trends and Strategy

Trends

General economic conditions and consumer confidence can affect the frequency of purchases and amounts spent by consumers for food-away-from-home and, in turn, can impact our customers and our sales. Consumer confidence has improved since 2008, however it remains below its historical highs. We believe that the consumer is currently concerned about lingering unemployment levels and lack of growth in personal income. We believe these items and other current general economic conditions, have negatively impacted consumer confidence and contributed to a slow rate of recovery in the foodservice market. While these trends can be cyclical in nature, greater consumer confidence will be required to reverse the trend. According to industry sources, real sales growth for the total foodservice market in the United States is expected to be modest over the long-term. Non-traditional competitors are becoming more of a factor in terms of competition within our industry, and consumer spending trends are gradually shifting more to fresh, natural and sustainably-produced products. We believe these industry trends reinforce the need for us to transform our business so that we can be in a position to provide greater value to our customers and reduce our overall cost structure.

Our gross margin performance has been influenced by multiple factors. Our sales growth in fiscal 2013 was greater with our large regional and national customers. Gross margin from these types of customers is generally lower than our independent restaurant customers. If sales from our independent restaurant customers do not grow at the same rate or a greater rate than sales from these large regional and national customers, our gross margins may decline. Additional pressure exists on our gross margin from competitive pricing pressures. Low growth in the foodservice market is contributing to increased competition which is in turn pressuring gross profits. We expect this pricing pressure will likely continue. Inflation can be a factor that contributes to gross margin pressure; however, inflation rates remained relatively stable throughout fiscal 2013 at a rate between 2.0% to 2.5%. Inflation was present in certain product categories such as poultry and meat, but was not significant in the majority of our product categories. While we cannot predict whether inflation will continue at current levels, periods of high inflation, either overall or in certain product categories, can have a negative impact on us and our customers, as high food costs can reduce consumer spending in the food-away-from-home market, and may negatively impact our sales, gross profit, operating income and earnings.

We have experienced higher operating expenses this fiscal year as compared to fiscal 2012. Our Business Transformation Project has been a primary contributor to this increase. This project is a key part of our strategy to control costs and grow our market share over the long-term. This project includes an integrated software system that went into deployment in August 2012, resulting in increased deployment expenses and software amortization. In fiscal 2012, we were still building and testing our software and therefore had a greater amount of capitalized costs. We believe expenses related to the project in fiscal 2014 will be similar to the costs incurred in fiscal 2013. Operating expenses have also increased due to provisions related to multiemployer pension plan withdrawals. These pension plan provisions generally occur when a collective bargaining agreement is being renewed. Pay-related expenses have increased primarily from acquired companies and within delivery areas of our business, however these have been partially offset by lower costs in the selling and information technology areas due to initiatives from our Business Transformation Project. Fuel costs have increased due to both increases diesel prices and gallon usage.

Our retirement-related expenses consist primarily of costs from our company-sponsored qualified pension plan (Retirement Plan), our Supplement Executive Retirement Plan (SERP) and our defined contribution plan. The net impact in fiscal 2013 of our retirement-related expenses as compared to fiscal 2012 was an increase of \$31.3 million. At the end of fiscal 2012, we decided to freeze future benefit accruals under the Retirement Plan as of December 31, 2012 for all United States-based (U.S.-based) salaried and non-union hourly employees. Effective January 1, 2013, these employees were eligible for additional contributions under an enhanced, defined contribution plan. Absent the Retirement Plan freeze discussed above, net company-sponsored pension costs would have increased \$106.9 million in fiscal 2013, however because of the freeze the costs decreased as compared to fiscal 2012. Our expenses related to our defined contribution plan increased in fiscal 2013. During fiscal 2013, we approved a plan to restructure our executive nonqualified retirement program, including the SERP, by freezing benefits. We believe this restructuring more closely aligns our executive plans with our non-executive plans. As a result of this restructuring, we incurred \$ 21.0 million in charges in fiscal 2013. We expect our retirement-related expenses will decrease in the range of \$75 million to \$85 million in fiscal 2014 as compared to fiscal 2013. A greater portion of the decrease will occur in the second half of fiscal 2014 due to operation of our enhanced, defined contribution plan for a one-year period. Excluding the \$21.0 million restructuring charge in fiscal 2013, the decrease is expected to be \$50 million to \$60 million in fiscal 2014. Over the long-term, we believe the changes to all of these retirement programs will result in reduced volatility of retirement-related expenses and a reduction in total retirement-related expenses.

We expect gross margin pressure to persist in fiscal 2014; however, we intend to achieve sales case growth and to reduce costs per case to improve our earnings performance trends in fiscal 2014 as compared to fiscal 2013.

We are focused on optimizing our core broadline business in the United States, Canada and Ireland, while continuing to explore appropriate opportunities to profitably grow our market share and create shareholder value by expanding beyond our core business. Day-to-day, our business decisions are driven by our mission to market and deliver great products to our customers with exceptional service, with the aspirational vision of becoming each of our customers' most valued and trusted business partner. We have identified five strategies to help us achieve our mission and vision:

- **Profoundly enrich the experience of doing business with Sysco:** Our primary focus is to help our customers succeed. We believe that by building on our current competitive advantages, we will be able to further differentiate our offering to customers. Our competitive advantages include our sales force of over 7,000 marketing associates; our diversified product base, which includes quality-assured Sysco brand products; the suite of services we provide to our customers such as business reviews and menu analysis; and our wide geographic presence in the United States and Canada. In addition, we have a portfolio of businesses spanning broadline, specialty meat, chain restaurant distribution, specialty produce, hotel amenities, specialty import and export which serves our customers' needs across a wide array of business segments. Through our Sysco Ventures platform, we are developing a suite of technology solutions that help support the administrative needs of our customers. We believe this strategy of enriching the experience of doing business with Sysco will increase customer retention and profitably accelerate sales growth with both existing and new customers.
- **Continuously improve productivity in all areas of our business:** Our multi-year Business Transformation Project is designed to improve productivity and reduce costs. An integrated software system is included in this project and will support a majority of our business processes to further streamline our operations and reduce costs. These systems are commonly referred to as Enterprise Resource Planning (ERP) systems. We view the technology as an important enabler of this project; however the larger outcome of this project will be from transformed processes that standardize portions of our operations. This includes a shared business service center to centrally manage certain back-office functions that are currently performed at a majority of our operating companies. This project includes other components to lower our cost structure through improved productivity without impacting our service to our customers. We continue to optimize warehouse and delivery activities across the corporation to achieve a more efficient delivery of products to our customers and we seek to improve sales productivity and lower general and administrative costs. We also have a product cost reduction and category management initiative to use market data and customer insights to make changes to product pricing and product assortment.
- **Expand our portfolio of products and services by initiating a customer-centric innovation program:** We continually explore opportunities to provide new and improved products, technologies and services to our customers.
- **Explore, assess and pursue new businesses and markets:** This strategy is focused on identifying opportunities to expand the core business through growth in new international markets and in adjacent areas that complement our core foodservice distribution business. As a part of our ongoing strategic analysis, we regularly evaluate business opportunities, including potential acquisitions and sales of assets and businesses.
- **Develop and effectively integrate a comprehensive, enterprise-wide talent management process:** Our ability to drive results and grow our business is directly linked to having the best talent in the industry. We are committed to the continued enhancement of our talent management programs in terms of how we recruit, select, train and develop our associates throughout Sysco as well as succession planning. Our ultimate objective is to provide our associates with outstanding opportunities for professional growth and career development.

Business Transformation Project

Our multi-year Business Transformation Project consists of:

- the design and deployment of an ERP system to implement an integrated software system to support a majority of our business processes and further streamline our operations;
- a cost transformation initiative to lower our cost structure;
- a product cost reduction and category management initiative to use market data and customer insights to make changes to product pricing and product assortment; and
- several other initiatives.

We deployed our ERP system to three additional locations in fiscal 2013 and experienced improved functionality in many areas compared to past deployments. Our shared services center, Sysco Business Services, continues to expand and provide a broader array of centralized administrative services. The majority of the system functionality is performing as designed; however, we have identified areas for improvement to certain components of the system that we want to address before we continue deploying to additional locations. These improvements include simplifying certain processes to improve response times and reduce system loads. We believe that this will improve system stability and result in improved ability to scale the system as we move forward. While these

improvements are being made, we will continue implementing individual modules such as our human resource module and continue with other Business Transformation initiatives. We intend to deploy the system to one additional location around the end of this calendar year. If our updates are successful, we anticipate that further deployment will resume early in calendar 2014. Our deployment schedule will be further defined at that time.

Our cost transformation initiative seeks to lower our cost structure by \$300 million to \$350 million annually by fiscal 2015. These include initiatives to increase our productivity in the warehouse and delivery activities including fleet management and maintenance activities. It also involves improving sales productivity and reducing general and administrative expenses, partially through aligning compensation and benefit plans. Efforts from our cost transformation initiatives in fiscal 2013 spanned many areas of operations. We completed the implementation of maintenance management tools in our United States Broadline (U.S. Broadline) companies. A customer relationship management tool has been implemented in our U.S. Broadline companies that will improve sales productivity. We restructured our information technology department and contracted with a third party provider for information technology managed services. For our U.S. Broadline companies, we accelerated the implementation of our human resource module from our ERP system which is expected to be complete by the third quarter of fiscal 2014. Also, in our U.S. Broadline companies we began centralizing field finance work to our shared services center. We believe this transition will be complete by December 2013. We have begun implementing enhancements to our routing technology and processes to improve delivery efficiencies and expect this initiative to be complete by fiscal 2015. Lastly, our retirement programs have been restructured, which we believe will result in reduced volatility of retirement-related expenses and a reduction in total retirement-related expenses in the long-term.

Our product cost reduction and category management initiative is designed to lower our total product costs by \$250 million to \$300 million annually by fiscal 2015 and to align our product assortment with current customer demand. We are using market data and customer insights to make changes to our product assortment while building strategic partnerships with our suppliers. We believe there are opportunities to more effectively provide the products that our customers want, commit to greater volumes with our suppliers and create mutual benefits for all parties. We believe that procuring greater quantities with select vendors will result in reduced prices for our product purchases. In fiscal 2013, our product cost reduction and category management initiative was active in reducing SKUs in our inventory and increasing participation in our centralized purchasing initiative. We are in the process of piloting four product categories in our category management initiative and have received encouraging acceptance rates from our customers of our new assortment of products. Our suppliers have engaged in the process and appreciate building strategic partnerships that include customer insights into current trends and product innovations.

Expenses related to the Business Transformation Project were \$ 330.5 million in fiscal 2013 or \$0.36 per share, \$193.1 million in fiscal 2012 or \$0.21 per share and \$102.6 million in fiscal 2011 or \$0.11 per share. The increase in costs in 2013 was largely attributable to deployment costs and software amortization, which began in August 2012. Software amortization totaled \$76.8 million in 2013. The increase in costs in 2012 was due to increased project spending, reduced capitalization of expenditures and expenses due to the ramp up of our shared services center. We anticipate that project expenses for fiscal 2014 will be similar to fiscal 2013. Despite the increase in expense, our cash outlay for our Business Transformation Project, which excludes non-cash software amortization, decreased approximately \$48 million as compared to fiscal 2012.

Our goal for our Business Transformation Project is to generate approximately \$550 million to \$650 million in annual benefits to be achieved by fiscal 2015. In fiscal 2013, we believe we exceeded our goal of realizing approximately 25% of the total benefit. In fiscal 2014, we believe we can obtain approximately 50% to 70% of the total targeted benefit. If we are successful in obtaining these benefits in fiscal 2014, some of the trends in gross profits and operating expenses noted above could be favorably impacted.

Our original goal was to grow our diluted earnings per share to \$2.50 to \$2.75 by fiscal 2015. Despite the success of our Business Transformation Project, our diluted earnings per share has not grown as originally anticipated due to the difficult economic environment and the general operating performance of our underlying business that did not meet our expectations. We no longer believe we will achieve our original goal of producing diluted earnings per share to \$2.50 to \$2.75 by fiscal 2015.

Results of Operations

The following table sets forth the components of our consolidated results of operations expressed as a percentage of sales for the periods indicated:

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Sales	100.0 %	100.0 %	100.0 %
Cost of sales	82.3	81.9	81.2
Gross profit	17.7	18.1	18.8
Operating expenses	14.0	13.6	13.9
Operating income	3.7	4.5	4.9
Interest expense	0.3	0.3	0.3
Other expense (income), net	(0.0)	(0.0)	(0.0)
Earnings before income taxes	3.4	4.2	4.6
Income taxes	1.2	1.6	1.7
Net earnings	<u>2.2 %</u>	<u>2.6 %</u>	<u>2.9 %</u>

The following table sets forth the change in the components of our consolidated results of operations expressed as a percentage increase or decrease over the prior year:

	<u>2013</u>	<u>2012</u>
Sales	4.8 %	7.8 %
Cost of sales	5.3	8.7
Gross profit	2.5	3.8
Operating expenses	7.3	5.9
Operating income	(12.3)	(2.1)
Interest expense	13.3	(4.1)
Other expense (income), net	158.2 ⁽¹⁾	(52.4) ⁽¹⁾
Earnings before income taxes	(13.3)	(2.4)
Income taxes	(16.2)	(1.9)
Net earnings	<u>(11.5)%</u>	<u>(2.6)%</u>
Basic earnings per share	(12.0)%	(2.6)%
Diluted earnings per share	(12.1)	(3.1)
Average shares outstanding	0.3	0.2
Diluted shares outstanding	0.6	0.1

⁽¹⁾ Other expense (income), net was income of \$ 17.5 million in fiscal 2013 , \$ 6.8 million in fiscal 2012 and \$ 14.2 million in fiscal 2011 .

Sales

Sales for fiscal 2013 were 4.8 % higher than fiscal 2012. Sales for fiscal 2013 increased as a result of product cost inflation and the resulting increase in selling prices, sales from acquisitions that occurred within the last 12 months and case volume growth . Our sales growth in fiscal 2013 was greater with our large regional and national customers as compared to sales growth with our independent restaurant customers. We believe our independent sales growth has been negatively influenced by lower consumer sentiment. Case volumes excluding acquisitions within the last 12 months improved 1.3 % in fiscal 2013. Our case volumes represent our results from our Broadline and SYGMA segments only. Sales from acquisitions within the last 12 months favorably impacted sales by 1.5% for fiscal 2013. Our acquisition activity has been greater in fiscal 2013 as compared to fiscal 2012. We estimate the carryover impact into fiscal 2014 will cause sales to increase by approximately 1.0%. We expect to continue the trend of closing acquisitions in fiscal 2014 that will continue to add at least 1.0% in total annualized sales from new acquisitions in fiscal 2014. Changes in product costs, an internal measure of inflation or deflation, were estimated as inflation of 2.2 % during fiscal 2013. Case volumes including acquisitions within the last 12 months improved approximately 2.6 % in fiscal 2013. The changes in the exchange rates used to translate our foreign sales into U.S. dollars did not have a significant impact on sales when compared to fiscal 2012 .

Sales for fiscal 2012 were 7.8 % higher than fiscal 2011. Sales for fiscal 2012 increased as a result of product cost inflation, and the resulting increase in selling prices, along with improving case volumes . Changes in product cost, an internal measure of inflation, were approximately 5.5 % during fiscal 2012 . Case volumes including acquisitions within the last 12 months improved approximately

3.0% during fiscal 2012. Case volumes excluding acquisitions within the last 12 months improved approximately 2.5% during fiscal 2012. Sales from acquisitions in the last 12 months favorably impacted sales by 0.7 % for fiscal 2012 . The changes in the exchange rates used to translate our foreign sales into U.S. dollars did not have a significant impact on sales when compared to fiscal 2011 .

Operating Income

Cost of sales primarily includes our product costs, net of vendor consideration, and includes in-bound freight. Operating expenses include the costs of facilities, product handling, delivery, selling and general and administrative activities. Fuel surcharges are reflected within sales and gross profit; fuel costs are reflected within operating expenses.

Fiscal 2013 vs. Fiscal 2012

The following table sets forth the change in the components of operating income and adjusted operating income expressed as a percentage increase or decrease over the prior year:

	2013	2012	Change in Dollars	% Change
	(In thousands)			
Gross profit	\$ 7,867,591	\$ 7,676,577	\$ 191,014	2.5 %
Operating expenses	6,209,113	5,785,945	423,168	7.3
Operating income	<u>\$ 1,658,478</u>	<u>\$ 1,890,632</u>	<u>\$ (232,154)</u>	<u>(12.3)%</u>
Gross profit	\$ 7,867,591	\$ 7,676,577	\$ 191,014	2.5 %
Adjusted operating expenses (Non-GAAP)	5,783,854	5,556,468	227,386	4.1
Adjusted operating income (Non-GAAP)	<u>\$ 2,083,737</u>	<u>\$ 2,120,109</u>	<u>\$ (36,372)</u>	<u>(1.7)%</u>

The decrease in operating income in fiscal 2013 as compared to fiscal 2012 was primarily driven by increased expenses, including charges related to our Business Transformation Project and increased pay-related expenses.

Gross profit dollars increased in fiscal 2013 as compared to fiscal 2012 primarily due to increased sales. Gross margin, which is gross profit as a percentage of sales, was 17.72% in fiscal 2013, a decline of 3.9 basis points from the gross margin of 18.11% in fiscal 2012. This decline in gross margin was partially the result of increased growth from large regional and national customers. Gross margin from these types of customers is generally lower than other types of customers. As seen in our results during fiscal 2013, if sales from our independent restaurant customers do not grow at the same rate sales from these large regional and national customers, our gross margins may decline. Increased competition resulting from a slow-growth market also contributed to the decline in gross margins.

We estimate that Sysco's product cost inflation was 2.2% during fiscal 2013. Based on our product sales mix for fiscal 2013, we were most impacted by higher levels of inflation in the poultry and meat product categories. While we cannot predict whether inflation will occur, prolonged periods of high inflation, either overall or in certain product categories, can have a negative impact on us and our customers, as high food costs can reduce consumer spending in the food-away-from-home market, and may negatively impact our sales, gross profit and earnings.

Operating expenses for fiscal 2013 increased 7.3%, or \$423.2 million, over fiscal 2012, primarily due to increased expenses from our Business Transformation Project, pay-related expenses, charges related to multiemployer pension plan withdrawals, depreciation and amortization expense and fuel. Adjusted operating expenses increased 4.1%, or \$227.4 million, in fiscal 2013 over fiscal 2012. The increase in adjusted operating expenses was primarily due to increased pay-related expenses, depreciation and amortization expense and fuel.

Expenses related to our Business Transformation Project, inclusive of pay-related and software amortization expense, were \$330.5 million in fiscal 2013 and \$193.1 million in fiscal 2012, representing an increase of \$137.4 million. The increase in fiscal 2013 resulted in part from the initiation of software amortization as the system was placed into service in August 2012. The increase in depreciation and amortization expense related to the Business Transformation Project was \$59.6 million in fiscal 2013 over fiscal 2012. Our project was not in the deployment stage during any period of fiscal 2012; therefore, a greater portion of the costs were capitalized in fiscal 2012. We anticipate that project expenses for fiscal 2014 will be similar to fiscal 2013.

Pay-related expenses, excluding labor costs associated with our Business Transformation Project and retirement-related expenses, increased by \$48.3 million in fiscal 2013 over fiscal 2012. The increase was primarily due to added costs from companies acquired in the last 12 months and increased delivery and warehouse compensation. Delivery and warehouse compensation includes activity-based pay which will increase when our case volumes increase. Additionally, pay rates have been higher particularly in geographies where oil and gas exploration occurs due to labor shortages. These increases were partially offset by reduced sales and information

technology pay-related expenses as a result of some of our Business Transformation initiatives. During fiscal 2013, we streamlined our sales management organization and modified marketing associate compensation plans. We also restructured our information technology department during the mid-point of fiscal 2013, reducing headcount as a result.

Our retirement-related expenses consist primarily of costs from our Retirement Plan, SERP and our defined contribution plan. The net impact in fiscal 2013 of our retirement-related expenses as compared to fiscal 2012 was an increase of \$31.3 million, consisting of \$48.1 million increased costs from the defined contribution plan, a \$20.8 million decrease in our net company-sponsored pension costs and approximately \$4 million for other costs. At the end of fiscal 2012, Sysco decided to freeze future benefit accruals under the Retirement Plan as of December 31, 2012 for all U.S.-based salaried and non-union hourly employees. Effective January 1, 2013, these employees were eligible for additional contributions under an enhanced, defined contribution plan. Absent the Retirement Plan freeze, net company-sponsored pension costs would have increased \$106.9 million in fiscal 2013. During fiscal 2013, we approved a plan to restructure our executive nonqualified retirement program including the SERP and our executive deferred compensation plan. A non-qualified defined contribution plan became effective on January 1, 2013 as a replacement plan and benefits were frozen under the SERP at the end of fiscal 2013. We believe this restructuring more closely aligned our executive plans with our non-executive plans. As a result of this restructuring, we incurred \$21.0 million in charges in fiscal 2013. We expect our retirement-related expenses in fiscal 2014 as compared to fiscal 2013 will decrease in the range of \$75 million to \$85 million primarily from reduced expenses of our Retirement Plan, partially offset by increased defined contribution plan expenses. A greater portion of the decrease will occur in the second half of fiscal 2014 due to operation of our enhanced, defined contribution plan for a one-year period. Excluding the \$21.0 million restructuring charge in fiscal 2013 and the decrease in fiscal 2014 is expected to be \$50 million to \$60 million. Over the long-term, we believe the changes to all of these retirement programs will result in reduced volatility of retirement-related expenses and a reduction in total retirement-related expenses.

Depreciation and amortization expense increased by \$95.6 million in fiscal 2013 over fiscal 2012. The increase related to our Business Transformation Project is described above. The remaining increase of \$36.0 million in fiscal 2013 was primarily related to assets that were not placed in service in fiscal 2012 that were in service in fiscal 2013, primarily from new facilities, property from new acquisitions and expansions.

From time to time, we may voluntarily withdraw from multiemployer pension plans to minimize or limit our future exposure to these plans. In fiscal 2013 and fiscal 2012, we recorded provisions of \$41.9 million and \$21.9 million, respectively, related to multiemployer pension plan withdrawals.

Fuel costs increased by \$18.9 million in fiscal 2013 over fiscal 2012. The increase was primarily due to increased contracted diesel prices and increased gallon usage. Our costs per gallon increased 2.8% in fiscal 2013 over fiscal 2012. Our activities to mitigate fuel costs include reducing miles driven by our trucks through improved routing techniques, improving fleet utilization by adjusting idling time and maximum speeds and using fuel surcharges. We routinely enter into forward purchase commitments for a portion of our projected monthly diesel fuel requirements with a goal of mitigating a portion of the volatility in fuel prices.

Our fuel commitments will result in either additional fuel costs or avoided fuel costs based on the comparison of the prices on the fixed price contracts and market prices for the respective periods. In fiscal 2013, the forward purchase commitments resulted in an estimated \$17.8 million of avoided fuel costs as the fixed price contracts were generally lower than market prices for the contracted volumes. In fiscal 2012, the forward purchase commitments resulted in an estimated \$20.2 million of avoided fuel costs as the fixed price contracts were generally lower than market prices for the contracted volumes.

As of June 29, 2013, we had forward diesel fuel commitments totaling approximately \$204.0 million through August 2014. These contracts will lock in the price of approximately 60% to 65% of our fuel purchase needs for the remainder of the fiscal year at prices slightly lower than the current market price for diesel. Assuming that fuel prices do not rise significantly over recent levels during fiscal 2014, fuel costs, exclusive of any amounts recovered through fuel surcharges, are expected to increase by approximately \$10 to \$20 million as compared to fiscal 2013. Our estimate is based upon current, published quarterly market price projections for diesel, the cost committed to in our forward fuel purchase agreements currently in place for fiscal 2014 and estimates of fuel consumption. Actual fuel costs could vary from our estimates if any of these assumptions change, in particular if future fuel prices vary significantly from our current estimates. We continue to evaluate all opportunities to offset potential increases in fuel expense, including the use of fuel surcharges and overall expense management.

We also measure our expense performance on a cost per case basis. This metric is calculated by taking the total operating expense of our Broadline companies, excluding charges multiemployer pension plans and severance charges, divided by the number of cases sold. We seek to grow our sales and either minimize or reduce our costs on a per case basis. Our fiscal 2013 cost per case decreased by more than \$0.03 per case as compared to fiscal 2012 primarily from reduced pay-related expenses from our sales and information technology areas, partially offset by increased costs from delivery and warehouse pay-related expenses, increased retirement-related expenses and fuel increases. We expect to continue to reduce our Broadline companies cost per case in fiscal 2014 by approximately \$0.05 per case partially from reduced retirement-related expenses.

Fiscal 2012 vs. Fiscal 2011

The following table sets forth the change in the components of operating income and adjusted operating income expressed as a percentage increase or decrease over the prior year:

	<u>2012</u>	<u>2011</u>	<u>Change in Dollars</u>	<u>% Change</u>
	(In thousands)			
Gross profit	\$ 7,676,577	\$ 7,394,712	\$ 281,865	3.8 %
Operating expenses	5,785,945	5,463,210	322,735	5.9
Operating income	<u>\$ 1,890,632</u>	<u>\$ 1,931,502</u>	<u>\$ (40,870)</u>	<u>(2.1)%</u>
Gross profit	\$ 7,676,577	\$ 7,394,712	\$ 281,865	3.8 %
Adjusted operating expenses (Non-GAAP)	<u>5,560,189</u>	<u>5,338,506</u>	<u>221,683</u>	<u>4.2</u>
Adjusted operating income (Non-GAAP)	<u>\$ 2,116,388</u>	<u>\$ 2,056,206</u>	<u>\$ 60,182</u>	<u>2.9 %</u>

The decrease in operating income from fiscal 2012 to fiscal 2011 was primarily driven by declines in gross margin and increased operating expenses partially from increased expenses from payroll and our Business Transformation Project. These expense increases were partially offset by increases in gross profit dollars.

Gross profit dollars increased in fiscal 2012 as compared to fiscal 2011 primarily due to increased sales. Gross margin, which is gross profit as a percentage of sales, was 18.11% in fiscal 2012, a decline of 69 basis points from the gross margin of 18.80% in fiscal 2011. This decline in gross margin was primarily the result of product cost inflation. Other factors contributing to our gross margin decline were competitive pressures on pricing, segment mix changes where certain of our lower margin segments grew faster than our Broadline segment and our own strategy to gain market share.

SySCO's product cost inflation was estimated as inflation of 5.5% during fiscal 2012. Based on our product sales mix for fiscal 2012, we were most impacted by higher levels of inflation in the meat, canned and dry and frozen product categories in the range of 6% to 8%. Our product cost inflation reached a high of 7.3% in the first quarter of fiscal 2012 and a low of 3.3% in the fourth quarter of fiscal 2012. While we are generally able to pass through modest levels of inflation to our customers, we were unable to fully pass through these higher levels of product cost inflation with the same gross margin in these product categories without negatively impacting our customers' business and therefore our business.

Gross profit dollars for fiscal 2012 also increased as a result of higher fuel surcharges. Fuel surcharges were approximately \$47.5 million higher in fiscal 2012 than in fiscal 2011 due to higher fuel prices incurred during fiscal 2012 and the application of fuel surcharges to a broader customer base for the entire fiscal period.

Operating expenses for fiscal 2012 increased 5.9% primarily due to increased pay-related expenses, increased expenses related to our Business Transformation Project, increased fuel costs and an unfavorable year-over-year comparison on the amounts recorded to adjust the carrying value of COLI policies to their cash surrender values as compared to the prior year period. These increases were partially offset by decreases in net company-sponsored pension costs and lower provisions related to multiemployer pension plans. Adjusted operating expenses increased 4.2%, or \$221.7 million, in fiscal 2012 over fiscal 2011.

Pay-related expenses, excluding labor costs associated with our Business Transformation Project, increased by \$153.7 million in fiscal 2012 over fiscal 2011. The increase was primarily due to increased sales and delivery compensation and added costs from companies acquired within the last 12 months. Sales compensation includes commissions which are driven by gross profit dollars and case volumes, and delivery compensation includes activity-based pay which is driven by case volumes. Since these drivers are variable in nature, increased gross profit dollars and case volumes increased sales and delivery compensation. Also contributing to the increase in pay-related expenses was an increase in severance incurred in fiscal 2012 over fiscal 2011 of \$5.7 million.

Expenses related to our Business Transformation Project, inclusive of pay-related expense, were \$193.1 million in fiscal 2012 and \$102.6 million in fiscal 2011, representing an increase of \$90.5 million. The increase in fiscal 2012 resulted from increased project spending, reduced capitalization of expenditures and expenses due to the ramp up of our shared services center.

Fuel costs increased by \$39.8 million in fiscal 2012 over fiscal 2011 primarily due to increased contracted and market diesel prices. Our costs per gallon increased 13.0% in fiscal 2012 over fiscal 2011. Our fuel commitments will result in either additional fuel costs or avoided fuel costs based on the comparison of the prices on the fixed price contracts and market prices for the respective periods. In fiscal 2012, the forward purchase commitments resulted in an estimated \$20.2 million of avoided fuel costs as the fixed price contracts were generally lower than market prices for the contracted volumes. In fiscal 2011, the forward purchase commitments resulted in an estimated \$16.4 million of avoided fuel costs as the fixed price contracts were generally lower than market prices for the contracted volumes.

We adjust the carrying values of our COLI policies to their cash surrender values on an ongoing basis. The cash surrender values of these policies are largely based on the values of underlying investments, which through fiscal 2011 included publicly traded securities. As a result, the cash surrender values of these policies fluctuated with changes in the market value of such securities. The changes in the financial markets resulted in gains for these policies of \$ 28.2 million in fiscal 2011 . Near the end of fiscal 2011, we reallocated all of our policies into low-risk, fixed-income securities to reduce earnings volatility and therefore our adjustments for fiscal 2012 were not significant.

Net company-sponsored pension costs in fiscal 2012 were \$27.3 million lower than in fiscal 2011 . The decrease in fiscal 2012 was due primarily to higher returns on assets of Sysco's Retirement Plan obtained in fiscal 2011.

From time to time, we may voluntarily withdraw from multiemployer pension plans to minimize or limit our future exposure to these plans. In the last two fiscal years, we voluntarily withdrew from several multiemployer plans and recorded provisions of \$ 21.9 million in fiscal 2012 and \$ 41.5 million in fiscal 2011 .

Our fiscal 2012, our Broadline companies cost per case increased approximately \$0.04 per case as compared to fiscal 2011 primarily from increased pay-related expenses and higher fuel costs.

Net Earnings

Net earnings decreased 11.5% in fiscal 2013 from fiscal 2012 due primarily to the changes in operating income discussed above. Adjusted net earnings increased 0.1% in fiscal 2013. The increase in adjusted net earnings in fiscal 2013 was primarily from increased gross profits, partially offset by increases in adjusted operating expenses that were primarily due to increased pay-related expenses, depreciation and amortization expense and fuel.

Net earnings for fiscal 2012 decreased 2.6% over fiscal 2011 . This decrease was primarily due to changes in operating income discussed above . Adjusted net earnings increased 4.6% during fiscal 2012.

The effective tax rate of 35.87% for fiscal 2013 was favorably impacted primarily by two items. First, we recorded a tax benefit of \$ 14.0 million related to changes in estimates for the prior year domestic tax provision. Second, we recorded a tax benefit of \$8.8 million related to disqualifying dispositions of Sysco stock pursuant to share-based compensation arrangements. The effective tax rate was negatively impacted by the recording of \$ 5.7 million in tax and interest related to various federal, foreign and state uncertain tax positions. Indefinitely reinvested earnings taxed at foreign statutory rates less than our domestic tax rate also had the impact of reducing the effective tax rate.

The effective tax rate for fiscal 2012 was 37.13% . Indefinitely reinvested earnings taxed at foreign statutory tax rates less than our domestic tax rate had the impact of reducing the effective tax rate.

The effective tax rate of 36.96% for fiscal 2011 was favorably impacted primarily by two items. First, we recorded a tax benefit of approximately \$17.0 million for the reversal of valuation allowances previously recorded on state net operating loss carryforwards. Second, we adjust the carrying values of our COLI policies to their cash surrender values. The gain of \$28.2 million recorded in fiscal 2011 was primarily non-taxable for income tax purposes, and had the impact of decreasing income tax expense for the period by \$11.1 million. Partially offsetting these favorable impacts was the recording of \$9.3 million in tax and interest related to various federal, foreign and state uncertain tax positions.

Earnings Per Share

Basic earnings per share in fiscal 2013 was \$ 1.68, a 2.0% decrease from the comparable prior year period amount of \$1.91 per share. Diluted earnings per share in fiscal 2013 was \$ 1.67, a 2.1% decrease from the comparable prior year period amount of \$1.90 per share. This decrease was primarily the result of the factors discussed above. Adjusted diluted earnings per share in fiscal 2013 was \$2.14, a decrease of 0.5% from the comparable prior year period amount of \$2.15.

All earnings per share metrics for the fiscal 2013 were partially impacted from greater shares outstanding. Sysco experienced a greater number of stock option exercises in fiscal 2013 as compared to fiscal 2012, which has increased the number of shares outstanding.

Basic and diluted earnings per share in fiscal 2012 were \$ 1.91 and \$1.90, respectively. This represents a 2.6% decrease from the comparable prior year period amount for basic earnings per share of \$1.96 per share and a 3.1% decrease from the comparable prior year period amount for diluted earnings per share of \$1.96. This decrease was primarily the result of the factors discussed above. Adjusted diluted earnings per share was \$2.14 in fiscal 2012 and \$2.05 in fiscal 2011, or an increase of 4.4% .

Non-GAAP Reconciliations

Sysco's results of operations are impacted by costs from the Business Transformation Project (BTP costs), multiemployer pension plans (MEPP), severance, executive retirement plans restructuring, a one-time acquisition related charge and facility closure charges. Management believes that adjusting its operating expenses, operating income, net earnings and diluted earnings per share to remove the impact of these items provides an important perspective with respect to underlying business trends and results and provides meaningful supplemental information to both management and investors that is indicative of the performance of the company's underlying operations and facilitates comparison on a year-over year basis.

Additionally, near the end of fiscal 2011, we reallocated all of our investments in our COLI policies into low-risk, fixed-income securities and therefore we do not expect significant volatility in operating expenses, operating income, net earnings and diluted earnings per share in future periods related to these policies. We experienced significant gains in these policies during fiscal 2011. In addition, we recorded tax benefits in fiscal 2011. As such, the comparison of fiscal 2012 and fiscal 2011 is also adjusted for COLI gains and recognized tax benefits.

The company uses these non-GAAP measures when evaluating its financial results as well as for internal planning and forecasting purposes. These financial measures should not be used as a substitute in assessing the company's results of operations for periods presented. An analysis of any non-GAAP financial measure should be used in conjunction with results presented in accordance with GAAP. As a result, in the tables below, where applicable, each period presented is adjusted to remove costs of the Business Transformation Project, MEPP, severance, executive retirement plan restructuring, a one-time acquisition related charge, facility closure charges, COLI gains and recognized tax benefits.

Set forth below is a reconciliation of actual operating expenses, operating income, net earnings and diluted earnings per share to adjusted results for these measures for fiscal 2013 and fiscal 2012:

	2013	2012	Change in Dollars	% Change
	(In thousands, except for share and per share data)			
Operating expenses (GAAP)	\$ 6,209,113	\$ 5,785,945	\$ 423,168	7.3 %
Impact of BTP costs	(330,544)	(193,126)	(137,418)	71.2
Impact of MEPP charge	(41,876)	(21,899)	(19,977)	91.2
Impact of severance charge	(23,206)	(14,452)	(8,754)	60.6
Impact of restructuring executive retirement plans	(20,990)	-	(20,990)	
Impact of one-time acquisition-related charge	(5,998)	-	(5,998)	
Impact of facility closure charges	(2,645)	-	(2,645)	
Adjusted operating expenses (Non-GAAP)	<u>\$ 5,783,854</u>	<u>\$ 5,556,468</u>	<u>\$ 227,386</u>	<u>4.1 %</u>
Operating Income (GAAP)	\$ 1,658,478	\$ 1,890,632	\$ (232,154)	(12.3)%
Impact of BTP costs	330,544	193,126	137,418	71.2
Impact of MEPP charge	41,876	21,899	19,977	91.2
Impact of severance charge	23,206	14,452	8,754	60.6
Impact of restructuring executive retirement plans	20,990	-	20,990	
Impact of one-time acquisition-related charge	5,998	-	5,998	
Impact of facility closure charges	2,645	-	2,645	
Adjusted operating income (Non-GAAP)	<u>\$ 2,083,737</u>	<u>\$ 2,120,109</u>	<u>\$ (36,372)</u>	<u>(1.7)%</u>
Net earnings (GAAP)	\$ 992,427	\$ 1,121,585	\$ (129,158)	(11.5)%
Impact of BTP costs (net of tax) ⁽¹⁾	211,978	121,418	90,560	74.6
Impact of MEPP charge (net of tax) ⁽¹⁾	26,855	13,768	13,087	95.1
Impact of severance charge (net of tax) ⁽¹⁾	14,882	9,086	5,796	63.8
Impact of restructuring executive retirement plans (net of tax) ⁽¹⁾	13,461	-	13,461	
Impact of one-time acquisition-related charge (no tax impact)	5,998	-	5,998	
Impact of facility closure charge (net of tax) ⁽¹⁾	1,696	-	1,696	
Adjusted net earnings (Non-GAAP)	<u>\$ 1,267,297</u>	<u>\$ 1,265,857</u>	<u>\$ 1,440</u>	<u>0.1 %</u>
Diluted earnings per share (GAAP)	\$ 1.67	\$ 1.90	\$ (0.23)	(12.1)%
Impact of BTP costs (net of tax) ⁽²⁾	0.36	0.21	0.15	71.4
Impact of MEPP charge (net of tax) ⁽²⁾	0.05	0.02	0.03	150.0
Impact of severance charge (net of tax) ⁽²⁾	0.03	0.02	0.01	50.0
Impact of restructuring executive retirement plans (net of tax) ⁽²⁾	0.02	-	0.02	
Impact of one-time acquisition-related charge (no tax impact) ⁽²⁾	0.01	-	0.01	
Impact of facility closure charge (net of tax) ⁽²⁾	-	-	-	
Adjusted diluted earnings per share (Non-GAAP)	<u>\$ 2.14</u>	<u>\$ 2.15</u>	<u>\$ (0.01)</u>	<u>(0.5)%</u>
Diluted shares outstanding	592,675,110	588,991,441		

⁽¹⁾ The aggregate tax impact of adjustments for Business Transformation Project, multiemployer pension plan expenses, severance charges, executive retirement plans restructuring and facility closure charges was \$150.3 million and \$85.2 million for fiscal 2013 and 2012, respectively.

⁽²⁾ Individual components of diluted earnings per share may not sum to the total adjusted diluted earnings due to rounding.

Set forth below is a reconciliation of actual operating expenses, operating income, net earnings and diluted earnings per share to adjusted results for these measures for fiscal 2012 and fiscal 2011:

	2012	2011	Change in Dollars	% Change
(In thousands, except for share and per share data)				
Operating expenses (GAAP)	\$ 5,785,945	\$ 5,463,210	\$ 322,735	5.9 %
Impact of BTP costs	(193,126)	(102,622)	(90,504)	88.2
Impact of MEPP charge	(21,899)	(41,544)	19,645	(47.3)
Impact of severance charge	(14,452)	(8,735)	(5,717)	65.4
Impact of COLI	3,721	28,197	(24,476)	(86.8)
Adjusted operating expenses (Non-GAAP)	<u>\$ 5,560,189</u>	<u>\$ 5,338,506</u>	<u>\$ 221,683</u>	<u>4.2 %</u>
Operating Income (GAAP)	\$ 1,890,632	\$ 1,931,502	\$ (40,870)	(2.1)%
Impact of BTP costs	193,126	102,622	90,504	88.2
Impact of MEPP charge	21,899	41,544	(19,645)	(47.3)
Impact of severance charge	14,452	8,735	5,717	65.4
Impact of COLI	(3,721)	(28,197)	24,476	(86.8)
Adjusted operating income (Non-GAAP)	<u>\$ 2,116,388</u>	<u>\$ 2,056,206</u>	<u>\$ 60,182</u>	<u>2.9 %</u>
Net earnings (GAAP)	\$ 1,121,585	\$ 1,152,030	\$ (30,445)	(2.6)%
Impact of BTP costs (net of tax) ⁽¹⁾	121,418	64,694	56,724	87.7
Impact of MEPP charge (net of tax) ⁽¹⁾	13,768	26,189	(12,421)	(47.4)
Impact of severance charge (net of tax) ⁽¹⁾	9,086	5,506	3,580	65.0
Impact of tax benefits	-	(14,032)	14,032	(100.0)
Impact of COLI	(3,721)	(28,197)	24,476	(86.8)
Adjusted net earnings (Non-GAAP)	<u>\$ 1,262,136</u>	<u>\$ 1,206,190</u>	<u>\$ 55,946</u>	<u>4.6 %</u>
Diluted earnings per share (GAAP)	\$ 1.90	\$ 1.96	\$ (0.06)	(3.1)%
Impact of BTP costs (net of tax) ⁽²⁾	0.21	0.11	0.10	90.9
Impact of MEPP charge (net of tax) ⁽²⁾	0.02	0.04	(0.02)	(50.0)
Impact of severance charge (net of tax) ⁽²⁾	0.02	0.01	0.01	100.0
Impact of tax benefits ⁽²⁾	-	(0.02)	0.02	(100.0)
Impact of COLI ⁽²⁾	(0.01)	(0.05)	0.04	(80.0)
Adjusted diluted earnings per share (Non-GAAP)	<u>\$ 2.14</u>	<u>\$ 2.05</u>	<u>\$ 0.09</u>	<u>4.4 %</u>
Diluted shares outstanding	588,991,441	588,691,546		

⁽¹⁾ The aggregate tax impact of adjustments for Business Transformation Project, multiemployer pension plan expenses and severance charges was \$ 85.2 million and \$ 56.5 million for fiscal 2012 and 2011, respectively.

⁽²⁾ Individual components of diluted earnings per share may not sum to the total adjusted diluted earnings due to rounding.

Segment Results

We have aggregated our operating companies into a number of segments, of which only Broadline and SYGMA are reportable segments as defined in accounting provisions related to disclosures about segments of an enterprise. The accounting policies for the segments are the same as those disclosed by Sysco within the Financial Statements and Supplementary Data within Part II Item 8 of this Form 10-K. Intersegment sales represent specialty produce and imported specialty products distributed by the Broadline and SYGMA operating companies.

Management evaluates the performance of each of our operating segments based on its respective operating income results. Corporate expenses generally include all expenses of the corporate office and Sysco's shared service center. These also include all share-based compensation costs and expenses related to the company's Business Transformation Project. While a segment's operating income may be impacted in the short-term by increases or decreases in gross profits, expenses, or a combination thereof, over the long-term each business segment is expected to increase its operating income at a greater rate than sales growth. This is consistent with our long-term goal of leveraging earnings growth at a greater rate than sales growth.

The following table sets forth the operating income of each of our reportable segments and the other segment expressed as a percentage of each segment's sales for each period reported and should be read in conjunction with Note 21, "Business Segment Information" to the Consolidated Financial Statements in Item 8:

	Operating Income as a Percentage of Sales		
	2013	2012	2011
Broadline	6.6 %	7.0 %	7.3 %
SYGMA	0.9	1.1	1.2
Other	3.6	3.8	4.5

The following table sets forth the change in the selected financial data of each of our reportable segments and the other segment expressed as a percentage increase over the prior year and should be read in conjunction with Note 21, "Business Segment Information" to the Consolidated Financial Statements in Item 8:

	2013		2012	
	Sales	Operating Income	Sales	Operating Income
Broadline	5.0 %	(0.6)%	7.8 %	3.8 %
SYGMA	0.8	(14.7) ⁽¹⁾	7.4	(2.0) ⁽¹⁾
Other	14.4	8.3	7.0	(9.2)

⁽¹⁾ SYGMA had operating income of \$ 52.0 million in fiscal 2013, \$ 61.0 million in fiscal 2012 and \$ 62.2 million in fiscal 2011.

The following table sets forth sales and operating income of each of our reportable segments, the other segment, and intersegment sales, expressed as a percentage of aggregate segment sales, including intersegment sales, and operating income, respectively. For purposes of this statistical table, operating income of our segments excludes corporate expenses of \$ 894.3 million in fiscal 2013, \$ 677.6 million in fiscal 2012 and \$ 558.8 million in fiscal 2011 that are not charged to our segments. This information should be read in conjunction with Note 21, "Business Segment Information" to the Consolidated Financial Statements in Item 8:

	2013		2012		2011	
	Sales	Segment Operating Income	Sales	Segment Operating Income	Sales	Segment Operating Income
Broadline	81.3 %	94.1 %	81.2 %	94.1 %	81.2 %	93.5 %
SYGMA	13.0	2.0	13.5	2.4	13.6	2.5
Other	6.2	3.9	5.7	3.5	5.7	4.0
Intersegment sales	(0.5)	-	(0.4)	-	(0.5)	-
Total	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

The Broadline reportable segment is an aggregation of the company's United States, Canadian, Caribbean and European Broadline segments. Broadline operating companies distribute a full line of food products and a wide variety of non-food products to both traditional and chain restaurant customers, hospitals, schools, hotels, industrial caterers and other venues where foodservice products are served. These companies also provide custom-cut meat operations. Broadline operations have significantly higher operating margins than the rest of Sysco's operations. In fiscal 2013, the Broadline operating results represented approximately 81.3% of Sysco's overall sales and 94.1% of the aggregate operating income of Sysco's segments, which excludes corporate expenses.

There are several factors which contribute to these higher operating results as compared to the SYGMA and Other operating segments. We have invested substantial amounts in assets, operating methods, technology and management expertise in this segment. The breadth of its sales force, geographic reach of its distribution area and its purchasing power allow us to benefit from this segment's earnings.

Sales

Sales were 5.0% greater in fiscal 2013 than fiscal 2012. Sales for fiscal 2013 increased as a result of product cost inflation and the resulting increase in selling prices, sales from acquisitions that occurred within the last 12 months and improving case volumes. Our sales growth in fiscal 2013 has been greater with our large regional and national customers as compared to sales growth with our independent restaurant customers. We believe our independent sales growth has been negatively influenced by lower consumer sentiment. Sales from acquisitions within the last 12 months contributed 1.6% to the overall sales comparison for fiscal 2013. Our acquisition activity has been greater in fiscal 2013 as compared to fiscal 2012. We estimate the carryover impact into fiscal 2014 will cause sales to increase by approximately 1.0%. We expect to continue at the trend of closing acquisitions in fiscal 2014 that will continue to add annualized sales from new acquisitions in fiscal 2014. Changes in product costs, an internal measure of inflation or deflation, were estimated as inflation of 2.3% in fiscal 2013. The changes in the exchange rates used to translate our foreign sales into U.S. dollars did not have a significant impact on sales when compared to fiscal 2012.

Sales for fiscal 2012 were 7.8% greater than fiscal 2011. Product cost inflation and the resulting increase in selling prices, combined with case volume improvement, contributed to the increase in sales in fiscal 2012. Changes in product costs, an internal measure of inflation or deflation, were estimated as inflation of 5.7% in fiscal 2012. Non-comparable acquisitions contributed 0.7% to the overall sales comparison for fiscal 2012. The changes in the exchange rates used to translate our foreign sales into U.S. dollars negatively impacted sales by 0.1% compared to fiscal 2011.

Operating Income

Operating income decreased by 0.6% in fiscal 2013 from fiscal 2012. This decrease was driven by operating expenses increasing more than gross profit dollars.

Gross profit dollars increased in fiscal 2013 primarily due to increased sales; however, gross profit dollars increased at a lower rate than sales. This decline in gross margin was partially the result of increased growth from large regional and national customers. Gross margin from these types of customers is generally lower than from other types of customers. As seen in our results during fiscal 2013, if sales from our independent restaurant customers do not grow at the same rate as sales from these large regional and national customers, our gross margins may decline. Increased competition resulting from a slow-growth market also contributed to the decline in gross margins. Our Broadline segment experienced product cost inflation in fiscal 2013. Based on our product sales mix during fiscal 2013, we were most impacted by higher levels of inflation in the poultry and meat product categories. While we cannot predict whether inflation will occur, prolonged periods of high inflation, either overall or in certain product categories, can have a negative impact on us and our customers, as high food costs can reduce consumer spending in the food-away-from-home market, and may negatively impact our sales, gross profit and earnings.

Operating expenses for the Broadline segment increased in fiscal 2013 as compared to fiscal 2012. The expense increases in fiscal 2013 were driven largely by charges related to multiemployer pension plan withdrawals, pay-related expenses including severance costs, depreciation and amortization expense and fuel. The increase in pay-related expenses was primarily due to increased delivery and warehouse compensation, partially attributable to case growth, and added costs from companies acquired in the last 12 months. Delivery and warehouse compensation includes activity-based pay which will increase when our case volumes increase. Additionally, pay rates have been higher particularly in geographies where oil and gas exploration occurs. These increases were partially offset by reduced sales and information technology pay-related expenses. Our enhanced defined contribution plan became effective January 1, 2013 and contributed to the increase in operating expenses. Depreciation and amortization increased primarily from assets that were not placed in service in fiscal 2012 that were in service in fiscal 2013, primarily from new facilities, property from new acquisitions and expansions. Fuel costs were \$16.7 million higher in fiscal 2013 than in fiscal 2012. Assuming that fuel prices do not rise significantly over recent levels during fiscal 2014, fuel costs exclusive of any amounts recovered through fuel surcharges, are expected to increase by approximately \$5 million to \$15 million as compared to fiscal 2013. Our estimate is based upon current, published quarterly market price projections for diesel, the cost committed to in our forward fuel purchase agreements.

currently in place for fiscal 2014 and estimates of fuel consumption. Actual fuel costs could vary from our estimates if any of these assumptions change, in particular if future fuel prices vary significantly from our current estimates. We continue to evaluate all opportunities to offset potential increases in fuel expense, including the use of fuel surcharges and overall expense management.

From time to time, we may voluntarily withdraw from multiemployer pension plans to minimize or limit our future exposure to these plans. In fiscal 2013 and fiscal 2012, we recorded provisions of \$41.9 million and \$21.9 million, respectively, related to multiemployer pension plan withdrawals.

Our fiscal 2013 cost per case decreased by more than \$0.03 per case as compared to fiscal 2012 primarily from reduced pay-related expenses from our sales and information technology areas, partially offset by increased costs from delivery and warehouse pay-related expenses, increased retirement-related expenses and fuel increases. We expect to continue to reduce our cost per case in fiscal 2014 by approximately \$0.05 per case partially from reduced retirement-related expenses.

Operating income increased by 3.8 % in fiscal 2012 over fiscal 2011. This increase was driven by gross profit dollars increasing more than operating expenses .

Gross profit dollars increased in fiscal 2012 primarily due to increased sales ; however, gross profit dollars increased at a lower rate than sales. This decline in gross margin was primarily the result of product cost inflation and competitive pressures on pricing . Based on Broadline's product sales mix for fiscal 2012 , we were most impacted by higher levels of inflation in the meat, canned and dry and frozen product categories . While we are generally able to pass through modest levels of inflation to our customers, we were unable pass through fully these higher levels of product cost inflation with the same gross margin in these product categories without negatively impacting our customers' business and therefore our business.

In addition, gross profit dollars for fiscal 2012 increased as a result of higher fuel surcharges . Fuel surcharges were approximately \$ 39.1 million higher in fiscal 2012 than the prior year due to the application of fuel surcharges to a broader customer base during fiscal 2012 due to higher fuel prices incurred during these periods .

Operating expenses for the Broadline segment increased in fiscal 2012 as compared to fiscal 2011. The expense increases in fiscal 2012 were driven largely by an increase in pay-related expenses and fuel costs, partially offset by a favorable comparison in the provisions recorded for the withdrawal from multiemployer pension plans in each fiscal year . Sales compensation includes commissions which are driven by gross profit dollars and case volumes, and delivery compensation includes activity-based pay which is driven by case volumes. Since these drivers are variable in nature, increased gross profit dollars and case volumes will increase sales and delivery compensation . Fuel costs were \$26.5 million higher in fiscal 2012 than the prior year.

We recorded provisions related to the withdrawal from multiemployer pension plans of \$ 21.9 million in fiscal 2012 and \$ 41.5 million in fiscal 2011.

In fiscal 2012, our Broadline companies cost per case increased approximately \$0.04 per case as compared to fiscal 2011 primarily from increased pay-related expenses and higher fuel costs.

SYGMA Segment

SYGMA operating companies distribute a full line of food products and a wide variety of non-food products to certain chain restaurant customer locations. SYGMA operations have traditionally had lower operating income as a percentage of sales than Sysco's other segments. This segment of the foodservice industry has generally been characterized by lower overall operating margins as the volume that these customers command allows them to negotiate for reduced margins. These operations service chain restaurants through contractual agreements that are typically structured on a fee per case delivered basis.

Sales

Sales were 0.8% greater in fiscal 2013 than in fiscal 2012. The increase was primarily due to product cost inflation and the resulting increase in selling prices, partially offset by case volume declines. Case volumes were challenged from low levels of growth from existing customers and from lost customers. While SYGMA has experienced some success in replacing lost business with new customers, it has not been enough to significantly overcome the factors noted above. We believe SYGMA's sales growth prospects are better in fiscal 2014 as compared to fiscal 2013.

Sales were 7.4 % greater in fiscal 2012 than in fiscal 2011. The increase in sales was primarily due to product cost inflation and the resulting increase in selling prices . Sales to new customers also contributed to the increase .

One chain restaurant customer (The Wendy's Company) accounted for approximately 25 % of the SYGMA segment sales for the fiscal year ended June 29, 2013 . SYGMA maintains multiple regional contracts with varied expiration dates with this customer. While the loss of this customer would have a material adverse effect on SYGMA, we do not believe that the loss of this customer would have a material adverse effect on Sysco as a whole.

Operating Income

Operating income decreased by 14.7% in fiscal 2013 from fiscal 2012. Gross profit dollars decreased 0.9 % while operating expenses increased 1.2% in fiscal 2013 over fiscal 2012. These gross profit results largely reflect the sluggish sales environment. Operating expenses increased in fiscal 2013 largely due to increased delivery costs including pay-related expenses. Our enhanced defined contribution plan became effective January 1, 2013 and contributed to the increase in pay-related expense.

Operating income decreased \$1.2 million in 2012 from the prior year due to rising operating expenses. Gross profit dollars increased 4.3% while operating expenses increased 5.3% in fiscal 2012 from fiscal 2011. Contributing to the gross profit increase in fiscal 2012 were increased sales and an increase of approximately \$8.3 million in the fuel surcharges charged to customers in fiscal 2012 from prior year due to higher fuel prices in fiscal 2012. The increase in operating expenses for fiscal 2012 was largely driven by increased fuel costs. Fuel costs in fiscal 2012 were \$11.3 million greater than the prior year. Assuming that fuel prices do not significantly rise above recent levels during fiscal 2013, we expect fuel costs and fuel surcharges for our SYGMA segment not to fluctuate significantly as compared to fiscal 2012.

Other Segment

“Other” financial information is attributable to our other operating segments, including our specialty produce and lodging industry products segments, a company that distributes specialty imported products and a company that distributes to international customers. These operating segments are discussed on an aggregate basis as they do not represent reportable segments under segment accounting literature.

On an aggregate basis, our “Other” segment has had a lower operating income as a percentage of sales than Sysco’s Broadline segment. Sysco has acquired the operating companies within these segments in relatively recent years. These operations generally operate in a niche within the foodservice industry except for our lodging industry supply company. Each individual operation is also generally smaller in sales and scope than an average Broadline operation and each of these operating segments is considerably smaller in sales and overall scope than the Broadline segment. In fiscal 2013, in the aggregate, the “Other” segment represented approximately 6.2 % of Sysco’s overall sales and 3.9 % of the aggregate operating income of Sysco’s segments, which excludes corporate expenses.

Operating income increased 8.3% for fiscal 2013 over fiscal 2012. The increase in operating income was primarily driven by earnings from our lodging industry products segment, our specialty import business, that was acquired in the third quarter of fiscal 2012, and our company that distributes to international customers. All businesses in this segment experienced increased operating income which was partially offset by charges in our specialty produce companies which incurred facility closing costs of \$2.6 million in fiscal 2013. An additional item partially offsetting the increase in operating income was an increase in retirement-related expense for these companies. Our enhanced defined contribution plan became effective January 1, 2013 and contributed to increased expense at these companies.

Operating income decreased 9.2% for fiscal 2012 from fiscal 2011. The decrease in operating income was caused partially due to increased expenses in our specialty produce segment.

Liquidity and Capital Resources

Highlights

Comparisons of the cash flows from fiscal 2013 to fiscal 2012:

- Cash flows from operations were \$ 1.5 billion this year compared to \$1.4 billion last year.
- Settlement payments to the Internal Revenue Service (IRS) were zero this year compared to \$212.0 million last year.
- Capital expenditures totaled \$ 511.9 million this year compared to \$784.5 million last year.
- Free cash flow was \$1.0 billion this year compared to \$627.9 million last year (See Non-GAAP reconciliation below under the heading “Free Cash Flow.”)
- Cash flows for acquisition of businesses were \$ 397.4 million this year compared to \$110.6 million last year.
- Net bank borrowings were a net borrowing of \$ 95.5 million this year compared to a net repayment of \$182.0 million last year.
- Proceeds from exercises of share-based compensation awards was \$ 628.7 million this year compared to \$99.4 million last year.
- Treasury stock purchases were \$ 721.6 million this year compared to \$272.3 million last year.
- Dividends paid were \$ 648.3 million this year compared to \$622.9 million last year.

Sources and Uses of Cash

Sysco's strategic objectives include continuous investment in our business; these investments are funded by a combination of cash from operations and access to capital from financial markets. Our operations historically have produced significant cash flow. Cash generated from operations is generally allocated to:

- working capital requirements;
- investments in facilities, systems, fleet, other equipment and technology;
- return of capital to shareholders, including cash dividends and share repurchases;
- acquisitions compatible with our overall growth strategy;
- contributions to our various retirement plans; and
- debt repayments.

Any remaining cash generated from operations may be invested in high-quality, short-term instruments. As a part of our ongoing strategic analysis, we regularly evaluate business opportunities, including potential acquisitions and sales of assets and businesses, and our overall capital structure. Any transactions resulting from these evaluations may materially impact our liquidity, borrowing capacity, leverage ratios and capital availability.

We continue to generate substantial cash flows from operations and remain in a strong financial position, however our liquidity and capital resources can be influenced by economic trends and conditions that impact our results of operations. Uncertain economic conditions and uneven levels of consumer confidence and the resulting pressure on consumer disposable income have lowered our sales growth and impacted our cash flows from operations. Competitive pressures in a low growth environment have also lowered our gross margins which in turn can cause our cash flows from operations to decrease. We believe our mechanisms to manage working capital, such as credit monitoring, optimizing inventory levels and maximizing payment terms with vendors, and our mechanisms to manage the items impacting our gross profits have been sufficient to limit a significant unfavorable impact on our cash flows from operations. We believe these mechanisms will continue prevent a significant unfavorable impact on our cash flows from operations. As of June 29, 2013, we had \$ 412.3 million in cash and cash equivalents, approximately 27 % of which was held by our international subsidiaries generated from our earnings of international operations. If these earnings were transferred among countries or repatriated to the United States, such amounts may be subject to additional tax obligations; however, we do not currently anticipate the need to relocate this cash.

We believe the following sources will be sufficient to meet our anticipated cash requirements for the next twelve months, while maintaining sufficient liquidity for normal operating purposes:

- our cash flows from operations;
- the availability of additional capital under our existing commercial paper programs, supported by our revolving credit facility, and bank lines of credit;
- our ability to access capital from financial markets, including issuances of debt securities, either privately or under our shelf registration statement filed with the Securities and Exchange Commission (SEC).

Due to our strong financial position, we believe that we will continue to be able to effectively access the commercial paper market and long-term capital markets, if necessary. We believe our cash flows from operations will improve over the long-term due to benefits from our Business Transformation Project and initiatives to improve our working capital management.

Cash Flows

Operating Activities

Fiscal 2013 vs. Fiscal 2012

We generated \$ 1.5 billion in cash flow from operations in fiscal 2013, as compared to \$1.4 billion in fiscal 2012. The increase of \$ 107.4 million or 7.6 %, was largely attributable to a favorable comparison year-over-year on the settlement payments made to the IRS, an increase in non-cash depreciation and amortization expense and a favorable comparison for multiemployer and company-sponsored pension expense and contributions. These decreases were partially offset by a reduction in net earnings, the redemption of some of our COLI policies in fiscal 2012 and a reduction in taxes. Changes in working capital, including accounts receivable, inventory and accounts payable, did not have a significant impact on the comparison of cash flow from operations from fiscal 2013 to fiscal 2012. These items are more fully described below.

In fiscal 2012, we paid \$212 million in settlement payments to the IRS. We completed these settlement payments in fiscal 2012, which resulted in a favorable comparison in cash flow from operations related to this item in fiscal 2013. Excluding the IRS settlement payment comparison, the combined impact of changes in deferred taxes and changes in accrued income taxes was a decrease of \$171.5 in cash flow from operations in fiscal 2013 as compared to fiscal 2012. This decrease resulted primarily from

decreased tax expense of \$107.4 million year over year and an increase in non-IRS tax payments of \$59.6 million which were primarily foreign tax payments related to a one-time transaction as well as increased earnings in these jurisdictions.

The increase in non-cash depreciation and amortization expense of \$95.6 million was primarily related to assets that were not in service in fiscal 2012 that were in service in fiscal 2013. These assets include our software related to our Business Transformation Project, which was placed into service in August 2012, as well as various new facilities and expansions. We do not anticipate that our depreciation and amortization expense will increase as much in fiscal 2014.

Multiemployer and company-sponsored pension expense and contributions resulted in a favorable comparison of \$69.9 million in cash flow from operations in fiscal 2013 as compared to fiscal 2012. Provisions for multiemployer pension withdrawals increased \$20.0 million in fiscal 2013 as compared to fiscal 2012, and payments for withdrawals decreased \$1.8 million. Company-sponsored pension contributions decreased \$68.9 million year over year, which was partially offset by a decrease in company-sponsored pension expense of \$20.8 million. We anticipate making a \$40.7 million payment in the first 26 weeks of fiscal 2014 related to a fiscal 2013 multiemployer pension withdrawal.

The comparison of cash flow from operations from fiscal 2013 to fiscal 2012 was negatively impacted by an unfavorable change of \$56.4 million in other assets. This unfavorable change resulted primarily from an increase in cash in the prior year from the redemption of approximately \$75 million of our COLI policies. These COLI policies were maintained to meet a portion of our obligations under the SERP and were replaced by less volatile corporate-owned real estate assets as part of our plan to reduce the market-driven COLI impact on our earnings. There was no similar redemption in fiscal 2013. Other miscellaneous changes in other assets partially offset this decrease year over year.

Fiscal 2012 vs. Fiscal 2011

We generated \$ 1.4 billion in cash flow from operations in fiscal 2012 , as compared to \$ 1.1 billion in fiscal 2011 . The increase of \$ 312.7 million between fiscal 2013 and fiscal 2012 was largely attributable to changes in working capital, a year-over-year reduction in tax payments and the redemption of some of our COLI policies . These increases were partially offset by the year-over-year impact of multiemployer withdrawal provisions and payments . These items are more fully described below.

Changes in working capital , specifically accounts receivable, inventory and accounts payable, contributed \$ 144.3 million to the increase in cash flow from operations in fiscal 2012 as compared to fiscal 2011 . Both periods were affected by increases in accounts receivable and inventory, partially offset by an increase in accounts payable resulting primarily from inflation-driven increases in product costs and sales . However, fiscal 2012 was impacted by these items to a lesser extent due primarily to working capital improvements within accounts receivable and inventory and also less growth in average daily sales in the final month of fiscal 2012 as compared to the same period in fiscal 2011 .

Tax payments were \$135.2 million less in fiscal 2012 than in fiscal 2011. The decrease in tax payments was partially due to the company being in a prepaid position at the end of fiscal 2011 in certain jurisdictions. In addition, various movements in taxable temporary differences caused estimated taxable income to be lower in fiscal 2012, requiring less tax payments in fiscal 2012 than in fiscal 2011. We made our final payments on a previous IRS tax settlement of \$212 million in fiscal 2012.

We received approximately \$75 million in cash from the one-time redemption during the period of some of our investments in COLI policies that we maintained to meet a portion of our obligations under the SERP. This resulted in a positive impact to cash flow from operations in fiscal 2012 by decreasing other assets by \$57.1 million. Those redeemed COLI policies were replaced by less volatile existing corporate-owned real estate assets as part of our plan to reduce the market-driven COLI impact on our earnings.

Multiemployer withdrawal provisions and payments had a negative impact of \$53.3 million on the comparison of cash flow from operations in fiscal 2013 to fiscal 2012. The net impact of withdrawal provisions and payments was a cash outflow of \$11.7 million in fiscal 2012, compared to a \$41.5 million accrual in fiscal 2012.

Investing Activities

Fiscal 2013 capital expenditures included:

- fleet replacements;
- construction of a fold-out facility in southern California;
- replacement or significant expansion of facilities in Atlanta, Georgia; British Columbia, Canada; Boston, Massachusetts and Columbia, South Carolina; and
- investments in technology.

Fiscal 2012 capital expenditures included:

- replacement or significant expansion of facilities in San Diego, California; Boston, Massachusetts; Lincoln, Nebraska; Syracuse, New York and central Texas;
- construction of fold-out facilities in southern California and Long Island, New York;
- the continued remodeling of our shared services facility purchased in fiscal 2010;
- fleet replacements; and
- investments in technology including our Business Transformation Project.

Fiscal 2011 capital expenditures included:

- investments in technology including our Business Transformation Project;
- fleet replacements;
- replacement or significant expansion of facilities in Philadelphia, Pennsylvania and central Texas;
- the purchase of land for a fold-out facility in southern California; and
- the remodeling of our shared services facility purchased in fiscal 2010.

Capital expenditures in fiscal 2013 decreased by \$ 272.6 million from fiscal 2012 primarily due to less investment in technology in fiscal 2013 related to our Business Transformation Project due to the initiation of the project's deployment phase in August 2012. Capital expenditures in fiscal 2012 increased by \$148.1 million over fiscal 2011 primarily due to a greater number of new facilities and expansion projects underway in fiscal 2012 as compared to fiscal 2011. Capital expenditures in fiscal 2013, 2012 and 2011 for our Business Transformation Project were \$20.0 million, \$146.2 million and \$195.8 million, respectively.

We expect total capital expenditures in fiscal 2014 to be in the range of \$550 million to \$600 million. Fiscal 2014 expenditures will include facility, fleet and other equipment replacements and expansions; new facility construction, including fold-out facilities; and investments in technology.

During fiscal 2013, in the aggregate, the company paid cash of \$ 397.4 million for operations acquired during fiscal 2013 and for contingent consideration related to operations acquired in previous fiscal years. During fiscal 2013, we acquired for cash foodservice operations in Nassau, Bahamas; San Francisco, California; San Jose, California; Stockton, California; Ontario, Canada; Quebec, Canada; Orlando, Florida; Dublin, Ireland; St. Cloud, Minnesota; Co. Down, Northern Ireland; Greenville, Ohio and Houston, Texas.

During fiscal 2012, in the aggregate, the company paid cash of \$ 110.6 million for operations acquired during fiscal 2012 and for contingent consideration related to operations acquired in previous fiscal years. During fiscal 2012, we acquired for cash broadline foodservice operations in Sacramento, California; Quebec, Canada; New Haven, Connecticut; Grand Rapids, Michigan; Minneapolis, Minnesota; Columbia, South Carolina and Spokane, Washington. In addition, Sysco acquired for cash a company that distributes specialty imported products headquartered in Chicago, Illinois.

During fiscal 2011, in the aggregate, the company paid cash of \$101.1 million for operations acquired during fiscal 2011 and for contingent consideration related to operations acquired in previous fiscal years. During fiscal 2011, we acquired for cash broadline foodservice operations in central California; Los Angeles, California; Ontario, Canada; Lincoln, Nebraska; and Trenton, New Jersey.

Free Cash Flow

Free cash flow represents net cash provided from operating activities less purchases of plant and equipment plus proceeds from sales of plant and equipment. Sysco considers free cash flow to be a non-GAAP liquidity measure that provides useful information to management and investors about the amount of cash generated by the business after the purchases of buildings, fleet, equipment and technology, which may potentially be used to pay for, among other things, strategic uses of cash including dividend payments, share repurchases and acquisitions. We do not mean to imply that free cash flow is necessarily available for discretionary expenditures, however, as it may be necessary that we use it to make mandatory debt service or other payments. As a result of reduced capital spending and increased cash provided by operating activities, free cash flow for fiscal 2013 increased 61.7%, or \$387.4 million, to \$1.0 billion as compared to fiscal 2012. Increased cash provided by operating activities, partially offset by increased capital spending, resulted in free cash flow for fiscal 2012 increasing 32.4%, or \$153.7 million, to \$627.9 million as compared to fiscal 2011. We expect the growth rate in free cash flow for fiscal 2014 will not be as significant as the growth rate experienced in fiscal 2013.

Free cash flow should not be used as a substitute in assessing the company's liquidity for the periods presented. An analysis of any non-GAAP financial measure should be used in conjunction with results presented in accordance with GAAP. In the tables that follow, free cash flow for each period presented is reconciled to net cash provided by operating activities.

	2013	2012	Change in Dollars	% Change
	(In thousands)			
Net cash provided by operating activities (GAAP)	\$ 1,511,594	\$ 1,404,180	\$ 107,414	7.6 %
Additions to plant and equipment	(511,862)	(784,501)	272,639	34.8
Proceeds from sales of plant and equipment	15,527	8,185	7,342	89.7
Free Cash Flow (Non-GAAP)	<u>\$ 1,015,259</u>	<u>\$ 627,864</u>	<u>\$ 387,395</u>	<u>61.7 %</u>

	2012	2011	Change in Dollars	% Change
	(In thousands)			
Net cash provided by operating activities (GAAP)	\$ 1,404,180	\$ 1,091,518	\$ 312,662	28.6 %
Additions to plant and equipment	(784,501)	(636,442)	(148,059)	(23.3)
Proceeds from sales of plant and equipment	8,185	19,069	(10,884)	(57.1)
Free Cash Flow (Non-GAAP)	<u>\$ 627,864</u>	<u>\$ 474,145</u>	<u>\$ 153,719</u>	<u>32.4 %</u>

Financing Activities

Equity Transactions

Proceeds from exercises of share-based compensation awards were \$ 628.7 million in fiscal 2013 , \$ 99.4 million in fiscal 2012 and \$ 332.7 million in fiscal 2011. The higher level of proceeds in fiscal 2013 and fiscal 2011 was due to an increase in the number of options exercised in these years, as compared to fiscal 2012. The level of option exercises, and thus proceeds, will vary from period to period and is largely dependent on movements in our stock price.

We traditionally have engaged in Board-approved share repurchase programs. The number of shares acquired and their cost during the past three fiscal years were 21,672,403 shares for \$ 721.6 million in fiscal 2013 , 10,000,000 shares for \$ 272.3 million in fiscal 2012 and 10,000,000 shares for \$ 291.6 million in fiscal 2011 . There were 275,000 additional shares repurchased through August 14, 2013, resulting in a remaining authorization by our Board of Directors to repurchase up to 1,214,197 shares, based on the trades made through that date. Our share repurchase strategy is to purchase enough shares to keep our average shares outstanding relatively constant over time . Due to a high level of stock option exercises in fiscal 2013, more shares were repurchased to meet this strategy. The number of shares we repurchase in fiscal 2014 will be dependent on the level of stock option exercises; however, we believe that share repurchases will be significantly less than the amount repurchased in fiscal 2013 because fewer options are now available for exercise than in fiscal 2013.

We have made dividend payments to our shareholders in each fiscal year since our company inception over 40 years ago. We target a dividend payout of 40% to 50% of net earnings. We paid in excess of that range in fiscal 2013 and fiscal 2012 primarily due to increased expenses from our Business Transformation Project. We believe as we realize benefits from this project, our dividend payout will return to this targeted range. Dividends paid were \$ 648.3 million, or \$ 1.10 per share, in fiscal 2013 , \$ 622.9 million, or \$ 1.06 per share, in fiscal 2012 and \$ 597.1 million, or \$ 1.02 per share, in fiscal 2011 . In May 2013 , we declared our regular quarterly dividend for the first quarter of fiscal 2014 of \$0.28 per share, which was paid in July 2013 .

In November 2000, we filed with the SEC a shelf registration statement covering 30,000,000 shares of common stock to be offered from time to time in connection with acquisitions. As of August 14, 2013 , 29,477,835 shares remained available for issuance under this registration statement.

Debt Activity and Borrowing Availability

Short-term Borrowings

We have uncommitted bank lines of credit, which provided for unsecured borrowings for working capital of up to \$95.0 million, of which none was outstanding as of June 29, 2013. Outstanding borrowings under this facility were \$4.0 million as of August 14, 2013 .

In September 2012, the company's Irish subsidiary, Pallas Foods, entered into a €75.0 million (Euro) multicurrency revolving credit facility, which will be utilized for capital needs for the company's European subsidiaries. This facility replaces the subsidiary's

previous €10.0 million (Euro) committed facility for unsecured borrowings. The new facility provides for unsecured borrowings and expires September 25, 2013, but is subject to extension. Outstanding borrowings under this facility were €32.0 million (Euro) as of June 29, 2013, located within Notes payable on the consolidated balance sheet. Outstanding borrowings under this facility were €32.0 million (Euro) as of August 14, 2013.

On June 30, 2011, a Canadian subsidiary of Sysco entered into a short-term demand loan facility for the purpose of facilitating a distribution from the Canadian subsidiary to Sysco, and Sysco concurrently entered into an agreement with the bank to guarantee the loan. The amount borrowed was \$182.0 million and was repaid in full on July 4, 2011.

Commercial Paper and Revolving Credit Facility

We have a Board-approved commercial paper program allowing us to issue short-term unsecured notes in an aggregate amount not to exceed \$ 1.3 billion.

In December 2011, we terminated our previously existing revolving credit facility that supported the company's U.S. and Canadian commercial paper programs. At the same time, Sysco and one of its subsidiaries, Sysco International, ULC, entered into a new \$1.0 billion credit facility supporting the company's U.S. and Canadian commercial paper programs. This facility provides for borrowings in both U.S. and Canadian dollars. Borrowings by Sysco International, ULC under the credit agreement are guaranteed by Sysco, and borrowings by Sysco and Sysco International, ULC under the credit agreement are guaranteed by all the wholly-owned subsidiaries of Sysco that are guarantors of the company's senior notes and debentures. The original facility in the amount of \$1.0 billion expires on December 29, 2016. In December 2012, a portion of the facility was extended for an additional year. This extended facility, which expires on December 29, 2017, is for \$925.0 million of the original \$1.0 billion facility, but is subject to further extension.

As of June 29, 2013, commercial paper issuances outstanding were \$95.5 million. As of August 14, 2013, commercial paper issuances outstanding were \$76.0 million. During fiscal 2013, 2012 and 2011, aggregate outstanding commercial paper issuances and short-term bank borrowings ranged from approximately zero to \$ 330.0 million, zero to \$ 563.1 million, and zero to \$ 330.3 million, respectively. During fiscal 2013, 2012 and 2011, our aggregate commercial paper issuances and short-term bank borrowings had a weighted average interest rate of 0.16 %, 0.16 % and 0.25 %, respectively.

Fixed Rate Debt

Included in current maturities of long-term debt as of June 29, 2013 are the 4.6% senior notes totaling \$200.0 million, which mature in March 2014. It is our intention to fund the repayment of these notes at maturity through cash on hand, cash flow from operations, issuances of commercial paper, senior notes or a combination thereof.

In February 2012, we filed with the SEC an automatically effective well-known seasoned issuer shelf registration statement for the issuance of an indeterminate amount of common stock, preferred stock, debt securities and guarantees of debt securities that may be issued from time to time.

In June 2012, we repaid the 6.1% senior notes totaling \$200.0 million at maturity utilizing a combination of cash flow from operations and commercial paper issuances.

In May 2012, we entered into an agreement with a notional amount of \$200.0 million to lock in a component of the interest rate on our then forecasted debt offering. We designated this derivative as a cash flow hedge of the variability in the cash outflows of interest payments on a portion of the then forecasted June 2012 debt issuance due to changes in the benchmark interest rate. In June 2012, in conjunction with the issuance of the \$450.0 million senior notes maturing in fiscal 2022, we settled the treasury lock, locking in the effective yields on the related debt. Upon settlement, we received cash of \$0.7 million, which represented the fair value of the swap agreement at the time of settlement. This amount is being amortized as an offset to interest expense over the 10-year term of the debt, and the unamortized balance is reflected as a gain, net of tax, Accumulated other comprehensive loss.

In June 2012, we issued 0.55 % senior notes totaling \$ 300.0 million due June 12, 2015 (the 2015 notes) and 2.6 % senior notes totaling \$ 450.0 million due June 12, 2022 (the 2022 notes) under its February 2012 shelf registration. The 2015 and 2022 notes, which were priced at 99.319 % and 98.722 % of par, respectively, are unsecured, are not subject to any sinking fund requirement and include a redemption provision which allows Sysco to retire the notes at any time prior to maturity at the greater of par plus accrued interest or an amount designed to ensure that the note holders are not penalized by early redemption. Proceeds from the notes will be utilized over a period of time for general corporate purposes, which may include acquisitions, refinancing of debt, working capital, share repurchases and capital expenditures.

In February 2013, we repaid the 4.2% senior notes totaling \$250.0 million at maturity utilizing a combination of cash flow from operations and cash on hand.

In August 2013, we entered into an interest rate swap agreement that effectively converted \$500 million of fixed rate debt maturing in fiscal 2018 to floating rate debt. This transaction was entered into with the goal of reducing overall borrowing cost and was designated as a fair value hedge against the changes in fair value of fixed rate debt resulting from changes in interest rates.

Total Debt

Total debt as of June 29, 2013 was \$ 3.0 billion of which approximately 88 % was at fixed rates with a weighted average of 4.7 % and an average life of 13 years, and the remainder was at floating rates with a weighted average of 1.4 % and an average life of one year. Certain loan agreements contain typical debt covenants to protect note holders, including provisions to maintain the company's long-term debt to total capital ratio below a specified level. We are currently in compliance with all debt covenants.

Other

As part of normal business activities, we issue letters of credit through major banking institutions as required by certain vendor and insurance agreements. In addition, in connection with our audits in certain tax jurisdictions, we have posted letters of credit in order to proceed to the appeals process. As of June 29, 2013, letters of credit outstanding were \$ 42.2 million.

Other Considerations - Multiemployer Pension Plans

As discussed in Note 14, "Multiemployer Employee Benefit Plans", to the Consolidated Financial Statements in Item 8, we contribute to several multiemployer defined benefit pension plans based on obligations arising under collective bargaining agreements covering union-represented employees.

Under certain circumstances, including our voluntary withdrawal or a mass withdrawal of all contributing employers from certain underfunded plans, we would be required to make payments to the plans for our proportionate share of the multiemployer plan's unfunded vested liabilities. We believe that one of the above-mentioned events is reasonably possible with certain plans in which we participate and estimate our share of withdrawal liability for these plans could have been as much as \$80.0 million as of June 29, 2013 and as much as \$90.0 million as of August 14, 2013, based on the latest available information available as of each date. This estimate excludes plans for which we have recorded withdrawal liabilities or where the likelihood of the above-mentioned events is deemed remote. Due to the lack of current information, we believe our current share of the withdrawal liability could materially differ from this estimate.

Required contributions to multiemployer plans could increase in the future as these plans strive to improve their funding levels. In addition, pension-related legislation in the United States requires underfunded pension plans to improve their funding ratios within prescribed intervals based on the level of their underfunding. We believe that any unforeseen requirements to pay such increased contributions, withdrawal liability and excise taxes would be funded through cash flow from operations, borrowing capacity or a combination of these items.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements.

Contractual Obligations

The following table sets forth, as of June 29, 2013, certain information concerning our obligations and commitments to make contractual future payments:

	Payments Due by Period				
	Total	< 1 Year	1-3 Years	3-5 Years	More Than 5 Years
	(In thousands)				
Recorded Contractual Obligations:					
Revolving credit facility borrowings	\$ 41,632	\$ 41,632	\$ -	\$ -	\$ -
Commercial paper	95,500	95,500	-	-	-
Long-term debt	2,715,408	202,730	299,615	498,534	1,714,529
Capital lease obligations	36,379	4,571	7,518	4,139	20,151
Deferred compensation ⁽¹⁾	82,081	8,522	14,079	9,926	49,554
SERP and other postretirement plans ⁽²⁾	295,354	26,185	55,120	59,267	154,782
Multiemployer pension plans ⁽³⁾	40,744	40,744	-	-	-
Unrecognized tax benefits and interest ⁽⁴⁾	145,099	17,393			
Unrecorded Contractual Obligations:					
Interest payments related to debt ⁽⁵⁾	1,637,553	119,623	227,714	226,063	1,064,153
Retirement plan ⁽⁶⁾	160,249	-	6,926	119,758	33,565
Long-term non-capitalized leases	162,393	41,371	59,147	29,126	32,749
Purchase obligations ⁽⁷⁾	3,475,007	2,411,469	890,982	172,539	17
Total contractual cash obligations	\$ 8,750,267	\$ 2,872,608	\$ 1,561,101	\$ 1,119,352	\$ 3,069,500

⁽¹⁾ The estimate of the timing of future payments under the Executive Deferred Compensation Plan involves the use of certain assumptions, including retirement ages and payout periods.

⁽²⁾ Includes estimated contributions to the unfunded SERP and other postretirement benefit plans made in amounts needed to fund benefit payments for vested participants in these plans through fiscal 2023, based on actuarial assumptions.

⁽³⁾ Represents voluntary withdrawal liabilities recorded and excludes normal contributions required under our collective bargaining agreements.

⁽⁴⁾ Unrecognized tax benefits relate to uncertain tax positions recorded under accounting standards related to uncertain tax positions. As of June 29, 2013, we had a liability of \$ 108.3 million for unrecognized tax benefits for all tax jurisdictions and \$ 36.8 million for related interest that could result in cash payment. We are not able to reasonably estimate the timing of non-current payments or the amount by which the liability will increase or decrease over time. Accordingly, the related non-current balances have not been reflected in the "Payments Due by Period" section of the table.

⁽⁵⁾ Includes payments on floating rate debt based on rates as of June 29, 2013, assuming amount remains unchanged until maturity, and payments on fixed rate debt based on maturity dates. The impact of our outstanding fixed-to-floating interest rate swap on the fixed rate debt interest payments is included as well based on the floating rates in effect as of June 29, 2013.

⁽⁶⁾ Provides the estimated minimum contribution to the Retirement Plan through fiscal 2023 to meet ERISA minimum funding requirements under the assumption that we only make minimum funding requirement contributions each year, based on actuarial assumptions.

⁽⁷⁾ For purposes of this table, purchase obligations include agreements for purchases of product in the normal course of business, for which all significant terms have been confirmed, including minimum quantities resulting from our sourcing initiative. Such amounts included in the table above are based on estimates. Purchase obligations also includes amounts committed with various third party service providers to provide information technology services for period up to fiscal 2016 (See discussion under Note 20, "Commitments and Contingencies", to the Notes to Consolidated Financial Statements in Item 8), fixed electricity agreements and fixed fuel purchase commitments. Purchase obligations exclude full requirements electricity contracts where no stated minimum purchase volume is required.

Certain acquisitions involve contingent consideration, typically payable only in the event that certain operating results are attained or certain outstanding contingencies are resolved. Aggregate contingent consideration amounts outstanding as of June 29, 2013 were \$ 108.0 million. This amount is not included in the table above.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, sales and expenses in the accompanying financial statements. Significant accounting policies employed by Sysco are presented in the notes to the financial statements.

Critical accounting policies and estimates are those that are most important to the portrayal of our financial condition and results of operations. These policies require our most subjective or complex judgments, often employing the use of estimates about the effect of matters that are inherently uncertain. We have reviewed with the Audit Committee of the Board of Directors the development and selection of the critical accounting policies and estimates and this related disclosure. Our most critical accounting policies and estimates pertain to the allowance for doubtful accounts receivable, self-insurance programs, company-sponsored pension plans, income taxes, vendor consideration, goodwill and intangible assets and share-based compensation.

Allowance for Doubtful Accounts

We evaluate the collectability of accounts receivable and determine the appropriate reserve for doubtful accounts based on a combination of factors. We utilize specific criteria to determine uncollectible receivables to be written off, including whether a customer has filed for or has been placed in bankruptcy, has had accounts referred to outside parties for collection or has had accounts past due over specified periods. Allowances are recorded for all other receivables based on analysis of historical trends of write-offs and recoveries. In addition, in circumstances where we are aware of a specific customer's inability to meet its financial obligation, a specific allowance for doubtful accounts is recorded to reduce the receivable to the net amount reasonably expected to be collected. Our judgment is required as to the impact of certain of these items and other factors as to ultimate realization of our accounts receivable. If the financial condition of our customers were to deteriorate, additional allowances may be required.

Self-Insurance Program

We maintain a self-insurance program covering portions of workers' compensation, general liability and vehicle liability costs. The amounts in excess of the self-insured levels are fully insured by third party insurers. We also maintain a fully self-insured group medical program. Liabilities associated with these risks are estimated in part by considering historical claims experience, medical cost trends, demographic factors, severity factors and other actuarial assumptions. Projections of future loss expenses are inherently uncertain because of the random nature of insurance claims occurrences and could be significantly affected if future occurrences and claims differ from these assumptions and historical trends. In an attempt to mitigate the risks of workers' compensation, vehicle and general liability claims, safety procedures and awareness programs have been implemented.

Company-Sponsored Pension Plans

Amounts related to defined benefit plans recognized in the financial statements are determined on an actuarial basis. Two of the more critical assumptions in the actuarial calculations are the discount rate for determining the current value of plan benefits and the expected rate of return on plan assets. Our Retirement Plan was frozen in fiscal 2013 and is only open to a small number of employees. Our SERP was frozen in fiscal 2013. Due to these plan freezes, our assumption for the rate of increase in future compensation is no longer a critical assumption.

For guidance in determining the discount rates, we calculate the implied rate of return on a hypothetical portfolio of high-quality fixed-income investments for which the timing and amount of cash outflows approximates the estimated payouts of the pension plan. The discount rate assumption is reviewed annually and revised as deemed appropriate. The discount rate for determining fiscal 2013 net pension costs for the Retirement Plan, which was determined as of the June 30, 2012 measurement date, decreased 113 basis points to 4.81 %. The discount rate for determining fiscal 2013 net pension costs for the SERP, which was determined as of the June 30, 2012 measurement date, decreased 104 basis points to 4.89 %. The SERP was remeasured during fiscal 2013 upon approval to freeze the plan. The remeasured discount rate was 3.96%. The combined effect of these discount rate changes increased our net company-sponsored pension costs for all plans for fiscal 2013 by an estimated \$ 87.7 million. The discount rate for determining fiscal 2014 net pension costs for the Retirement Plan, which was determined as of the June 29, 2013 measurement date, increased 51 basis points to 5.32 %. The discount rate for determining fiscal 2014 net pension costs for the SERP, which was determined as of the June 29, 2013 measurement date, increased 98 basis points to 4.94 %, as compared to the discount rate upon the remeasurement of the plan during fiscal 2013. The combined effect of these discount rate changes will decrease our net company-sponsored pension costs for all plans for fiscal 2014 by an estimated \$ 5.0 million. A 100 basis point increase (or decrease) in the discount rates for fiscal 2014 would decrease (or increase) Sysco's net company-sponsored pension cost by \$10.1 million. Now that Sysco's pension plans are frozen, net company-sponsored pension cost is not as sensitive to discount rate changes as compared to when these plans were active.

The expected long-term rate of return on plan assets of the Retirement Plan was 7.75 % for fiscal 2013 and fiscal 2012. The expectations of future returns are derived from a mathematical asset model that incorporates assumptions as to the various asset class returns, reflecting a combination of historical performance analysis and the forward-looking views of the financial markets regarding the yield on bonds, historical returns of the major stock markets and returns on alternative investments. Although not determinative of future returns, the effective annual rate of return on plan assets, developed using geometric/compound averaging, was approximately

7.4 %, 7.4 %, 2.8 %, and 15.4%, over the 20-year, 10-year, 5-year and 1-year periods ended December 31, 2012, respectively. In addition, in eight of the last 15 years, the actual return on plan assets has exceeded 10%. The rate of return assumption is reviewed annually and revised as deemed appropriate.

The expected return on plan assets impacts the recorded amount of net pension costs. The expected long-term rate of return on plan assets of the Retirement Plan is 7.75% for fiscal 2014. A 100 basis point increase (decrease) in the assumed rate of return for fiscal 2014 would decrease (increase) Sysco's net company-sponsored pension costs for fiscal 2014 by approximately \$ 24.9 million.

Pension accounting standards require the recognition of the funded status of our defined benefit plans in the statement of financial position, with a corresponding adjustment to accumulated other comprehensive income, net of tax. The amount reflected in accumulated other comprehensive loss related to the recognition of the funded status of our defined benefit plans as of June 29, 2013 was a charge, net of tax, of \$ 575.2 million. The amount reflected in accumulated other comprehensive loss related to the recognition of the funded status of our defined benefit plans as of June 30, 2012 was a charge, net of tax, of \$ 823.9 million.

We made cash contributions to our company-sponsored pension plans of \$ 93.6 million and \$ 162.4 million in fiscal years 2013 and 2012, respectively. The \$70.0 million contribution to the Retirement Plan in fiscal 2013 was voluntary, as there was no minimum required contribution for the calendar 2012 plan year to meet ERISA minimum funding requirements. The \$140.0 million contribution to the Retirement Plan in fiscal 2012 exceeded the minimum required contribution for the calendar 2011 plan year to meet ERISA minimum funding requirements. There are no required contributions to the Retirement Plan to meet ERISA minimum funding requirements in fiscal 2014. The estimated fiscal 2014 contributions to fund benefit payments for the SERP plan are approximately \$ 26 million.

Income Taxes

The determination of our provision for income taxes requires significant judgment, the use of estimates and the interpretation and application of complex tax laws. Our provision for income taxes primarily reflects a combination of income earned and taxed in the various U.S. federal and state, as well as foreign jurisdictions. Jurisdictional tax law changes, increases or decreases in permanent differences between book and tax items, accruals or adjustments of accruals for unrecognized tax benefits or valuation allowances, and our change in the mix of earnings from these taxing jurisdictions all affect the overall effective tax rate.

Our liability for unrecognized tax benefits contains uncertainties because management is required to make assumptions and to apply judgment to estimate the exposures associated with our various filing positions. We believe that the judgments and estimates discussed herein are reasonable; however, actual results could differ, and we may be exposed to losses or gains that could be material. To the extent we prevail in matters for which a liability has been established, or pay amounts in excess of recorded liabilities, our effective income tax rate in a given financial statement period could be materially affected. An unfavorable tax settlement generally would require use of our cash and may result in an increase in our effective income tax rate in the period of resolution. A favorable tax settlement may be recognized as a reduction in our effective income tax rate in the period of resolution.

Vendor Consideration

We recognize consideration received from vendors when the services performed in connection with the monies received are completed and when the related product has been sold by Sysco. There are several types of cash consideration received from vendors. In many instances, the vendor consideration is in the form of a specified amount per case or per pound. In these instances, we will recognize the vendor consideration as a reduction of cost of sales when the product is sold. In some instances, vendor consideration is received upon receipt of inventory in our distribution facilities. We estimate the amount needed to reduce our inventory based on inventory turns until the product is sold. Our inventory turnover is usually less than one month; therefore, amounts deferred against inventory do not require long-term estimation. In the situations where the vendor consideration is not related directly to specific product purchases, we will recognize these as a reduction of cost of sales when the earnings process is complete, the related service is performed and the amounts realized. Historically, adjustments to our estimates related to vendor consideration have not been significant.

Goodwill and Intangible Assets

Goodwill and intangible assets represent the excess of consideration paid over the fair value of tangible net assets acquired. Certain assumptions and estimates are employed in determining the fair value of assets acquired, including goodwill and other intangible assets, as well as determining the allocation of goodwill to the appropriate reporting unit.

In addition, annually in our fourth quarter or more frequently as needed, we assess the recoverability of goodwill and indefinite-lived intangibles by determining whether the fair values of the applicable reporting units exceed the carrying values of these assets. The reporting units used in assessing goodwill impairment are our ten operating segments as described in Note 21, "Business Segment Information," to the Consolidated Financial Statements in Item 8. The components within each of our ten operating segments have similar economic characteristics and therefore are aggregated into ten reporting units.

We arrive at our estimates of fair value using a combination of discounted cash flow and earnings multiple models. The results from each of these models are then weighted and combined into a single estimate of fair value for each of our ten operating segments. We use a 60 % weighting for our discounted cash flow valuation and 40 % for the earnings multiple models giving greater emphasis to our discounted cash flow model because the forecasted operating results that serve as a basis for the analysis incorporate management's outlook and anticipated changes for the businesses consistent with a market participant. The primary assumptions used in these various models include estimated earnings multiples of comparable acquisitions in the industry including control premiums, earnings multiples on acquisitions completed by Sysco in the past, future cash flow estimates of the reporting units, which are dependent on internal forecasts and projected growth rates, and weighted average cost of capital, along with working capital and capital expenditure requirements. When possible, we use observable market inputs in our models to arrive at the fair values of our reporting units. We update our projections used in our discounted cash flow model based on historical performance and changing business conditions for each of our reporting units.

Our estimates of fair value contain uncertainties requiring management to make assumptions and to apply judgment to estimate industry economic factors and the profitability of future business strategies. Actual results could differ from these assumptions and projections, resulting in the company revising its assumptions and, if required, recognizing an impairment loss. There were no impairments of goodwill or indefinite-lived intangibles recorded as a result of assessment in fiscal 2013, 2012 or 2011. Our past estimates of fair value for fiscal 2012 and 2011 have not been materially different when revised to include subsequent years' actual results. Sysco has not made any material changes in its impairment assessment methodology during the past three fiscal years. We do not believe the estimates used in the analysis are reasonably likely to change materially in the future but we will continue to assess the estimates in the future based on the expectations of the reporting units. In the fiscal 2013 analysis our estimates of fair value did not require additional analysis; however, we would have performed additional analysis to determine if an impairment existed for the following reporting units if our estimates of fair value were decreased by the following amounts. First, our specialty produce operations would have required additional analysis if the estimated fair value had been 30 % lower. Second, our European Broadline company would have required additional analysis if the estimated fair value had been 37 % lower. As of June 29, 2013, these two reporting units had goodwill aggregating \$ 381.0 million. For the remainder of our reporting units, which as of June 29, 2013 had goodwill aggregating \$ 1.5 billion, we would have performed additional analysis to determine if an impairment existed for a reporting unit if the estimated fair value for any of these reporting units had declined by greater than 48 %.

Certain reporting units (Caribbean Broadline, European Broadline, specialty produce, custom-cut meat, lodging industry products, imported specialty products and international distribution operations) have a greater proportion of goodwill recorded to estimated fair value as compared to the United States Broadline, Canadian Broadline or SYGMA reporting units. This is primarily due to these businesses having been more recently acquired, and as a result there has been less history of organic growth than in the United States Broadline, Canadian Broadline and SYGMA reporting units. In addition, these businesses also have lower levels of cash flow than the United States Broadline reporting unit. As such, these reporting units have a greater risk of future impairment if their operations were to suffer a significant downturn.

Share-Based Compensation

We provide compensation benefits to employees and non-employee directors under several share-based payment arrangements including various employee stock incentive plans, the Employees' Stock Purchase Plan, the Management Incentive Plan and various non-employee director plans.

As of June 29, 2013, there was \$ 69.4 million of total unrecognized compensation cost related to share-based compensation arrangements. That cost is expected to be recognized over a weighted-average period of 2.41 years.

The fair value of each option award is estimated on the date of grant using a Black-Scholes option pricing model. Expected volatility is based on historical volatility of Sysco's stock, implied volatilities from traded options on Sysco's stock and other factors. We utilize historical data to estimate option exercise and employee termination behavior within the valuation model; separate groups of employees that have similar historical exercise behavior are considered separately for valuation purposes. Expected dividend yield is estimated based on the historical pattern of dividends and the average stock price for the year preceding the option grant. The risk-free rate for the expected term of the option is based on the U.S. Treasury yield curve in effect at the time of grant.

The fair value of each restricted stock unit award granted with a dividend equivalent is based on the company's stock price as of the date of grant. For restricted stock units granted without dividend equivalents, the fair value is reduced by the present value of expected dividends during the vesting period.

The fair value of the stock issued under the Employee Stock Purchase Plan is calculated as the difference between the stock price and the employee purchase price.

The fair value of restricted stock granted to employees is based on the stock price on grant date. The application of a discount to the fair value of a restricted stock grant is dependent upon whether or not each individual grant contains a post-vesting restriction.

The compensation cost related to these share-based awards is recognized over the requisite service period. The requisite service period is generally the period during which an employee is required to provide service in exchange for the award. The compensation cost related to stock issuances resulting from employee purchases of stock under the Employees' Stock Purchase Plan is recognized during the quarter in which the employee payroll withholdings are made.

Our share-based awards are generally subject to graded vesting over a service period. We will recognize compensation cost on a straight-line basis over the requisite service period for the entire award.

In addition, certain of our share-based awards provide that the awards continue to vest as if the award holder continued to be an employee or director if the award holder meets certain age and years of service thresholds upon retirement. In these cases, we will recognize compensation cost for such awards over the period from the grant date to the date the employee or director first becomes eligible to retire with the options continuing to vest after retirement.

Our option grants include options that qualify as incentive stock options for income tax purposes. In the period the compensation cost related to incentive stock options is recorded, a corresponding tax benefit is not recorded as it is assumed that we will not receive a tax deduction related to such incentive stock options. We may be eligible for tax deductions in subsequent periods to the extent that there is a disqualifying disposition of the incentive stock option. In such cases, we would record a tax benefit related to the tax deduction in an amount not to exceed the corresponding cumulative compensation cost recorded in the financial statements on the particular options multiplied by the statutory tax rate.

Forward-Looking Statements

Certain statements made herein that look forward in time or express management's expectations or beliefs with respect to the occurrence of future events are forward-looking statements under the Private Securities Litigation Reform Act of 1995. They include statements about Sysco's ability to increase its sales and market share and grow earnings, expectations regarding pricing and margin pressure, cost per case reductions and sales case growth, the continuing impact of economic conditions on consumer confidence and our business, sales and expense trends, including without limitation, expectations regarding defined contribution plan costs and pension costs, anticipated multiemployer pension related liabilities and contributions to various multiemployer pension plans, expectations regarding potential payments of unrecognized tax benefits and interest, expectations regarding share repurchases, dividend payments, expected trends in fuel pricing, usage costs and surcharges, our expectation regarding the provision for losses on accounts receivable, expected implementation, costs and benefits of the ERP system, estimated expenses and capital expenditures related to our Business Transformation Project, beliefs regarding future ERP conversions at our operating companies, expectations regarding our other Business Transformation initiatives including cost transformation and product cost reduction and category management initiatives, beliefs regarding the timeline for the realization of benefits from each of our initiatives within our Business Transformation Project, expectation regarding the number of long-term contracts increasing as we progress with our category management initiative, our plan to continue to explore and identify opportunities to grow in international markets and adjacent areas that complement our core foodservice distribution business, expectations regarding future acquisitions and the contributions of acquisitions to our business and future revenues, SYGMA's growth prospects in fiscal 2014, the loss of SYGMA's largest customer not having a material adverse effect on Sysco as a whole, compliance with laws and government regulations not having a material effect on our capital expenditures, earnings or competitive position, anticipated acquisitions and capital expenditures and the sources of financing for them, continued competitive advantages and positive results from strategic initiatives, expectations that depreciation and amortization expense will increase at a lower rate in fiscal 2014 than the rate in fiscal 2013, expectations that depreciation and amortization expense will increase at a lower rate in fiscal 2014 than the rate in fiscal 2013, anticipated company-sponsored pension plan liabilities, our expectations regarding cash flow from operations, our intentions regarding the repayment of debt, the impact of initiatives to improve working capital, the availability and adequacy of insurance to cover liabilities, predictions regarding the impact of changes in estimates used in impairment analyses, the anticipated impact of changes in foreign currency exchange rates and Sysco's ability to meet future cash requirements.

These statements are based on management's current expectations and estimates; actual results may differ materially due in part to the risk factors discussed at Item 1.A. in the Annual Report on Form 10-K and elsewhere. In addition, the success of Sysco's strategic initiatives could be affected by conditions in the economy and the industry and internal factors such as the ability to control expenses, including fuel costs. Expected trends related to fuel costs and usage are impacted by fluctuations in the economy generally and numerous factors affecting the oil industry that are beyond our control. Our efforts to lower our cost of goods sold may be impacted by factors beyond our control, including actions by our competitors and/or customers. We have experienced delays in the implementation of our Business Transformation Project and the expected costs of our Business Transformation Project may be greater or less than currently expected, as we may encounter the need for changes in design or revisions of the project calendar and budget. Our business and results of operations may be adversely affected if we experience operating problems, scheduling delays, cost overages, or limitations on the extent of the business transformation during the ERP implementation process. As implementation of the ERP system and other initiatives within the Business Transformation Project begins, there may be changes in design or timing that impact near-term expense and cause us to revise the project calendar and budget, and additional hiring and training of employees and consultants may be required, which could also impact project expense and timing. Our Business Transformation Project initiatives related to ERP implementation, cost transformation and produce cost reduction may not provide the expected benefits or cost savings in a timely fashion, if at all. If we are unable to realize the anticipated benefits from our cost cutting efforts, we could become cost

disadvantaged in the marketplace, and our competitiveness and our profitability could decrease. Defined contribution plan costs are impacted by the number of employees participating in the plan and the level of contributions made by each employee. Company-sponsored pension plan liabilities are impacted by a number of factors including the discount rate for determining the current value of plan benefits, the assumption for the rate of increase in future compensation levels and the expected rate of return on plan assets. The amount of shares repurchased in a given period is subject to a number of factors, including available cash and our general working capital needs at the time. Meeting our dividend target objectives depends on our level of earnings. Our plans with respect to growth in international markets and adjacent areas that complement our core business are subject to the company's other strategic initiatives and plans and economic conditions generally. Legal proceedings are impacted by events, circumstances and individuals beyond the control of Sysco. The need for additional borrowing or other capital is impacted by factors that include capital expenditures or acquisitions in excess of those currently anticipated, stock repurchases at historical levels, or other unexpected cash requirements. Plans regarding the repayment of debt are subject to change at any time based on management's assessment of the overall needs of the company. The anticipated impact of compliance with laws and regulations also involves the risk that estimates may turn out to be materially incorrect, and laws and regulations, as well as methods of enforcement, are subject to change.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

We do not utilize financial instruments for trading purposes. Our use of debt directly exposes us to interest rate risk. Floating rate debt, where the interest rate fluctuates periodically, exposes us to short-term changes in market interest rates. Fixed rate debt, where the interest rate is fixed over the life of the instrument, exposes us to changes in market interest rates reflected in the fair value of the debt and to the risk that we may need to refinance maturing debt with new debt at higher rates.

We manage our debt portfolio to achieve an overall desired position of fixed and floating rates and may employ interest rate swaps as a tool to achieve that position. The major risks from interest rate derivatives include changes in the interest rates affecting the fair value of such instruments, potential increases in interest expense due to market increases in floating interest rates and the creditworthiness of the counterparties in such transactions.

Fiscal 2013

As of June 29, 2013, we had \$95.5 million of commercial paper outstanding. Total debt as of June 29, 2013 was \$ 2.9 billion, of which approximately 88 % was at fixed rates of interest, including the impact of our interest rate swap agreement.

In fiscal 2010, we entered into two interest rate swap agreements that effectively converted \$250 million of fixed rate debt maturing in fiscal 2013 (the fiscal 2013 swap) and \$200 million of fixed rate debt maturing in fiscal 2014 (the fiscal 2014 swap) to floating rate debt. Both transactions were entered into with the goal of reducing overall borrowing cost. These transactions were designated as fair value hedges since the swaps hedge against the changes in fair value of fixed rate debt resulting from changes in interest rates. The swap agreement related to the fiscal 2013 debt was settled upon maturity of the senior notes in February 2013, leaving one remaining outstanding swap agreement as of June 29, 2013.

As of June 29, 2013, the fiscal 2014 swap was recognized as an asset within the consolidated balance sheet at fair value within prepaid expenses and other current assets of \$3.0 million. The fixed interest rate on the hedged debt is 4.6 % and the floating interest rate on the swap is three-month LIBOR which resets quarterly.

The following tables present our interest rate position as of June 29, 2013. All amounts are stated in U.S. dollar equivalents.

Interest Rate Position as of June 29, 2013
Principal Amount by Expected Maturity
Average Interest Rate

	2014	2015	2016	2017	2018	Thereafter	Total	Fair Value
(In thousands)								
U.S. \$ Denominated:								
Fixed Rate Debt	\$ 3,251	\$ 301,632	\$ 1,856	\$ 1,149	\$ 498,867	\$ 1,719,270	\$ 2,526,025	\$ 2,838,162
Average Interest Rate	4.4 %	0.8 %	4.4 %	4.2 %	5.4 %	5.2 %	4.7 %	
Floating Rate Debt ⁽¹⁾	\$ 297,690	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 297,690	\$ 301,364
Average Interest Rate	1.5 %	-%	-%	-	-	-%	1.5 %	
Canadian \$ Denominated:								
Fixed Rate Debt	\$ 1,396	\$ 1,520	\$ 1,430	\$ 1,345	\$ 1,312	\$ 15,410	\$ 22,413	\$ 25,183
Average Interest Rate	8.0 %	7.7 %	8.6 %	9.1 %	9.7 %	9.7 %	9.4 %	
Euro € Denominated:								
Fixed Rate Debt	\$ 464	\$ 695	\$ -	\$ -	\$ -	\$ -	\$ 1,159	\$ 1,302
Average Interest Rate	3.8 %	3.8 %	-%	-%	-%	-%	3.8 %	
Floating Rate Debt	\$ 41,632	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,632	\$ 41,632
Average Interest Rate	1.0 %	-%	-%	-%	-%	-%	1.0 %	

(1) Includes fixed rate debt that has been converted to floating rate debt through an interest rate swap agreement.

Interest Rate Position as of June 29, 2013
Notional Amount by Expected Maturity
Average Interest Swap Rate

	2014	2015	2016	2017	2018	Thereafter	Total	Fair Value
(In thousands)								
Interest Rate Swaps								
Related To Debt:								
Pay Variable/Receive Fixed	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ 2,988
Average Variable Rate Paid:								
Rate A Plus	2.1 %	-	-	-	-	-	2.1 %	
Fixed Rate Received	4.6 %	-	-	-	-	-	4.6 %	

Rate A – three-month LIBOR

Fiscal 2012

As of June 30, 2012, we had no commercial paper outstanding. Total debt as of June 30, 2012 was \$ 3.0 billion, of which approximately 84 % was at fixed rates of interest, including the impact of our interest rate swap agreements.

In May 2012, we entered into an agreement with a notional amount of \$200.0 million to lock in a component of the interest rate on our then forecasted debt offering. We designated this derivative as a cash flow hedge of the variability in the cash outflows of interest payments on a portion of the June 2012 forecasted debt issuance due to changes in the benchmark interest rate. In June 2012, in conjunction with the issuance of the \$450.0 million senior notes maturing in fiscal 2022, we settled the treasury lock, locking in the effective yields on the related debt.

As of June 30, 2012, the fiscal 2013 swap was recognized as an asset within the consolidated balance sheet at fair value within prepaid expenses and other current assets of \$2.5 million. The fixed interest rate on the hedged debt is 4.2 % and the floating interest rate on the swap is three-month LIBOR which resets quarterly. As of June 30, 2012, the fiscal 2014 swap was recognized as an asset within the consolidated balance sheet at fair value within other assets of \$ 6.2 million. The fixed interest rate on the hedged debt is 4.6 % and the floating interest rate on the swap is three-month LIBOR which resets quarterly.

The following tables present our interest rate position as of June 30, 2012. All amounts are stated in U.S. dollar equivalents.

Interest Rate Position as of June 30, 2012								
Principal Amount by Expected Maturity								
Average Interest Rate								
	2013	2014	2015	2016	2017	Thereafter	Total	Fair Value
(In thousands)								
U.S. \$ Denominated:								
Fixed Rate Debt	\$ 3,570	\$ 2,979	\$ 299,846	\$ 1,153	\$ 604	\$ 2,216,827	\$ 2,524,979	\$ 3,030,042
Average Interest Rate	4.5 %	4.1 %	0.8 %	4.7 %	4.9 %	5.2 %	4.7 %	
Floating Rate Debt ⁽¹⁾	\$ 249,964	\$ 206,673	\$ 1,100	\$ -	\$ -	\$ 12,500	\$ 470,237	\$ 481,475
Average Interest Rate	2.6 %	2.1 %	0.2 %	-	-	0.5 %	2.3 %	
Canadian \$ Denominated:								
Fixed Rate Debt	\$ 1,116	\$ 1,147	\$ 1,189	\$ 1,187	\$ 1,203	\$ 17,280	\$ 23,122	\$ 27,746
Average Interest Rate	8.4 %	8.7 %	8.9 %	9.3 %	9.8 %	9.7 %	9.6 %	

(1) Includes fixed rate debt that has been converted to floating rate debt through interest rate swap agreements.

Interest Rate Position as of June 30, 2012								
Notional Amount by Expected Maturity								
Average Interest Swap Rate								
	2013	2014	2015	2016	2017	Thereafter	Total	Fair Value
(In thousands)								
Interest Rate Swaps								
Related To Debt:								
Pay Variable/Receive Fixed	\$ 250,000	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 450,000	\$ 8,694
Average Variable Rate Paid:								
Rate A Plus	2.1 %	2.1 %	-	-	-	-	2.1 %	
Fixed Rate Received	4.2 %	4.6 %	-	-	-	-	4.4 %	

Rate A – three-month LIBOR

Foreign Currency Exchange Rate Risk

The majority of our foreign subsidiaries use their local currency as their functional currency. To the extent that business transactions are not denominated in a foreign subsidiary's functional currency, we are exposed to foreign currency exchange rate risk. We will also incur gains and losses within our shareholders' equity due to the translation of our financial statements from foreign currencies into U.S. dollars. Our income statement trends may be impacted by the translation of the income statements of our foreign subsidiaries into U.S. dollars. The changes in the exchange rates used to translate our foreign sales into U.S. dollars did not have a significant impact on sales in fiscal 2013 when compared to fiscal 2012 or in fiscal 2012 when compared to fiscal 2011. The impact to our operating income, net earnings and earnings per share was not material in fiscal 2013 or fiscal 2012. A 10% unfavorable change in the fiscal 2013 weighted year-to-date exchange rate and the resulting impact on our financial statements would have negatively impacted fiscal 2013 sales by 1.1% and would not have materially impacted our operating income, net earnings and earnings per share. We do not routinely enter into material agreements to hedge foreign currency exchange rate risks.

Fuel Price Risk

Due to the nature of our distribution business, we are exposed to potential volatility in fuel prices. The price and availability of diesel fuel fluctuates due to changes in production, seasonality and other market factors generally outside of our control. Increased fuel costs may have a negative impact on our results of operations in three areas. First, the high cost of fuel can negatively impact consumer confidence and discretionary spending and thus reduce the frequency and amount spent by consumers for food-away-from-home purchases. Second, the high cost of fuel can increase the price we pay for product purchases and we may not be able to pass these costs fully to our customers. Third, increased fuel costs impact the costs we incur to deliver product to our customers. During fiscal 2013, 2012 and 2011, fuel costs related to outbound deliveries represented approximately 0.7%, 0.7% and 0.6% of sales, respectively. Fuel costs, excluding any amounts recovered through fuel surcharges, incurred by Sysco increased by approximately \$18.9 million in fiscal 2013 from fiscal 2012 and by \$39.8 million in fiscal 2012 over fiscal 2011.

We routinely enter into forward purchase commitments for a portion of our projected monthly diesel fuel requirements. As of June 29, 2013, we had forward diesel fuel commitments totaling approximately \$204 million through August 2014. These contracts will lock in the price of approximately 60% to 65% of our fuel purchase needs for the contracted periods at prices slightly lower than the current market price for diesel.

Assuming that fuel prices do not rise significantly over recent levels during fiscal 2014, fuel costs, exclusive of any amounts recovered through fuel surcharges, are expected to increase by approximately \$10 to \$20 million as compared to fiscal 2013. Our estimate is based upon current, published quarterly market price projections for diesel, the cost committed to in our forward fuel purchase agreements currently in place for fiscal 2014 and estimates of fuel consumption. Actual fuel costs could vary from our estimates if any of these assumptions change, in particular if future fuel prices vary significantly from our current estimates. A 10% unfavorable change in diesel prices from the market price used in our estimates above would result in a potential increase of \$20 million to \$30 million.

Investment Risk

Our company-sponsored qualified pension plan (Retirement Plan) holds investments in public and private equity, fixed income securities and real estate funds. The amount of our annual contribution to the plan is dependent upon, among other things, the return on the plan's assets and discount rates used to calculate the plan's liability. Fluctuations in asset values can cause the amount of our anticipated future contributions to the plan to increase and can result in a reduction to shareholders' equity on our balance sheet as of fiscal year-end, which is when this plan's funded status is measured. Also, the projected liability of the plan will be impacted by the fluctuations of interest rates on high quality bonds in the public markets. To the extent the financial markets experience declines, our anticipated future contributions and funded status will be affected for future years. A 10% unfavorable change in the value of the investments held by our company-sponsored Retirement Plan at the plan's fiscal year end (December 31, 2012) would not have a material impact on our anticipated future contributions for fiscal 2014; however, this unfavorable change would increase our pension expense for fiscal 2014 by \$ 26.8 million and would reduce our shareholders' equity on our balance sheet as of June 29, 2013 by \$ 155.1 million.

S YSCO CORPORATION AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	<u>Page</u>
Consolidated Financial Statements:	
Report of Management on Internal Control Over Financial Reporting	49
Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting	50
Report of Independent Registered Public Accounting Firm on Consolidated Financial Statements	51
Consolidated Balance Sheets	52
Consolidated Results of Operations	53
Consolidated Statements of Comprehensive Income	54
Changes in Consolidated Shareholders' Equity	55
Consolidated Cash Flows	56
Notes to Consolidated Financial Statements	57

All schedules are omitted because they are not applicable or the information is set forth in the consolidated financial statements or notes thereto.

REPORT OF MANAGEMENT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of Sysco Corporation (“Sysco”) is responsible for establishing and maintaining adequate internal control over financial reporting for the company . Sysco’s internal control system is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation and fair presentation of published financial statements . All internal control systems, no matter how well designed, have inherent limitations . Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Sysco’s management assessed the effectiveness of Sysco’s internal control over financial reporting as of June 29, 2013. In making this assessment, it used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control — Integrated Framework* . Based on this assessment, management concluded that, as of June 29, 2013 , Sysco’s internal control over financial reporting was effective based on those criteria.

Ernst & Young LLP has issued an audit report on the effectiveness of Sysco’s internal control over financial reporting as of June 29, 2013 .

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

The Board of Directors and Shareholders of Sysco Corporation

We have audited Sysco Corporation (a Delaware Corporation) and subsidiaries' (the "Company") internal control over financial reporting as of June 29, 2013, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Sysco Corporation's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Report of Management on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Sysco Corporation maintained, in all material respects, effective internal control over financial reporting as of June 29, 2013, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of the Company as of June 29, 2013 and June 30, 2012, and the related consolidated results of operations, statements of comprehensive income, shareholders' equity, and cash flows for each of the three years in the period ended June 29, 2013 of Sysco Corporation and subsidiaries and our report dated August 26, 2013 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Houston, Texas
August 26, 2013

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
ON CONSOLIDATED FINANCIAL STATEMENTS**

The Board of Directors and Shareholders of Sysco Corporation

We have audited the accompanying consolidated balance sheets of Sysco Corporation (a Delaware Corporation) and subsidiaries (the "Company") as of June 29, 2013 and June 30, 2012, and the related consolidated results of operations, statements of comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended June 29, 2013. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company at June 29, 2013 and June 30, 2012, and the consolidated results of its operations and its cash flows for each of the three years in the period ended June 29, 2013, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of June 29, 2013, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated August 26, 2013 expressed an unqualified opinion thereon .

/s/ Ernst & Young LLP

Houston, Texas
August 26, 2013

SYSCO
CONSOLIDATED BALANCE SHEETS

	June 29, 2013	June 30, 2012
	(In thousands except for share data)	
ASSETS		
Current assets		
Cash and cash equivalents	\$ 412,285	\$ 688,867
Accounts and notes receivable, less allowances of \$47,345 and \$42,919	3,183,114	2,966,624
Inventories	2,396,188	2,178,830
Deferred income taxes	136,211	134,503
Prepaid expenses and other current assets	61,925	80,713
Prepaid income taxes	17,704	35,271
Total current assets	6,207,427	6,084,808
Plant and equipment at cost, less depreciation	3,978,071	3,883,750
Other assets		
Goodwill	1,884,235	1,665,611
Intangibles, less amortization	205,719	113,571
Restricted cash	145,328	127,228
Other assets	243,167	262,239
Total other assets	2,478,449	2,168,649
Total assets	\$ 12,663,947	\$ 12,137,207
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Notes payable	\$ 41,632	\$ -
Accounts payable	2,463,494	2,209,469
Accrued expenses	1,036,855	909,144
Accrued income taxes	-	50,316
Current maturities of long-term debt	207,301	254,650
Total current liabilities	3,749,282	3,423,579
Other liabilities		
Long-term debt	2,639,986	2,763,688
Deferred income taxes	266,222	115,166
Other long-term liabilities	816,647	1,149,734
Total other liabilities	3,722,855	4,028,588
Commitments and contingencies		
Shareholders' equity		
Preferred stock, par value \$1 per share		
Authorized 1,500,000 shares, issued none	-	-
Common stock, par value \$1 per share		
Authorized 2,000,000,000 shares, issued 765,174,900 shares	765,175	765,175
Paid-in capital	1,059,624	939,179
Retained earnings	8,512,786	8,175,230
Accumulated other comprehensive loss	(446,937)	(662,866)
Treasury stock, 179,068,430 and 179,228,383 shares, at cost	(4,698,838)	(4,531,678)
Total shareholders' equity	5,191,810	4,685,040
Total liabilities and shareholders' equity	\$ 12,663,947	\$ 12,137,207

See Notes to Consolidated Financial Statements

SYSCO
CONSOLIDATED RESULTS OF OPERATIONS

	Year Ended		
	June 29, 2013	June 30, 2012	July 2, 2011
	(In thousands except for share and per share data)		
Sales	\$ 44,411,233	\$ 42,380,939	\$ 39,323,489
Cost of sales	36,543,642	34,704,362	31,928,777
Gross profit	7,867,591	7,676,577	7,394,712
Operating expenses	6,209,113	5,785,945	5,463,210
Operating income	1,658,478	1,890,632	1,931,502
Interest expense	128,495	113,396	118,267
Other expense (income), net	(17,472)	(6,766)	(14,219)
Earnings before income taxes	1,547,455	1,784,002	1,827,454
Income taxes	555,028	662,417	675,424
Net earnings	\$ 992,427	\$ 1,121,585	\$ 1,152,030
Net earnings:			
Basic earnings per share	\$ 1.68	\$ 1.91	\$ 1.96
Diluted earnings per share	1.67	1.90	1.96
Average shares outstanding	589,397,807	587,726,343	586,526,142
Diluted shares outstanding	592,675,110	588,991,441	588,691,546
Dividends declared per common share	\$ 1.11	\$ 1.07	\$ 1.03

See Notes to Consolidated Financial Statements

SYSCO
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year Ended		
	June 29, 2013	June 30, 2012	July 2, 2011
	(In thousands)		
Net earnings	\$ 992,427	\$ 1,121,585	\$ 1,152,030
Other comprehensive income (loss):			
Foreign currency translation adjustment	(33,191)	(81,003)	122,217
Items presented net of tax:			
Amortization of cash flow hedges	386	426	428
Settlement of cash flow hedge	-	445	-
Amortization of prior service cost	11,310	3,093	2,553
Amortization of actuarial loss (gain), net	44,610	36,860	49,013
Amortization of transition obligation	88	93	93
Prior service cost arising in current year	(33,203)	(5,363)	(5,692)
Actuarial gain (loss), net arising in current year	225,929	(357,459)	51,681
Total other comprehensive income (loss)	215,929	(402,908)	220,293
Comprehensive income	\$ 1,208,356	\$ 718,677	\$ 1,372,323

See Notes to Consolidated Financial Statements

SYSCO
CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

	Common Stock		Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive	Treasury Stock		Totals
	Shares	Amount			Loss	Shares	Amounts	
(In thousands except for share data)								
Balance as of July 3, 2010	765,174,900	\$ 765,175	\$ 816,833	\$ 7,134,139	\$ (480,251)	176,768,795	\$ (4,408,370)	\$ 3,827,526
Net earnings				1,152,030				1,152,030
Foreign currency translation adjustment					122,217			122,217
Amortization of cash flow hedges, net of tax					428			428
Reclassification of pension and other postretirement benefit plans amounts to net earnings, net of tax					51,659			51,659
Pension funded status adjustment, net of tax					45,989			45,989
Dividends declared				(604,500)				(604,500)
Treasury stock purchases						10,000,000	(291,600)	(291,600)
Treasury stock issued for acquisitions			(10,625)			(422,132)	10,625	-
Share-based compensation awards			81,546			(12,749,317)	319,947	401,493
Balance as of July 2, 2011	<u>765,174,900</u>	<u>\$ 765,175</u>	<u>\$ 887,754</u>	<u>\$ 7,681,669</u>	<u>\$ (259,958)</u>	<u>173,597,346</u>	<u>\$ (4,369,398)</u>	<u>\$ 4,705,242</u>
Net earnings				1,121,585				1,121,585
Foreign currency translation adjustment					(81,003)			(81,003)
Amortization of cash flow hedges, net of tax					426			426
Settlement of cash flow hedge, net of tax					445			445
Reclassification of pension and other postretirement benefit plans amounts to net earnings, net of tax					40,046			40,046
Pension funded status adjustment, net of tax					(362,822)			(362,822)
Dividends declared				(628,024)				(628,024)
Treasury stock purchases						10,000,000	(272,299)	(272,299)
Share-based compensation awards			51,425			(4,368,963)	110,019	161,444
Balance as of June 30, 2012	<u>765,174,900</u>	<u>\$ 765,175</u>	<u>\$ 939,179</u>	<u>\$ 8,175,230</u>	<u>\$ (662,866)</u>	<u>179,228,383</u>	<u>\$ (4,531,678)</u>	<u>\$ 4,685,040</u>
Net earnings				992,427				992,427
Foreign currency translation adjustment					(33,191)			(33,191)
Amortization of cash flow hedges, net of tax					386			386
Reclassification of pension and other postretirement benefit plans amounts to net earnings, net of tax					56,008			56,008
Pension funded status adjustment, net of tax					192,726			192,726
Dividends declared				(654,871)				(654,871)
Treasury stock purchases						21,897,403	(729,333)	(729,333)
Share-based compensation awards			120,445			(22,057,356)	562,173	682,618
Balance as of June 29, 2013	<u>765,174,900</u>	<u>\$ 765,175</u>	<u>\$ 1,059,624</u>	<u>\$ 8,512,786</u>	<u>\$ (446,937)</u>	<u>179,068,430</u>	<u>\$ (4,698,838)</u>	<u>\$ 5,191,810</u>

See Notes to Consolidated Financial Statements

SYSCO
CONSOLIDATED CASH FLOWS

	Year Ended		
	June 29, 2013	June 30, 2012	July 2, 2011
	(In thousands)		
Cash flows from operating activities:			
Net earnings	\$ 992,427	\$ 1,121,585	\$ 1,152,030
Adjustments to reconcile net earnings to cash provided by operating activities:			
Share-based compensation expense	70,147	70,319	59,235
Depreciation and amortization	512,548	416,943	402,588
Deferred income taxes	(28,129)	(177,906)	(165,239)
Provision for losses on receivables	35,243	33,359	42,623
Other non-cash items	2,485	(958)	(9,454)
Additional investment in certain assets and liabilities, net of effect of businesses acquired:			
(Increase) in receivables	(193,755)	(106,834)	(252,641)
(Increase) in inventories	(180,277)	(99,218)	(254,738)
Decrease (increase) in prepaid expenses and other current assets	21,704	(6,478)	341
Increase in accounts payable	207,243	30,335	187,410
Increase (decrease) in accrued expenses	76,497	41,429	(43,348)
(Decrease) increase in accrued income taxes	(38,017)	71,251	(44,202)
Decrease (increase) in other assets	182	56,538	(45,866)
Increase (decrease) in other long-term liabilities	37,852	(46,170)	63,208
Excess tax benefits from share-based compensation arrangements	(4,556)	(15)	(429)
Net cash provided by operating activities	<u>1,511,594</u>	<u>1,404,180</u>	<u>1,091,518</u>
Cash flows from investing activities:			
Additions to plant and equipment	(511,862)	(784,501)	(636,442)
Proceeds from sales of plant and equipment	15,527	8,185	19,069
Acquisition of businesses, net of cash acquired	(397,447)	(110,601)	(101,148)
Maturities of short-term investments	-	-	24,993
(Increase) decrease in restricted cash	(18,100)	(16,712)	13,972
Net cash used for investing activities	<u>(911,882)</u>	<u>(903,629)</u>	<u>(679,556)</u>
Cash flows from financing activities:			
Bank and commercial paper borrowings (repayments), net	95,500	(181,975)	181,975
Other debt borrowings	61,467	744,597	4,411
Other debt repayments	(294,514)	(205,638)	(8,732)
Debt issuance costs	-	(4,641)	(7)
Cash received from settlement of cash flow hedge	-	722	-
Proceeds from common stock reissued from treasury for share-based compensation awards	628,652	99,439	332,688
Treasury stock purchases	(721,616)	(272,299)	(291,600)
Dividends paid	(648,253)	(622,869)	(597,071)
Excess tax benefits from share-based compensation arrangements	4,556	15	429
Net cash used for financing activities	<u>(874,208)</u>	<u>(442,649)</u>	<u>(377,907)</u>
Effect of exchange rates on cash	(2,086)	(8,800)	20,267
Net (decrease) increase in cash and cash equivalents	(276,582)	49,102	54,322
Cash and cash equivalents at beginning of period	688,867	639,765	585,443
Cash and cash equivalents at end of period	<u>\$ 412,285</u>	<u>\$ 688,867</u>	<u>\$ 639,765</u>
Supplemental disclosures of cash flow information:			
Cash paid during the period for:			
Interest	\$ 131,665	\$ 114,067	\$ 119,050
Income taxes	620,132	772,493	907,720

See Notes to Consolidated Financial Statements

1. SUMMARY OF ACCOUNTING POLICIES

Business and Consolidation

Sysco Corporation, acting through its subsidiaries and divisions, (Sysco or the company), is engaged in the marketing and distribution of a wide range of food and related products primarily to the foodservice or food-away-from-home industry. These services are performed for approximately 425,000 customers from 193 distribution facilities located throughout the United States, Bahamas, Canada, Ireland and Northern Ireland.

Sysco's fiscal year ends on the Saturday nearest to June 30th. This resulted in a 52-week year ending June 29, 2013 for fiscal 2013, June 30, 2012 for fiscal 2012 and, July 2, 2011 for fiscal 2011.

The accompanying financial statements include the accounts of Sysco and its consolidated subsidiaries. All significant intercompany transactions and account balances have been eliminated.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates that affect the reported amounts of assets, liabilities, sales and expenses. Actual results could differ from the estimates used.

Cash and Cash Equivalents

Cash includes cash equivalents such as time deposits, certificates of deposit, short-term investments and all highly liquid instruments with original maturities of three months or less, which are recorded at fair value.

Accounts Receivable

Accounts receivable consist primarily of trade receivables from customers and receivables from suppliers for marketing or incentive programs. Sysco determines the past due status of trade receivables based on contractual terms with each customer. Sysco evaluates the collectability of accounts receivable and determines the appropriate reserve for doubtful accounts based on a combination of factors. The company utilizes specific criteria to determine uncollectible receivables to be written off including whether a customer has filed for or been placed in bankruptcy, has had accounts referred to outside parties for collection or has had accounts past due over specified periods. Allowances are recorded for all other receivables based on an analysis of historical trends of write-offs and recoveries. In addition, in circumstances where the company is aware of a specific customer's inability to meet its financial obligation to Sysco, a specific allowance for doubtful accounts is recorded to reduce the receivable to the net amount reasonably expected to be collected.

Inventories

Inventories consisting primarily of finished goods include food and related products and lodging products held for resale and are valued at the lower of cost (first-in, first-out method) or market. Elements of costs include the purchase price of the product and freight charges to deliver the product to the company's warehouses and are net of certain cash or non-cash consideration received from vendors (see "Vendor Consideration").

Plant and Equipment

Capital additions, improvements and major replacements are classified as plant and equipment and are carried at cost. Depreciation is recorded using the straight-line method, which reduces the book value of each asset in equal amounts over its estimated useful life, and is included within operating expenses in the consolidated results of operations. Maintenance, repairs and minor replacements are charged to earnings when they are incurred. Upon the disposition of an asset, its accumulated depreciation is deducted from the original cost, and any gain or loss is reflected in current earnings.

Certain internal and external costs related to the acquisition and development of internal use software being built within our Business Transformation Project are capitalized within plant and equipment during the application development stages of the project. Amortization commenced in August 2012 as the project entered the deployment stage. Additional costs are capitalized for added software that is in the application development stage of the project.

Applicable interest charges incurred during the construction of new facilities and development of software for internal use are capitalized as one of the elements of cost and are amortized over the assets' estimated useful lives. Interest capitalized for the past three fiscal years was \$4.2 million in fiscal 2013, \$20.8 million in fiscal 2012 and \$13.9 million in fiscal 2011.

Long-Lived Assets

Management reviews long-lived assets for indicators of impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Cash flows expected to be generated by the related assets are estimated over the asset's useful life based on updated projections on an undiscounted basis. If the evaluation indicates that the carrying value of the asset may not be recoverable, the potential impairment is measured at fair value.

Goodwill and Intangibles

Goodwill and intangibles represent the excess of cost over the fair value of tangible net assets acquired. Goodwill and intangibles with indefinite lives are not amortized. Goodwill is assigned to the reporting units that are expected to benefit from the synergies of a business combination. The recoverability of goodwill and indefinite-lived intangibles is assessed annually, or more frequently as needed when events or changes have occurred that would suggest an impairment of carrying value, by determining whether the fair values of the applicable reporting units exceed their carrying values. The reporting units used to assess goodwill impairment are the company's 10 operating segments as described in Note 21, "Business Segment Information." The components within each of the 10 operating segments have similar economic characteristics and therefore are aggregated into 10 reporting units. The evaluation of fair value requires the use of projections, estimates and assumptions as to the future performance of the operations in performing a discounted cash flow analysis, as well as assumptions regarding sales and earnings multiples that would be applied in comparable acquisitions.

Intangibles with definite lives are amortized over their useful lives in a manner consistent with underlying cash flow, which generally range from three to ten years. Management reviews finite-lived intangibles for indicators of impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Cash flows expected to be generated by the finite-lived intangibles are estimated over the intangible asset's useful life based on updated projections on an undiscounted basis. If the evaluation indicates that the carrying value of the finite-lived intangible asset may not be recoverable, the potential impairment is measured at fair value.

Restricted Cash

Sysco is required by its insurers to collateralize a part of the self-insured portion of its workers' compensation and liability claims. Sysco has chosen to satisfy these collateral requirements by depositing funds in insurance trusts or by issuing letters of credit. All amounts in restricted cash at June 29, 2013 and June 30, 2012 represented funds deposited in insurance trusts.

Derivative Financial Instruments

All derivatives are recognized as assets or liabilities within the consolidated balance sheets at fair value. Gains or losses on derivative financial instruments designated as fair value hedges are recognized immediately in the consolidated results of operations, along with the offsetting gain or loss related to the underlying hedged item.

Gains or losses on derivative financial instruments designated as cash flow hedges are recorded as a separate component of shareholders' equity at their settlement, whereby gains or losses are reclassified to the Consolidated Results of Operations in conjunction with the recognition of the underlying hedged item.

In the normal course of business, Sysco enters into forward purchase agreements for the procurement of fuel and electricity. Certain of these agreements meet the definition of a derivative. However, the company elected to use the normal purchase and sale exemption available under derivatives accounting literature; therefore, these agreements are not recorded at fair value.

Investments in Corporate-Owned Life Insurance

Investments in corporate-owned life insurance (COLI) policies are recorded at their cash surrender values as of each balance sheet date. Changes in the cash surrender value during the period are recorded as a gain or loss within operating expenses. The company does not record deferred tax balances related to cash surrender value gains or losses for the policies that Sysco has the intent to hold these policies to maturity. Deferred tax balances are recorded for those policies that Sysco intends to redeem prior to maturity. The total amounts related to the company's investments in COLI policies included in other assets in the consolidated balance sheets were \$159.3 million and \$160.5 million at June 29, 2013 and June 30, 2012, respectively.

Treasury Stock

The company records treasury stock purchases at cost. Shares removed from treasury are valued at cost using the average cost method.

Foreign Currency Translation

The assets and liabilities of all foreign subsidiaries are translated at current exchange rates. Related translation adjustments are recorded as a component of accumulated other comprehensive income (loss).

Revenue Recognition

The company recognizes revenue from the sale of a product when it is considered to be realized or realizable and earned. The company determines these requirements to be met at the point at which the product is delivered to the customer. The company grants certain customers sales incentives such as rebates or discounts and treats these as a reduction of sales at the time the sale is recognized. Sales tax collected from customers is not included in revenue but rather recorded as a liability due to the respective taxing authorities. Purchases and sales of inventory with the same counterparty that are entered into in contemplation of one another are considered to be a single nonmonetary transaction. As such, the company records the net effect of such transactions in the consolidated results of operations within sales.

Vendor Consideration

Sysco recognizes consideration received from vendors when the services performed in connection with the monies received are completed and when the related product has been sold by Sysco as a reduction to cost of sales. There are several types of cash consideration received from vendors. In many instances, the vendor consideration is in the form of a specified amount per case or per pound. In these instances, Sysco will recognize the vendor consideration as a reduction of cost of sales when the product is sold. In the situations in which the vendor consideration is not related directly to specific product purchases, Sysco will recognize these as a reduction of cost of sales when the earnings process is complete, the related service is performed and the amounts are realized.

Shipping and Handling Costs

Shipping and handling costs include costs associated with the selection of products and delivery to customers. Included in operating expenses are shipping and handling costs of approximately \$2,539.6 million in fiscal 2013, \$2,396.2 million in fiscal 2012, and \$2,222.1 million in fiscal 2011.

Insurance Program

Sysco maintains a self-insurance program covering portions of workers' compensation, general and vehicle liability and property insurance costs. The amounts in excess of the self-insured levels are fully insured by third party insurers. The company also maintains a fully self-insured group medical program. Liabilities associated with these risks are estimated in part by considering historical claims experience, medical cost trends, demographic factors, severity factors and other actuarial assumptions.

Share-Based Compensation

Sysco recognizes expense for its share-based compensation based on the fair value of the awards that are granted. The fair value of stock options is estimated at the date of grant using the Black-Scholes option pricing model. Option pricing methods require the input of highly subjective assumptions, including the expected stock price volatility. The fair value of restricted stock and restricted stock unit awards are based on the company's stock price on the date of grant. Measured compensation cost is recognized ratably over the vesting period of the related share-based compensation award. Cash flows resulting from tax deductions in excess of the compensation cost recognized for those options (excess tax benefits) are classified as financing cash flows on the consolidated cash flows statements.

Income Taxes

Sysco recognizes deferred tax assets and liabilities based on the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured pursuant to tax laws using rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The impact on deferred tax assets and liabilities of a change in tax rate is recognized in income in the period that includes the enactment date. Valuation allowances are established when necessary to reduce deferred tax assets to the amount more likely than not to be realized.

Sysco recognizes a tax benefit from an uncertain tax position when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits of the position. The amount recognized is measured as the largest amount of tax benefit that has greater than a 50% likelihood of being realized upon settlement. To the extent interest and penalties may be assessed by taxing authorities on any underpayment of income tax, estimated amounts required by the accounting guidance related to uncertain tax positions have been accrued and are classified as a component of income taxes in the consolidated results of operations.

The determination of the company's provision for income taxes requires significant judgment, the use of estimates and the interpretation and application of complex tax laws. The company's provision for income taxes primarily reflects a combination of income earned and taxed in the various U.S. federal and state, as well as various foreign jurisdictions. Jurisdictional tax law changes, increases or decreases in permanent differences between book and tax items, accruals or adjustments of accruals for tax contingencies or valuation allowances, and the company's change in the mix of earnings from these taxing jurisdictions all affect the overall effective tax rate.

Acquisitions

Acquisitions of businesses are accounted for using the purchase method of accounting, and the financial statements include the results of the acquired operations from the respective dates of acquisition.

The purchase price of the acquired entities is allocated to the net assets acquired and liabilities assumed based on the estimated fair value at the dates of acquisition, with any excess of cost over the fair value of net assets acquired, including intangibles, recognized as goodwill. The balances included in the consolidated balance sheets related to recent acquisitions are based upon preliminary information and are subject to change when final asset and liability valuations are obtained. Subsequent changes to the preliminary balances are reflected retrospectively, if material. Material changes to the preliminary allocations are not anticipated by management.

Reclassifications

Prior year amounts within the consolidated balance sheets and consolidated cash flows have been reclassified to conform to the current year presentation as it relates to the presentation of certain tax-related balances within these statements. The impact of these reclassifications was immaterial to all periods presented.

2. CHANGES IN ACCOUNTING

Testing Goodwill for Impairment

In September 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2011-08, "Testing Goodwill for Impairment." This update amends Accounting Standards Codification (ASC) 350, "Intangibles—Goodwill and Other" to allow entities an option to first assess qualitative factors to determine whether it is necessary to perform the two-step quantitative goodwill impairment test. Under that option, an entity no longer would be required to calculate the fair value of a reporting unit unless the entity determines, based on that qualitative assessment, that it is more likely than not that its fair value is less than its carrying amount. In addition, the update provided a revised list of factors that should be considered when evaluating whether a potential goodwill impairment may have occurred at an interim period. The amendments in this update were effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. Early adoption was permitted. The adoption of this update in the first quarter of fiscal 2013 did not result in a material change to the company's interim consideration of potential goodwill impairment nor to its annual goodwill impairment testing in the fourth quarter of fiscal 2013.

3. NEW ACCOUNTING STANDARDS

Testing Indefinite-Lived Intangible Assets for Impairment

In July 2012, the FASB issued ASU 2012-02, "Testing Indefinite-Lived Intangible Assets for Impairment." This update amends ASC 350, "Intangibles—Goodwill and Other" to allow entities an option to first assess qualitative factors to determine whether it is necessary to perform the quantitative impairment test. Under that option, an entity no longer would be required to calculate the fair value of the intangible asset unless the entity determines, based on that qualitative assessment, that it is more likely than not that its fair value is less than its carrying amount. The amendments in this update are effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012, which will be fiscal 2014 for Sysco. Early adoption is permitted. Sysco is currently evaluating the impact this update may have on its indefinite-lived intangibles impairment testing.

Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities

In January 2013, the FASB issued ASU 2013-01, "Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities." This update amends ASC 210, "Balance Sheet," specifically the disclosure requirements created by ASU 2011-11, "Disclosures About Offsetting Assets and Liabilities," issued by the FASB in December 2011. This update clarifies the scope of these disclosure requirements to be applicable only to derivatives and securities borrowing and lending transactions that are offset in accordance with GAAP or are subject to an enforceable master netting arrangement or similar agreement. The disclosure requirements continue to be effective for annual reporting periods, and interim periods within those years, beginning on or after January 1, 2013, which will be fiscal 2014 for Sysco. Based on the scope clarification of this update, Sysco does not believe it has any financial instruments requiring these disclosures but will continue to evaluate this assessment.

In February 2013, the FASB issued ASU 2013-02, "Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income." This update amends ASC 220, "Comprehensive Income," to require an entity to report the effect of significant reclassifications out of accumulated other comprehensive income on the respective line items in net earnings if the amount is being reclassified in its entirety to net earnings. For other amounts that are not being reclassified in their entirety to net earnings, an entity is required to cross-reference other disclosures that provide additional detail about those amounts. The amendments in this update are effective prospectively for fiscal years, and interim periods within those years, beginning after December 15, 2012, which is fiscal 2014 for Sysco. Sysco is currently evaluating the impact this update will have on its disclosures.

Inclusion of the Fed Funds Effective Swap Rate(or Overnight Index Swap Rate) as a Benchmark Interest Rate for Hedge Accounting Purposes

In July 2013, the FASB issued ASU 2013-10, "Inclusion of the Fed Funds Effective Swap Rate(or Overnight Index Swap Rate) as a Benchmark Interest Rate for Hedge Accounting Purposes." This update amends ASC 815, "Derivatives and Hedging," to permit the Fed Funds Effective Swap rate to be used as a benchmark interest rate for hedge accounting purposes in addition to U.S. Treasury rates and the London Interbank Offered Rate swap rate. The update also removes the restriction on using different benchmark rates for similar hedges. The amendments in this update are effective prospectively for new or redesignated hedging relationships entered into on or after July 17, 2013. Sysco will consider all available benchmark interest rates for any new hedging relationships.

Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists

In July 2013, the FASB issued ASU 2013-11, "Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists." This update amends ASC 740, "Income Taxes," to require that in certain cases, an unrecognized tax benefit, or portion of an unrecognized tax benefit, should be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward when such items exist in the same taxing jurisdiction. The amendments in this update are effective for fiscal years, and interim periods within those years, beginning after December 15, 2013, which is fiscal 2015 for Sysco. Early adoption is permitted. The amendments should be applied prospectively to all unrecognized tax benefits that exist at the effective date, and retrospective application is permitted. Sysco is currently evaluating the impact this update will have on its financial statements.

4. FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The accounting guidance includes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy are as follows:

- Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets;
- Level 2 – Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability; and
- Level 3 – Unobservable inputs for the asset or liability, which include management's own assumption about the assumptions market participants would use in pricing the asset or liability, including assumptions about risk.

Sysco's policy is to invest in only high-quality investments. Cash equivalents primarily include time deposits, certificates of deposit, commercial paper, high-quality money market funds and all highly liquid instruments with original maturities of three months or less. Restricted cash consists of investments in high-quality money market funds.

The following is a description of the valuation methodologies used for assets measured at fair value.

- Time deposits and commercial paper included in cash equivalents are valued at amortized cost, which approximates fair value. These are included within cash equivalents as a Level 2 measurement in the tables below.
- Money market funds are valued at the closing price reported by the fund sponsor from an actively traded exchange. These are included within cash equivalents and restricted cash as Level 1 measurements in the tables below.
- The interest rate swap agreements, discussed further in Note 8, "Derivative Financial Instruments," are valued using a swap valuation model that utilizes an income approach using observable market inputs including interest rates, LIBOR swap rates and credit default swap rates. These are included within prepaid expenses and other current assets and other assets as Level 2 measurements in the tables below.

The following tables present the company's assets measured at fair value on a recurring basis as of June 29, 2013 and June 30, 2012:

	Assets Measured at Fair Value as of June 29, 2013			
	Level 1	Level 2	Level 3	Total
	(In thousands)			
Assets:				
Cash and cash equivalents				
Cash equivalents	\$ 1,160	\$ 132,731	\$ -	\$ 133,891
Prepaid expenses and other current assets				
Interest rate swap agreement	-	2,988	-	2,988
Restricted cash	145,328	-	-	145,328
Total assets at fair value	<u>\$ 146,488</u>	<u>\$ 135,719</u>	<u>\$ -</u>	<u>\$ 282,207</u>

	Assets Measured at Fair Value as of June 30, 2012			
	Level 1	Level 2	Level 3	Total
	(In thousands)			
Assets:				
Cash and cash equivalents				
Cash equivalents	\$ 228,310	\$ 248,714	\$ -	\$ 477,024
Prepaid expenses and other current assets				
Interest rate swap agreement	-	2,475	-	2,475
Restricted cash	127,228	-	-	127,228
Other assets				
Interest rate swap agreements	-	6,219	-	6,219
Total assets at fair value	<u>\$ 355,538</u>	<u>\$ 257,408</u>	<u>\$ -</u>	<u>\$ 612,946</u>

The carrying values of accounts receivable and accounts payable approximated their respective fair values due to the short-term maturities of these instruments. The fair value of Sysco's total debt is estimated based on the quoted market prices for the same or similar issue or on the current rates offered to the company for debt of the same remaining maturities and is considered a Level 2 measurement. The fair value of total debt approximated \$3,207.6 million and \$3,539.3 million as of June 29, 2013 and June 30, 2012, respectively. The carrying value of total debt was \$2,888.9 million and \$3,018.3 million as of June 29, 2013 and June 30, 2012, respectively.

5. ALLOWANCE FOR DOUBTFUL ACCOUNTS

A summary of the activity in the allowance for doubtful accounts appears below:

	2013	2012	2011
	(In thousands)		
Balance at beginning of period	\$ 42,919	\$ 42,436	\$ 36,573
Charged to costs and expenses	35,243	33,359	42,623
Customer accounts written off, net of recoveries	(30,824)	(32,318)	(37,823)
Other adjustments	7	(558)	1,063
Balance at end of period	<u>\$ 47,345</u>	<u>\$ 42,919</u>	<u>\$ 42,436</u>

6. PLANT AND EQUIPMENT

A summary of plant and equipment, including the related accumulated depreciation, appears below:

	June 29, 2013	June 30, 2012	Estimated Useful Lives
	(In thousands)		
Plant and equipment, at cost:			
Land	\$ 435,447	\$ 352,812	
Buildings and improvements	3,632,568	3,510,627	10-30 years
Fleet and equipment	2,633,228	2,449,018	3-10 years
Computer hardware and software	1,054,754	1,028,594	3-7 years
	<u>7,755,997</u>	<u>7,341,051</u>	
Accumulated depreciation	(3,777,926)	(3,457,301)	
Net plant and equipment	<u>\$ 3,978,071</u>	<u>\$ 3,883,750</u>	

The capitalized direct costs for the internal use software portion of the company's Business Transformation Project are included within "computer hardware and software" in the table above in the amount of \$ 417.7 million and \$ 469.4 million, net of accumulated amortization, as of June 29, 2013 and June 30, 2012, respectively. The majority of this internal use software related to the Business Transformation Project was placed into service and began amortization in August of fiscal 2013.

Depreciation expense, including capital leases, for the past three years was \$ 473.5 million in 2013, \$ 384.9 million in 2012 and \$ 374.0 million in 2011.

7. GOODWILL AND OTHER INTANGIBLES

The changes in the carrying amount of goodwill and the amount allocated by reportable segment for the years presented are as follows:

	Broadline	SYGMA	Other	Total
	(In thousands)			
Carrying amount as of July 2, 2011	\$ 1,201,265	\$ 32,609	\$ 399,415	\$ 1,633,289
Goodwill acquired during year	48,911	-	13,677	62,588
Currency translation/other	(30,064)	-	(202)	(30,266)
Carrying amount as of June 30, 2012	<u>1,220,112</u>	<u>32,609</u>	<u>412,890</u>	<u>1,665,611</u>
Goodwill acquired during year	203,393	-	24,005	227,398
Currency translation/other	(8,663)	-	(111)	(8,774)
Carrying amount as of June 29, 2013	<u>\$ 1,414,842</u>	<u>\$ 32,609</u>	<u>\$ 436,784</u>	<u>\$ 1,884,235</u>

Amortized intangible assets acquired during fiscal 2013 were \$124.1 million with a weighted-average amortization period of eight years. By intangible asset category, the amortized intangible assets acquired during fiscal 2013 were customer relationships of \$85.7 million with a weighted-average amortization period of nine years, non-compete agreements of \$21.0 million with a weighted-average amortization period of five years, amortized trademarks of \$7.8 million with a weighted-average amortization period of eight years and other intangibles of \$9.6 million with a weighted-average amortization period of five years.

The following table presents details of the company's amortized intangible assets:

	June 29, 2013			June 30, 2012		
	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
	(In thousands)					
Customer relationships	\$ 274,410	\$ (125,250)	\$ 149,160	\$ 200,801	\$ (110,080)	\$ 90,721
Non-compete agreements	29,460	(4,655)	24,805	8,453	(2,024)	6,429
Trademarks	11,618	(1,580)	10,038	3,759	(518)	3,241
Other	9,556	(159)	9,397	-	-	-
Total amortized intangible assets	<u>\$ 325,044</u>	<u>\$ (131,644)</u>	<u>\$ 193,400</u>	<u>\$ 213,013</u>	<u>\$ (112,622)</u>	<u>\$ 100,391</u>

Intangible assets that have been fully amortized have been removed in the schedule above in the period full amortization is reached.

The following table presents details of the company's indefinite-lived intangible assets:

	June 29, 2013	June 30, 2012
	(In thousands)	
Trademarks	\$ 11,353	\$ 12,214
Licenses	966	966
Total indefinite-lived intangible assets	<u>\$ 12,319</u>	<u>\$ 13,180</u>

Amortization expense for the past three years was \$32.1 million in 2013, \$24.9 million in 2012 and \$21.9 million in 2011. The estimated future amortization expense for the next five fiscal years on intangible assets outstanding as of June 29, 2013 is shown below:

	Amount
	(In thousands)
2014	\$ 40,999
2015	36,581
2016	29,150
2017	24,515
2018	21,068

8. DERIVATIVE FINANCIAL INSTRUMENTS

Sysco manages its debt portfolio to achieve an overall desired position of fixed and floating rates and may employ interest rate swaps from time to time to achieve this position. The company does not use derivative financial instruments for trading or speculative purposes.

In May 2012, the company entered into a treasury lock agreement with a notional amount of \$200.0 million. The company designated this derivative as a cash flow hedge of the variability in the cash outflows of interest payments on a portion of the then forecasted June 2012 debt issuance due to changes in the benchmark interest rate. In June 2012, in conjunction with the issuance of the \$450.0 million senior notes maturing in fiscal 2022, the company settled the treasury lock, locking in the effective yields on the related debt. Upon settlement, the company received cash of \$0.7 million, which represented the fair value of the swap agreement at the time of settlement. This amount is being amortized as an offset to interest expense over the 10-year term of the debt, and the unamortized balance is reflected as a gain, net of tax, in accumulated other comprehensive loss.

In fiscal 2010, the company entered into two interest rate swap agreements that effectively converted \$250.0 million of fixed rate debt maturing in fiscal 2013 and \$200.0 million of fixed rate debt maturing in fiscal 2014 to floating rate debt. These transactions were entered into with the goal of reducing overall borrowing cost and increasing floating interest rate exposure. These transactions were designated as fair value hedges since the swaps hedge against the changes in fair value of fixed rate debt resulting from changes in interest rates. The swap agreement related to the fiscal 2013 debt was settled upon maturity of the senior notes in February 2013, leaving one remaining outstanding swap agreement as of June 29, 2013.

The location and the fair value of derivative instruments in the consolidated balance sheet as of each fiscal year-end are as follows:

	Asset Derivatives		Liability Derivatives	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
	(In thousands)			
Fair Value Hedge Relationships:				
Interest rate swap agreements				
June 29, 2013	Prepaid expenses and other current assets	\$ 2,988	N/A	N/A
June 30, 2012	Prepaid expenses and other current assets	2,475	N/A	N/A
June 30, 2012	Other assets	6,219	N/A	N/A

The location and effect of derivative instruments and related hedged items on consolidated comprehensive income for each fiscal year presented on a pre-tax basis are as follows:

	Location of (Gain) or Loss Recognized in Income	Amount of (Gain) or Loss Recognized in Income		
		2013	2012	2011
(In thousands)				
Fair Value Hedge Relationships:				
Interest rate swap agreements	Interest expense	\$ (4,492)	\$ (7,900)	\$ (9,026)
Cash Flow Hedge Relationships:				
Treasury lock agreement	Other comprehensive income	N/A	(722)	N/A
Interest rate contracts	Interest expense	626	692	696

Hedge ineffectiveness represents the difference between the changes in the fair value of the derivative instruments and the changes in fair value of the fixed rate debt attributable to changes in the benchmark interest rate. Hedge ineffectiveness is recorded directly in earnings within interest expense and was immaterial for fiscal 2013, fiscal 2012 and fiscal 2011. The interest rate swaps do not contain credit-risk-related contingent features.

9. SELF-INSURED LIABILITIES

Sysco maintains a self-insurance program covering portions of workers' compensation, general and vehicle liability and property insurance costs. The amounts in excess of the self-insured levels are fully insured by third party insurers. The company also maintains a fully self-insured group medical program. A summary of the activity in self-insured liabilities appears below:

	2013	2012	2011
(In thousands)			
Balance at beginning of period	\$ 129,749	\$ 129,671	\$ 128,997
Charged to costs and expenses	352,374	318,828	325,540
Payments	(334,525)	(318,750)	(324,866)
Balance at end of period	\$ 147,598	\$ 129,749	\$ 129,671

10. DEBT AND OTHER FINANCING ARRANGEMENTS

Sysco's debt consists of the following:

	June 29, 2013	June 30, 2012
	(In thousands)	
Multicurrency revolving credit facility borrowings, interest averaging 1.0%, as of June 29, 2013	\$ 41,632	\$ -
Commercial paper, interest averaging 0.1%, as of June 29, 2013	95,500	-
Senior notes, interest at 4.2%, maturing in fiscal 2013	-	249,964
Senior notes, interest at 4.6%, maturing in fiscal 2014	202,190	206,673
Senior notes, interest at 0.55%, maturing in fiscal 2015	298,669	297,983
Senior notes, interest at 5.25%, maturing in fiscal 2018	498,414	498,069
Senior notes, interest at 5.375%, maturing in fiscal 2019	249,031	248,862
Senior notes, interest at 2.6%, maturing in fiscal 2022	444,844	444,271
Debentures, interest at 7.16%, maturing in fiscal 2027	50,000	50,000
Debentures, interest at 6.5%, maturing in fiscal 2029	224,641	224,617
Senior notes, interest at 5.375%, maturing in fiscal 2036	499,669	499,654
Senior notes, interest at 6.625%, maturing in fiscal 2039	245,845	245,685
Capital leases and other debt, interest averaging 7.4% and maturing at various dates to fiscal 2029 as of June 29, 2013 and 5.9% and maturing at various dates to fiscal 2026 as of June 30, 2012	38,484	52,560
Total debt	2,888,919	3,018,338
Less current maturities of long-term debt	(207,301)	(254,650)
Less notes payable	(41,632)	-
Net long-term debt	\$ 2,639,986	\$ 2,763,688

The principal payments required to be made during the next five fiscal years on debt outstanding as of June 29, 2013 are shown below:

	Amount
	(In thousands)
2014	\$ 207,301
2015	303,847
2016	3,286
2017	2,494
2018	500,179

Short-term Borrowings

As of June 29, 2013 and June 30, 2012, Sysco had uncommitted bank lines of credit, which provided for unsecured borrowings for working capital of up to \$95.0 million. There were no borrowings outstanding under these lines of credit as of June 29, 2013 or June 30, 2012, respectively.

In September 2012, the company's Irish subsidiary, Pallas Foods, entered into a €75.0 million (Euro) multicurrency revolving credit facility, which will be utilized for capital needs for the company's European subsidiaries. This facility provides for unsecured borrowings and expires September 25, 2013, but is subject to extension. Outstanding borrowings under this facility were €32.0 million (Euro) as of June 29, 2013, located within Notes payable on the consolidated balance sheet.

As of June 30, 2012, the company's Irish subsidiary, Pallas Foods Limited, had a €10.0 million (Euro) committed facility for unsecured borrowings for working capital. There were no borrowings outstanding under this facility as of June 30, 2012. During fiscal 2013, this facility was replaced with the facility described above.

On June 30, 2011, a Canadian subsidiary of Sysco entered into a short-term demand loan facility for the purpose of facilitating a distribution from the Canadian subsidiary to Sysco, and Sysco concurrently entered into an agreement with the bank to guarantee the loan. As of July 2, 2011, the amount outstanding under the facility was \$182.0 million. The interest rate under the facility was 2.0% and payable on the due date. The loan was repaid in full on July 4, 2011.

Commercial Paper and Revolving Credit Facility

Sysco has a Board-approved commercial paper program allowing the company to issue short-term unsecured notes in an aggregate amount not to exceed \$1,300.0 million .

In December 2011, Sysco terminated its previously existing revolving credit facility that supported the company's U.S. and Canadian commercial paper programs. At the same time, Sysco and one of its subsidiaries, Sysco International, ULC, entered into a new \$1,000.0 million credit facility supporting the company's U.S. and Canadian commercial paper programs. This facility provides for borrowings in both U.S. and Canadian dollars. Borrowings by Sysco International, ULC under the credit agreement are guaranteed by Sysco, and borrowings by Sysco and Sysco International, ULC under the credit agreement are guaranteed by all wholly-owned subsidiaries of Sysco that are guarantors of the company's senior notes and debentures. The original facility in the amount of \$1,000.0 million expires on December 29, 2016. In December 2012, a portion of the facility was extended for an additional year. This extended facility, which expires on December 29, 2017, is for \$925.0 million of the original \$1,000.0 million facility, but is subject to further extension. As of June 29, 2013, commercial paper issuances outstanding were \$95.5 million and were classified as long-term debt, as the company's commercial paper programs are supported by the long-term revolving credit facility described above. There were no commercial paper issuances outstanding as of June 30, 2012.

During fiscal 2013, 2012, and 2011, aggregate outstanding commercial paper issuances and short-term bank borrowings ranged from approximately zero to \$330.0 million , zero to \$563.1 million , and zero to \$330.3 million , respectively.

Fixed Rate Debt

In February 2012, Sysco filed with the Securities and Exchange Commission an automatically effective well-known seasoned issuer shelf registration statement for the issuance of an indeterminate amount of common stock, preferred stock, debt securities and guarantees of debt securities that may be issued from time to time.

In June 2012, Sysco repaid the 6.1% senior notes totaling \$200.0 million at maturity utilizing a combination of cash flow from operations and commercial paper issuances.

In June 2012, Sysco issued 0.55% senior notes totaling \$300.0 million due June 12, 2015 (the 2015 notes) and 2.6% senior notes totaling \$450.0 million due June 12, 2022 (the 2022 notes) under its February 2012 shelf registration. The 2015 and 2022 notes, which were priced at 99.319% and 98.722% of par, respectively, are unsecured, are not subject to any sinking fund requirement and include a redemption provision which allows Sysco to retire the notes at any time prior to maturity at the greater of par plus accrued interest or an amount designed to ensure that the note holders are not penalized by early redemption. Proceeds from the notes will be utilized over a period of time for general corporate purposes, which may include acquisitions, refinancing of debt, working capital, share repurchases and capital expenditures.

In February 2013, Sysco repaid the 4.2% senior notes totaling \$250.0 million at maturity utilizing a combination of cash flow from operations and cash on hand.

The 4.6% senior notes due March 15, 2014, the 5.25% senior notes due February 12, 2018, the 5.375% senior notes due March 17, 2019, the 6.5% debentures due August 1, 2028, the 5.375% senior notes due September 21, 2035 and the 6.625% senior notes due March 17, 2039 are unsecured, are not subject to any sinking fund requirement and include a redemption provision that allows Sysco to retire the debentures and notes at any time prior to maturity at the greater of par plus accrued interest or an amount designed to ensure that the debenture and note holders are not penalized by the early redemption.

The 7.16% debentures due April 15, 2027 are unsecured, are not subject to any sinking fund requirement and are no longer redeemable prior to maturity.

Total Debt

Total debt as of June 29, 2013 was \$2,888.9 million of which approximately 88% was at fixed rates with a weighted average of 4.7% and an average life of 13 years, and the remainder was at floating rates with a weighted average of 1.4% and an average life of one year. Certain loan agreements contain typical debt covenants to protect note holders, including provisions to maintain the company's long-term debt to total capital ratio below a specified level. Sysco is currently in compliance with all debt covenants.

Other

As of June 29, 2013 and June 30, 2012, letters of credit outstanding were \$42.2 million and \$29.8 million , respectively.

11. LEASES

Sysco has obligations under capital and operating leases for certain distribution facilities, vehicles and computers . Total rental expense under operating leases was \$84.4 million , \$ 83.0 million , and \$ 79.3 million in fiscal 2013, 2012 and 2011 , respectively. Contingent rentals, subleases and assets and obligations under capital leases are not significant.

Aggregate minimum lease payments by fiscal year under existing non-capitalized long-term leases are as follows:

	<u>Amount</u>
	(In thousands)
2014	\$ 41,371
2015	34,427
2016	24,720
2017	18,041
2018	11,085
Thereafter	32,749

12. OTHER LONG-TERM LIABILITIES

The following table presents details of the company's other long-term liabilities:

	<u>June 29, 2013</u>	<u>June 30, 2012</u>
	(In thousands)	
Qualified pension plan	\$ 136,808	\$ 456,969
Supplemental executive retirement plan	409,024	450,326
Other	270,815	242,439
Total	<u>\$ 816,647</u>	<u>\$ 1,149,734</u>

13. COMPANY-SPONSORED EMPLOYEE BENEFIT PLANS

Sysco has company-sponsored defined benefit and defined contribution retirement plans for its employees . Also, the company provides certain health care benefits to eligible retirees and their dependents.

Defined Contribution Plan

In December 2012, the company amended its defined contribution 401(k) Plan to be a Safe Harbor plan, a plan that treats all employees' benefits equally within the plan, under Sections 401(k) and 401(m) of the Internal Revenue Code with respect to non-union employees and those union employees whose unions adopted the Safe Harbor Plan provisions. Effective January 1, 2013, the new Safe Harbor plan provides that the Company will make a non-elective contribution each pay period equal to 3% of a participant's compensation. Additionally, the Company will make matching contributions of 50% of a participant's pre-tax contribution on the first 5% of the participant's compensation. Certain employees are also eligible for a transition contribution, and the Company may also make discretionary contributions. For union employees who are members of unions that did not adopt the Safe Harbor Plan provisions, the plan provides that under certain circumstances the company may make matching contributions of up to 50% of the first 6% of a participant's compensation.

Prior to the adoption of the Safe Harbor Plan in January 2013, the company's defined contribution 401(k) plan provided that under certain circumstances the company may make matching contributions of up to 50% of the first 6% of a participant's compensation.

Sysco's expense related to its defined contribution 401(k) plan was \$65.3 million in fiscal 2013 , \$ 17.2 million in fiscal 2012 , and \$ 19.8 million in fiscal 2011 .

Defined Benefit Plans

Sysco maintains a qualified pension plan (Retirement Plan) that pays benefits to employees at retirement, using formulas based on a participant's years of service and compensation. At the end of fiscal 2012, Sysco approved a plan to freeze future benefit accruals under the Retirement Plan as of December 31, 2012 for all United States -based salaried and non-union hourly employees . Effective January 1, 2013, these employees were eligible for additional contributions under the company's defined contribution 401(k) plan.

In addition to receiving benefits upon retirement under the company's Retirement Plan, key management personnel who are participants in the Management Incentive Plan will receive benefits under a Supplemental Executive Retirement Plan (SERP). This plan is a nonqualified, unfunded supplementary retirement plan. In November 2012, Sysco approved a plan to restructure its executive nonqualified retirement program including the SERP. Future benefit accruals have been frozen under this plan as of June 29, 2013 for all participants.

Also, the company provides certain health care benefits to eligible retirees and their dependents.

Funded Status

Accumulated pension assets measured against the obligation for pension benefits represents the funded status of a given plan. The funded status of Sysco's company-sponsored defined benefit plans is presented in the table below. The caption "Pension Benefits" in the tables below includes both the Retirement Plan and the SERP.

	Pension Benefits		Other Postretirement Plans	
	June 29, 2013	June 30, 2012	June 29, 2013	June 30, 2012
	(In thousands)			
Change in benefit obligation:				
Benefit obligation at beginning of year	\$ 3,164,974	\$ 2,516,660	\$ 12,954	\$ 10,812
Service cost	70,166	108,223	541	457
Interest cost	148,561	147,512	614	632
Amendments	53,902	8,705	-	-
Curtailments	(72,967)	(176,531)	-	-
Actuarial (gain) loss, net	(201,517)	625,890	188	925
Total disbursements	(74,097)	(65,485)	(49)	128
Benefit obligation at end of year	<u>3,089,022</u>	<u>3,164,974</u>	<u>14,248</u>	<u>12,954</u>
Change in plan assets:				
Fair value of plan assets at beginning of year	2,234,869	2,106,313	-	-
Actual return on plan assets	263,675	31,597	-	-
Employer contribution	93,562	162,444	49	(128)
Total disbursements	(74,097)	(65,485)	(49)	128
Fair value of plan assets at end of year	<u>2,518,009</u>	<u>2,234,869</u>	<u>-</u>	<u>-</u>
Funded status at end of year	<u>\$ (571,013)</u>	<u>\$ (930,105)</u>	<u>\$ (14,248)</u>	<u>\$ (12,954)</u>

The measurements for the Retirement Plan at June 30, 2012 included the impact of the freeze discussed above. This resulted in the recognition of a curtailment gain as a component of actuarial loss arising in fiscal 2012 in other comprehensive loss.

As a result of the SERP freeze discussed above in November 2012, the liabilities of this plan were remeasured using a discount rate of 3.96%. A curtailment gain of \$73.0 million was recognized as a component of actuarial losses (net of tax) within other comprehensive income with an offsetting reduction to benefits obligations to accumulated benefits. Further, an \$8.3 million loss was recognized in the income statement arising from the write-off of prior service costs. In addition to the plan freeze, participants will be fully vested in their frozen benefits on their date of freeze. This resulted in an increase in the benefit obligation of \$48.6 million which was reflected as unrecognized prior service cost in other comprehensive income. This amount will amortize into pension expense over the next seven years. The SERP benefit obligation resulting after these changes on the date of the approved plan was \$486.6 million.

In order to meet a portion of its obligations under the SERP, Sysco maintains life insurance policies on the lives of the participants with carrying values of \$95.0 million as of June 29, 2013 and \$97.6 million as of June 30, 2012. In the second quarter of fiscal 2012, approximately \$75.0 million of these policies were redeemed and corporate-owned real estate assets were substituted for these policies. These policies are not included as plan assets or in the funded status amounts in the tables above and below; rather, the assets are held in a rabbi trust and are therefore available to satisfy the claims of the company's creditors in the event of bankruptcy or insolvency of the company. Sysco is the sole owner and beneficiary of such policies.

The amounts recognized on Sysco's consolidated balance sheets related to its company-sponsored defined benefit plans are as follows:

	Pension Benefits		Other Postretirement Plans	
	June 29, 2013	June 30, 2012	June 29, 2013	June 30, 2012
	(In thousands)			
Current accrued benefit liability (Accrued expenses)	\$ (25,181)	\$ (22,810)	\$ (380)	\$ (369)
Non-current accrued benefit liability (Other long-term liabilities)	(545,832)	(907,295)	(13,868)	(12,585)
Net amount recognized	<u>\$ (571,013)</u>	<u>\$ (930,105)</u>	<u>\$ (14,248)</u>	<u>\$ (12,954)</u>

Accumulated other comprehensive loss (income) as of June 29, 2013 consists of the following amounts that had not, as of that date, been recognized in net benefit cost:

	Pension Benefits	Other Postretirement Plans	Total
	(In thousands)		
Prior service cost	\$ 71,798	\$ 1,067	\$ 72,865
Actuarial losses (gains)	864,000	(3,151)	860,849
Total	<u>\$ 935,798</u>	<u>\$ (2,084)</u>	<u>\$ 933,714</u>

Accumulated other comprehensive loss (income) as of June 30, 2012 consists of the following amounts that had not, as of that date, been recognized in net benefit cost:

	Pension Benefits	Other Postretirement Plans	Total
	(In thousands)		
Prior service cost	\$ 36,087	\$ 1,236	\$ 37,323
Actuarial losses (gains)	1,303,582	(3,543)	1,300,039
Transition obligation	-	141	141
Total	<u>\$ 1,339,669</u>	<u>\$ (2,166)</u>	<u>\$ 1,337,503</u>

The accumulated benefit obligation, which does not consider any salary increases for the remaining active union employees in the Retirement Plan, for the company-sponsored defined benefit pension plans was \$ 3,079.1 million and \$ 3,078.5 million as of June 29, 2013 and June 30, 2012, respectively.

Information for plans with accumulated benefit obligation/aggregate benefit obligation in excess of fair value of plan assets is as follows:

	Pension Benefits		Other Postretirement Plans	
	June 29, 2013 ⁽¹⁾	June 30, 2012 ⁽¹⁾	June 29, 2013	June 30, 2012
	(In thousands)			
Accumulated benefit obligation/aggregate benefit obligation	\$ 3,079,068	\$ 3,078,488	\$ 14,248	\$ 12,954
Fair value of plan assets at end of year	2,518,009	2,234,869	-	-

⁽¹⁾ Information under Pension Benefits as of June 29, 2013 and June 30, 2012 includes both the Retirement Plan and the SERP.

The components of net company-sponsored pension costs for each fiscal year are as follows:

	Pension Benefits		
	2013	2012	2011
	(In thousands)		
Service cost	\$ 70,166	\$ 108,223	\$ 99,443
Interest cost	148,561	147,512	134,973
Expected return on plan assets	(171,201)	(161,605)	(131,921)
Amortization of prior service cost	9,899	4,806	3,960
Amortization of actuarial loss	72,624	60,166	79,952
Curtailement loss	8,293	-	-
Net pension costs	<u>\$ 138,342</u>	<u>\$ 159,102</u>	<u>\$ 186,407</u>

The components of other postretirement benefit costs for each fiscal year are as follows:

	Other Postretirement Plans		
	2013	2012	2011
	(In thousands)		
Service cost	\$ 541	\$ 457	\$ 396
Interest cost	614	632	524
Amortization of prior service cost	168	215	185
Amortization of actuarial gain	(203)	(331)	(388)
Amortization of transition obligation	141	153	153
Net other postretirement benefit costs	<u>\$ 1,261</u>	<u>\$ 1,126</u>	<u>\$ 870</u>

Other changes in plan assets and benefit obligations recognized in other comprehensive income (loss) related to company-sponsored pension plans for each fiscal year are as follows:

	Pension Benefits		
	2013	2012	2011
	(In thousands)		
Amortization of prior service cost	\$ 18,192	\$ 4,806	\$ 3,960
Amortization of actuarial loss	72,624	60,166	79,952
Prior service cost arising in current year	(53,902)	(8,706)	(8,252)
Actuarial (loss) gain arising in current year	366,957	(579,366)	84,055
Net pension costs	<u>\$ 403,871</u>	<u>\$ (523,100)</u>	<u>\$ 159,715</u>

Other changes in benefit obligations recognized in other comprehensive income (loss) related to other postretirement plans for each fiscal year are as follows:

	Other Postretirement Plans		
	2013	2012	2011
	(In thousands)		
Amortization of prior service cost	\$ 168	\$ 215	\$ 185
Amortization of actuarial gain	(203)	(331)	(388)
Amortization of transition obligation	141	153	153
Prior service cost arising in current year	-	-	(987)
Actuarial (loss) gain arising in current year	(188)	(925)	(157)
Net pension costs	<u>\$ (82)</u>	<u>\$ (888)</u>	<u>\$ (1,194)</u>

Amounts included in accumulated other comprehensive loss (income) as of June 29, 2013 that are expected to be recognized as components of net company-sponsored benefit cost during fiscal 2014 are:

	Pension Benefits	Other Postretirement Plans	Total
	(In thousands)		
Amortization of prior service cost	\$ 11,145	\$ 168	\$ 11,313
Amortization of actuarial losses (gains)	16,327	(143)	16,184
Total	\$ 27,472	\$ 25	\$ 27,497

Employer Contributions

The company made cash contributions to its company-sponsored pension plans of \$ 93.6 million and \$ 162.4 million in fiscal years 2013 and 2012, respectively. The \$ 70.0 million contribution to the Retirement Plan in fiscal 2013 was voluntary, as there were no required contributions to meet ERISA minimum funding requirements in fiscal 2013. The \$ 140.0 million contribution to the Retirement Plan in fiscal 2012 exceeded the minimum required contribution for the calendar 2011 plan year to meet ERISA minimum funding requirements. There are no required contributions to the Retirement Plan to meet ERISA minimum funding requirements in fiscal 2014. The company's contributions to the SERP and other post-retirement plans are made in the amounts needed to fund current year benefit payments. The estimated fiscal 2014 contributions to fund benefit payments for the SERP and other postretirement plans are \$ 25.8 million and \$ 0.4 million, respectively.

Estimated Future Benefit Payments

Estimated future benefit payments for vested participants, based on actuarial assumptions, are as follows:

	Pension Benefits	Other Postretirement Plans
	(In thousands)	
2014	\$ 86,447	\$ 390
2015	95,024	775
2016	104,529	1,075
2017	115,629	1,271
2018	126,202	1,404
Subsequent five years	786,838	7,123

Assumptions

Weighted-average assumptions used to determine benefit obligations as of year-end were:

	June 29, 2013	June 30, 2012
Discount rate — Retirement Plan	5.32 %	4.81 %
Discount rate — SERP	4.94	4.89
Discount rate — Other Postretirement Plans	5.32	4.81
Rate of compensation increase — Retirement Plan	3.89	5.30

As benefit accruals under the SERP were frozen as of June 29, 2013 due to the plan freeze discussed above, future pay is not projected in the determination of the benefit obligation as of that date. For determining the benefit obligations as of June 30, 2012, the SERP calculations utilized an age-graded salary growth assumption.

Weighted-average assumptions used to determine net company-sponsored pension costs and other postretirement benefit costs for each fiscal year were:

	2013	2012	2011
Discount rate — Retirement Plan	4.81 %	5.94 %	6.15 %
Discount rate — SERP	3.96 ⁽¹⁾	5.93	6.35
Discount rate — Other Postretirement Plans	4.81	5.94	6.32
Expected rate of return — Retirement Plan	7.75	7.75	8.00
Rate of compensation increase — Retirement Plan	5.30	5.30	5.30

⁽¹⁾ The SERP was remeasured in November 2012 as a result of the plan freeze discussed above. The rate in the table above reflects the discount rate as of this remeasurement.

For determining the net pension costs related to the SERP for fiscal 2013, 2012 and 2011, the SERP calculations utilized an age-graded salary growth assumption.

A healthcare cost trend rate is not used in the calculations of postretirement benefit obligations because Sysco subsidizes the cost of postretirement medical coverage by a fixed dollar amount, with the retiree responsible for the cost of coverage in excess of the subsidy, including all future cost increases.

For guidance in determining the discount rate, Sysco calculates the implied rate of return on a hypothetical portfolio of high-quality fixed-income investments for which the timing and amount of cash outflows approximates the estimated payouts of the company-sponsored pension plans. The discount rate assumption is reviewed annually and revised as deemed appropriate. The discount rate to be used for the calculation of fiscal 2014 net company-sponsored benefit costs for the Retirement Plan is 5.32%. The discount rate to be used for the calculation of fiscal 2014 net company-sponsored benefit costs for the SERP is 4.94%. The discount rate to be used for the calculation of fiscal 2014 net company-sponsored benefit costs for the Other Postretirement Plans is 5.32%.

The expected long-term rate of return on plan assets assumption is net return on assets assumption, representing gross return on assets less plan expenses. The expected return is derived from a mathematical asset model that incorporates assumptions as to the various asset class returns, reflecting a combination of rigorous historical performance analysis and the forward-looking views of the financial markets regarding the yield on bonds, the historical returns of the major stock markets and returns on alternative investments. The rate of return assumption is reviewed annually and revised as deemed appropriate. The expected long-term rate of return to be used in the calculation of fiscal 2014 net company-sponsored benefit costs for the Retirement Plan is 7.75%.

Plan Assets

Investment Strategy

The company's overall strategic investment objectives for the Retirement Plan are to preserve capital for future benefit payments and to balance risk and return commensurate with ongoing changes in the valuation of plan liabilities. In order to accomplish these objectives, the company oversees the Retirement Plan's investment objectives and policy design, decides proper plan asset class strategies and structures, monitors the performance of plan investment managers and investment funds and determines the proper investment allocation of pension plan contributions and withdrawals. The company has created an investment structure for the Retirement Plan that takes into account the nature of the Retirement Plan's liabilities. This structure ensures the Retirement Plan's investment are diversified within each asset class, in addition to being diversified across asset classes with the intent to build asset class portfolios that are structured without strategic bias for or against any subcategories within each asset class. The company has also created a set of investment guidelines for the Retirement Plan's investment managers to specify prohibited transactions, including borrowing of money except for real estate portfolios or private equity portfolios where leverage is a key component of the investment strategy and permitted in the investments' governing documents, the purchase of securities on margin unless fully collateralized by cash or cash equivalents or short sales, pledging, mortgaging or hypothecating of any securities except for loans of securities that are fully collateralized, market timing transactions and the direct purchase of the securities of Sysco or the investment manager. The purchase or sale of derivatives for speculation or leverage is also prohibited; however, investment managers are allowed to use derivative securities so long as they do not increase the risk profile or leverage of the manager's portfolio.

The company's target and actual investment allocation as of June 29, 2013 is as follows:

	<u>Target Asset Allocation</u> <u>Range</u>	<u>Actual Asset Allocation</u>
U.S. equity	23 - 31 %	34 %
International equity	23 - 31	31
Long duration fixed income	21 - 35	23
High yield fixed income	7 - 11	9
Alternative investments	5 - 15	3
		<u>100 %</u>

Sysco's investment strategy is implemented through a combination of balanced and specialist investment managers, passive investment funds and actively-managed investment funds. U.S. equity consists of both large-cap and small-to-mid-cap securities. Core fixed income investments include intermediate range U.S. government and agency securities, corporate bonds from diversified industries, asset-backed securities, mortgage-backed securities, other debt securities and derivative securities. Long duration fixed income investments include U.S. government and agency securities, corporate bonds from diversified industries, asset-backed securities, mortgage-backed securities, other debt securities and derivative securities. High yield fixed income consists of below investment grade corporate debt securities and may include derivative securities. Alternative investments may include private equity, private real estate, timberland, and commodities investments. Investment funds are selected based on each fund's stated investment strategy to align with Sysco's overall target mix of investments. Actual asset allocation is regularly reviewed and periodically rebalanced to the target allocation when considered appropriate. As of June 29, 2013, actual asset allocation varied from the stated target in certain categories, as alternative investment funding, primarily in private equity funds require contributions over a multi-year period. Until such capital is required, the company has chosen to invest these amounts in U.S. and international equities.

As discussed above, the Retirement Plan's investments in equity, fixed income and alternative investments provide a range of returns and also expose the plan to investment risk. However, the investment policies put in place by the company require diversification of plan assets across issuers, industries and countries. As such, the Retirement Plan does not have significant concentrations of risk in plan assets.

Fair Value of Plan Assets

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). See Note 4, "Fair Value Measurements," for a description of the fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The following is a description of the valuation methodologies used for assets and liabilities measured at fair value.

Cash and cash equivalents: Valued at amortized cost, which approximates fair value. Cash and cash equivalents is included as a Level 2 measurement in the table below.

Equity securities: Valued at the closing price reported on the exchange market. If a stock is not listed on a public exchange, such as an American Depository Receipt or some preferred stocks, the stock is valued using an evaluated bid price based on a compilation of observable market information. Inputs used include yields, the underlying security "best price", adjustments for corporate actions and exchange prices of underlying and common stock of the same issuer. Equity securities valued at the closing price reported on the exchange market are classified as a Level 1 measurement in the table below; all other equity securities are included as a Level 2 measurement.

Fixed income securities: Valued using evaluated bid prices based on a compilation of observable market information or a broker quote in a non-active market. Inputs used vary by type of security, but include spreads, yields, rate benchmarks, rate of prepayment, cash flows, rating changes and collateral performance and type. All fixed income securities are included as a Level 2 measurement in the table below.

Investment funds: Funds holding debt and equity securities are valued at the net asset value (NAV) provided by the manager of each fund. The NAV is calculated as the underlying net assets owned by the fund, divided by the number of shares outstanding. The NAV is based on the fair value of the underlying securities within the fund. The real estate funds are valued based on the proportionate interest held by the Retirement Plan, which is based on the valuations of the underlying real estate investments held by each fund. Each real estate investment is valued on the basis of a discounted cash flow approach. Inputs used include future rental receipts, expenses and residual values from a market participant view of the highest and best use of the real estate as rental property. The private equity funds are valued based on the proportionate interest held by the Retirement Plan, which is based on the valuations of the underlying private equity investments held by each fund. Indirectly-held investments are valued utilizing the latest financial reports supplied by the fund's portfolio investments. Directly-held investments are valued initially based on transaction price and are adjusted utilizing available market data and investment-specific factors, such as estimates of liquidation value, prices of recent

transactions in the same or similar issuer, current operating performance and future expectations of the particular investment, changes in market outlook and the financing environment. Investment funds holding debt and equity securities are included as a Level 2 measurement in the table below. The real estate funds and private equity funds are included as Level 3 measurements.

Derivatives: Valuation method varies by type of derivative security.

- Credit default and interest rate swaps: Valued using evaluated bid prices based on a compilation of observable market information. Inputs used for credit default swaps include spread curves and trade data about the credit quality of the counterparty. Inputs used for interest rate swaps include benchmark yields, swap curves, cash flow analysis, and interdealer broker rates. Credit default and interest rate swaps are included as a Level 2 measurement in the table below.
- Foreign currency contracts: Valued using a standardized interpolation model that utilizes the quoted prices for standard-length forward foreign currency contracts and adjusts to the remaining term outstanding on the contract being valued. Foreign currency contracts are included as a Level 2 measurement in the table below.
- Futures and option contracts: Valued at the closing price reported on the exchange market for exchange-traded futures and options. Over-the-counter options are valued using pricing models that are based on observable market information. Exchange-traded futures and options are included as a Level 1 measurement in the table below; over-the-counter options are included as a Level 2 measurement.

The following table presents the fair value of the Retirement Plan's assets by major asset category as of June 29, 2013 :

	Assets Measured at Fair Value as of June 29, 2013			
	Level 1	Level 2	Level 3	Total
	(In thousands)			
Cash and cash equivalents ¹	\$ -	\$ 88,812	\$ -	\$ 88,812
U.S. equity:				
U.S. large-cap ¹	189,548	531,667	-	721,215
U.S. small-to-mid-cap ¹	99,518	-	-	99,518
International equity ²	-	745,262	-	745,262
Long duration fixed income:				
Diversified fixed income ²	-	264,139	-	264,139
U.S. government and agency securities	-	123,253	-	123,253
Corporate bonds	-	117,565	-	117,565
Mortgage-backed securities	-	8,316	-	8,316
Municipal bonds	-	23,840	-	23,840
Sovereign debt	-	16,744	-	16,744
Other ¹	-	13,277	-	13,277
Derivatives, net ³	(249)	(687)	-	(936)
High yield fixed income ²	-	226,955	-	226,955
Alternative investments:				
Real estate ²	-	-	64,845	64,845
Private equity ²	-	-	14,375	14,375
Total investments at fair value	<u>\$ 288,817</u>	<u>\$ 2,159,143</u>	<u>\$ 79,220</u>	<u>\$ 2,527,180</u>
Other ⁴				(9,171)
Fair value of plan assets at end of year				<u>\$ 2,518,009</u>

¹ Include direct investments and investment funds.

² Include investments in investment funds only.

³ Include credit default swaps, interest rate swaps, foreign currency contracts, futures and options. The fair value of asset positions totaled \$0.4 million ; the fair value of liability positions totaled \$1.3 million .

⁴ Include primarily plan receivables and payables, net.

The following table presents the fair value of the Retirement Plan's assets by major asset category as of June 30, 2012 :

	Assets Measured at Fair Value as of June 30, 2012			
	Level 1	Level 2	Level 3	Total
	(In thousands)			
Cash and cash equivalents ¹	\$ -	\$ 44,904	\$ -	\$ 44,904
U.S. equity:				
U.S. large-cap ¹	143,544	414,048	-	557,592
U.S. small-to-mid-cap	133,388	-	-	133,388
International equity ²	-	670,139	-	670,139
Core fixed income:				
U.S. government and agency securities	-	43,690	-	43,690
Corporate bonds ¹	-	85,391	-	85,391
Asset-backed securities	-	11,937	-	11,937
Mortgage-backed securities, net ¹	-	106,722	-	106,722
Other ¹	192	17,248	-	17,440
Derivatives, net ³	(16)	(6)	-	(22)
Long duration fixed income:				
U.S. government and agency securities	-	143,825	-	143,825
Corporate bonds	-	119,947	-	119,947
Mortgage-backed securities	-	9,946	-	9,946
Municipal bonds	-	22,014	-	22,014
Sovereign debt	-	18,126	-	18,126
Other ¹	-	12,813	-	12,813
Derivatives, net ⁴	-	(43)	-	(43)
High yield fixed income ²	-	205,984	-	205,984
Alternative investments:				
Real estate ²	-	-	51,097	51,097
Private equity ²	-	-	5,295	5,295
Total investments at fair value	<u>\$ 277,108</u>	<u>\$ 1,926,685</u>	<u>\$ 56,392</u>	<u>\$ 2,260,185</u>
Other ⁵				(25,316)
Fair value of plan assets at end of year				<u>\$ 2,234,869</u>

¹ Include direct investments and investment funds.

² Include investments in investment funds only.

³ Include credit default swaps, interest rate swaps and futures. The fair value of asset positions totaled \$ 0.3 million ; the fair value of liability positions totaled \$ 0.3 million .

⁴ Include credit default swaps, interest rate swaps, foreign currency contracts, futures and options. The fair value of asset positions totaled \$ 0.5 million ; the fair value of liability positions totaled \$ 0.6 million .

⁵ Include primarily plan receivables and payables, net.

The following table sets forth a summary of changes in the fair value of the Retirement Plan's Level 3 assets for each fiscal year:

	Real Estate Funds	Private Equity Funds	Total Level 3 Measurements
	(In thousands)		
Balance, July 2, 2011	\$ 30,615	\$ 1,480	\$ 32,095
Actual return on plan assets:			
Relating to assets still held at the reporting date	2,155	(14)	2,141
Relating to assets sold during the period	-	-	-
Purchases and sales, net	18,327	3,829	22,156
Transfers in and/or out of Level 3	-	-	-
Balance, June 30, 2012	\$ 51,097	\$ 5,295	\$ 56,392
Actual return on plan assets:			
Relating to assets still held at the reporting date	6,696	1,327	8,023
Relating to assets sold during the period	-	-	-
Purchases and sales, net	7,052	7,753	14,805
Transfers in and/or out of Level 3	-	-	-
Balance, June 29, 2013	\$ 64,845	\$ 14,375	\$ 79,220

14. MULTIEMPLOYER EMPLOYEE BENEFIT PLANS

Defined Benefit Pension Plans

Sysco contributes to several multiemployer defined benefit pension plans in the United States and Canada based on obligations arising under collective bargaining agreements covering union-represented employees. Sysco does not directly manage these multiemployer plans, which are generally managed by boards of trustees, half of whom are appointed by the unions and the other half by other employers contributing to the plan. Approximately 10% of Sysco's current employees are participants in such multiemployer plans as of June 29, 2013.

The risks of participating in these multiemployer plans are different from single-employer plans in the following aspects:

- Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- If Sysco chooses to stop participating in some of its multiemployer plans, Sysco may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

Based upon the information available from plan administrators, management believes that several of these multiemployer plans are underfunded. In addition, pension-related legislation in the United States requires underfunded pension plans to improve their funding ratios within prescribed intervals based on the level of their underfunding. As a result, Sysco expects its contributions to these plans to increase in the future. In addition, if a United States multiemployer defined benefit plan fails to satisfy certain minimum funding requirements, the Internal Revenue Service (IRS) may impose a nondeductible excise tax of 5% on the amount of the accumulated funding deficiency for those employers contributing to the fund.

Withdrawal Activity

Sysco has voluntarily withdrawn from various multiemployer pension plans. Total withdrawal liability provisions recorded were \$ 41.9 million in fiscal 2013, \$ 21.9 million in fiscal 2012 and \$ 41.5 million in fiscal 2011. As of June 29, 2013 and June 30, 2012, Sysco had approximately \$ 40.7 million and \$ 30.7 million, respectively, in liabilities recorded related to certain multiemployer defined benefit plans for which Sysco's voluntary withdrawal had already occurred. Recorded withdrawal liabilities are estimated at the time of withdrawal based on the most recently available valuation and participant data for the respective plans; amounts are subsequently adjusted to the period of payment to reflect any changes to these estimates. If any of these plans were to undergo a mass withdrawal, as defined by the Pension Benefit Guaranty Corporation, within the two plan years following the plan year in which we completely withdraw from that plan, Sysco could have additional liability. The company does not currently believe any mass withdrawals are probable to occur in the applicable two- plan year time frame relating to the plans from which Sysco has voluntarily withdrawn.

Potential Withdrawal Liability

Under current law regarding multiemployer defined benefit plans, a plan's termination, Sysco's voluntary withdrawal, or the mass withdrawal of all contributing employers from any underfunded multiemployer defined benefit plan would require Sysco to make payments to the plan for Sysco's proportionate share of the multiemployer plan's unfunded vested liabilities. Generally, Sysco does not have the greatest share of liability among the participants in any of the plans in which it participates. Sysco believes that one of the above-mentioned events is reasonably possible for certain plans in which it participates and estimates its share of withdrawal liability for these plans could have been as much as \$ 80.0 million as of June 29, 2013. This estimate excludes plans for which Sysco has recorded withdrawal liabilities or where the likelihood of the above-mentioned events is deemed remote. This estimate is based on the information available from plan administrators, which had a valuation date of December 31, 2011. As the valuation date for all of these plans was December 31, 2011, the company's estimate reflects the condition of the financial markets as of that date. Due to the lack of current information, management believes Sysco's current share of the withdrawal liability could materially differ from this estimate.

Plan Contributions

Sysco's contributions to multiemployer defined benefit pension plans were as follows for each fiscal year:

	2013	2012	2011
		(In thousands)	
Individually significant plans	\$ 28,816	\$ 29,497	\$ 27,196
All other plans	36,923	38,611	6,819
Total contributions	<u>\$ 65,739</u>	<u>\$ 68,108</u>	<u>\$ 34,015</u>

Payments for voluntary withdrawals included in contributions were \$ 31.8 million, \$33.6 million and zero in fiscal 2013, 2012 and 2011, respectively. Contributions for individually significant plans and all other plans have been presented in the table above for all years based on the current year designation of individually significant plans. Prior periods amounts have been reclassified for consistency with the current year presentation.

Individually Significant Plans

The information in the following tables relates to multiemployer defined benefit pension plans which Sysco has determined to be individually significant to the company. To determine individually significant plans, the company evaluated several factors, including Sysco's significance to the plan in terms of employees and contributions, the funded status of the plan and the size of company's potential withdrawal liability if it were to voluntarily withdraw from the plan.

The following table provides information about the funded status of individually significant plans:

- The "EIN-PN" column provides the Employer Identification Number (EIN) and the three-digit plan number (PN).
- The "Pension Protection Act Zone Status" columns provide the two most recent Pension Protection Act zone statuses available from each plan. The zone status is based on information that the company received from the plan's administrators and is certified by each plan's actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in the orange zone are both less than 80% funded and have an accumulated funding deficiency or are expected to have a deficiency in any of the next six plan years, plans in the yellow zone are less than 80% funded and plans in the green zone are at least 80% funded.
- The "FIP/RP Status" column indicates whether a financial improvement plan (FIP) for yellow/orange zone plans or a rehabilitation plan (RP) for red zone plans is pending or implemented in the current year or was put in place in a prior year. A status of "Pending" indicates a FIP/RP has been approved but actual period covered by the FIP/RP has not begun. A status of "Implemented" means the period covered by the FIP/RP began in the current year or is ongoing.
- The "Surcharge Imposed" column indicates whether a surcharge was paid during the most recent annual period presented for the company's contributions to each plan in the red zone. If the company's current collective bargaining agreement (CBA) with a plan satisfies the requirements of a pending but not yet implemented RP, then the payment of surcharges is not required and "No" will be reflected in this column. If the company's current collective bargaining agreement (CBA) with a plan does not yet satisfy the requirements of a pending but not yet implemented RP, then the payment of surcharges is required and "Yes" will be reflected in this column.

Pension Fund	EIN-PN	Pension Protection Act Zone Status		FIP/RP Status	Surcharge Imposed	Expiration Date(s) of CBA(s)
		As of 12/31/13	As of 12/31/12			
Western Conference of Teamsters Pension Plan	91-6145047-001	Green	Green	N/A	N/A	9/28/13 to 2/15/19 ⁽¹⁾
Teamsters Pension Trust Fund of Philadelphia and Vicinity	23-1511735-001	Yellow	Yellow	Implemented	N/A	7/19/13 to 7/31/16 ⁽²⁾
New York State Teamsters Conference Pension and Retirement Fund	16-6063585-074	Red	Red	Implemented	No	4/30/14
Truck Drivers and Helpers Local Union No. 355 Retirement Pension Fund	52-6043608-001	Yellow	Yellow	Pending	N/A	3/1/15
Minneapolis Food Distributing Industry Pension Plan	41-6047047-001	Green	Yellow	Implemented	N/A	8/10/13

(1) Sysco is party to 23 C BAs that require contributions to the Western Conference of Teamsters Pension Trust. Each agreement covers anywhere from less than 1 % to 11 % of the total contributions Sysco is required to pay the fund.

(2) Sysco is party to three CBAs that require contributions to the Teamsters Pension Trust Fund of Philadelphia and Vicinity. One agreement expires July 19, 2013 and covers approximately 50 % of the total contributions Sysco is required to pay the fund. The remaining two agreements expire July 31, 2016 and cover the remaining 50 % of the total contributions Sysco is required to pay the fund.

The following table provides information about the company's contributions to individually significant plans:

- The "Sysco Contributions" columns provide contribution amounts based on Sysco's fiscal years, which may not coincide with the plans' fiscal years.
- The "Sysco 5% of Total Plan Contributions" columns indicate whether Sysco was listed in the plan's most recently filed Form 5500s as providing more than five percent of the total contributions to the plan, and the plan year-end is noted. As of the date these financial statements were filed with the SEC, Form 5500s were not available for plan years ending December 31, 2012.

Pension Fund	Sysco Contributions			Sysco 5% of Total Plan Contributions	
	2013	2012	2011	Year Ending 12/31/11	Year Ending 12/31/10
	(In thousands)				
Western Conference of Teamsters Pension Plan	\$ 20,561	\$ 19,829	\$ 19,490	No	No
Teamsters Pension Trust Fund of Philadelphia and Vicinity	2,256	2,227	2,009	No	No
New York State Teamsters Conference Pension and Retirement Fund	1,399	1,395	1,366	No	No
Truck Drivers and Helpers Local Union No. 355 Retirement Pension Fund	1,624	1,490	1,358	Yes	Yes
Minneapolis Food Distributing Industry Pension Plan	2,976	4,556	2,973	Yes	Yes

For all of the plans noted in the table above, minimum contributions outside of the agreed upon contractual rate are not required.

Other Postretirement Benefit Plans

In addition to the contributions to the defined benefit pension plans described above, Sysco also contributes to several multiemployer plans that provide other postretirement benefits based on obligations arising under collective bargaining agreements covering union-represented employees. These plans may provide medical, pharmacy, dental, vision, mental health and other benefits to active employees and retirees as determined by the trustees of each plan. Sysco contributed to these plans \$ 30.6 million in fiscal 2013, \$ 25.5 million in fiscal 2012 and \$ 23.9 million in fiscal 2011. There have been no significant changes that affect the comparability of fiscal 2013, fiscal 2012 and fiscal 2011 contributions.

15. EARNINGS PER SHARE

Basic earnings per share has been computed by dividing net earnings by the weighted average number of shares of common stock outstanding for each respective year. Diluted earnings per share has been computed by dividing net earnings by the weighted average number of shares of common stock outstanding during those respective years adjusted for the dilutive effect of share-based awards outstanding using the treasury stock method. The two-class method is also utilized for the computation of earnings per share. The two-class method requires a portion of net income to be allocated to participating securities, which are unvested awards of share-based compensation with non-forfeitable rights to receive dividends or dividend equivalents, if declared. Net earnings allocated to these participating securities are excluded from net earnings allocated to common shares and were insignificant in fiscal 2013, 2012 and 2011.

A reconciliation of the numerators and the denominators of the basic and diluted earnings per share computations for the periods presented follows:

	<u>2013</u>	<u>2012</u>	<u>2011</u>
	(In thousands, except for share and per share data)		
Numerator:			
Net earnings	\$ 992,427	\$ 1,121,585	\$ 1,152,030
Denominator:			
Weighted-average basic shares outstanding	589,397,807	587,726,343	586,526,142
Dilutive effect of share-based awards	3,277,303	1,265,098	2,165,404
Weighted-average diluted shares outstanding	<u>592,675,110</u>	<u>588,991,441</u>	<u>588,691,546</u>
Basic earnings per share:	\$ 1.68	\$ 1.91	\$ 1.96
Diluted earnings per share:	<u>\$ 1.67</u>	<u>\$ 1.90</u>	<u>\$ 1.96</u>

The number of options that were not included in the diluted earnings per share calculation because the effect would have been anti-dilutive was approximately 18,200,000, 49,100,000 and 50,700,000 for fiscal 2013, 2012 and 2011, respectively.

Dividends declared were \$654.9 million, \$ 628.0 million and \$ 604.5 million in fiscal 2013, 2012 and 2011, respectively. Included in dividends declared for each year were dividends declared but not yet paid at year-end of approximately \$ 165.8 million, \$ 159.4 million and \$ 155.0 million in fiscal 2013, 2012 and 2011, respectively.

16. COMPREHENSIVE INCOME

Comprehensive income is net earnings plus certain other items that are recorded directly to shareholders' equity, such as foreign currency translation adjustments, amounts related to cash flow hedging arrangements and certain amounts related to pension and other postretirement plans. Comprehensive income was \$ 1,208.4 million, \$718.7 million and \$1,372.3 million in fiscal 2013, 2012 and 2011, respectively.

A summary of the components of other comprehensive income (loss) and the related tax effects for each of the years presented is as follows:

	2013		
	Before Tax Amount	Tax	Net of Tax Amount
	(In thousands)		
Foreign currency translation adjustment	\$ (33,191)	\$ -	\$ (33,191)
Amortization of cash flow hedges	626	240	386
Amortization of prior service cost	18,360	7,050	11,310
Amortization of actuarial loss (gain), net	72,421	27,811	44,610
Amortization of transition obligation	141	53	88
Prior service cost arising in current year	(53,902)	(20,699)	(33,203)
Actuarial gain (loss), net arising in current year	366,769	140,840	225,929
Total other comprehensive income (loss)	<u>\$ 371,224</u>	<u>\$ 155,295</u>	<u>\$ 215,929</u>

	2012		
	Before Tax Amount	Tax	Net of Tax Amount
	(In thousands)		
Foreign currency translation adjustment	\$ (81,003)	\$ -	\$ (81,003)
Amortization of cash flow hedges	692	266	426
Settlement of cash flow hedge	722	277	445
Amortization of prior service cost	5,021	1,928	3,093
Amortization of actuarial loss (gain), net	59,835	22,975	36,860
Amortization of transition obligation	153	60	93
Prior service cost arising in current year	(8,706)	(3,343)	(5,363)
Actuarial gain (loss), net arising in current year	(580,291)	(222,832)	(357,459)
Total other comprehensive income (loss)	<u>\$ (603,577)</u>	<u>\$ (200,669)</u>	<u>\$ (402,908)</u>

	2011		
	Before Tax Amount	Tax	Net of Tax Amount
	(In thousands)		
Foreign currency translation adjustment	\$ 122,217	\$ -	\$ 122,217
Amortization of cash flow hedge	696	268	428
Amortization of prior service cost	4,145	1,592	2,553
Amortization of actuarial loss (gain), net	79,564	30,551	49,013
Amortization of transition obligation	153	60	93
Prior service cost arising in current year	(9,239)	(3,547)	(5,692)
Actuarial gain (loss), net arising in current year	83,898	32,217	51,681
Total other comprehensive income (loss)	<u>\$ 281,434</u>	<u>\$ 61,141</u>	<u>\$ 220,293</u>

The following table provides a summary of the changes in accumulated other comprehensive (loss) income for the years presented:

	Pension and Other Postretirement Benefit Plans, net of tax	Foreign Currency Translation	Interest Rate Swap, net of tax	Total
(In thousands)				
Balance as of July 3, 2010	\$ (598,773)	\$ 129,535	\$ (11,013)	\$ (480,251)
Foreign currency translation adjustment	-	122,217	-	122,217
Amortization of cash flow hedge	-	-	428	428
Amortization of prior service cost	2,553	-	-	2,553
Amortization of actuarial loss (gain), net	49,013	-	-	49,013
Amortization of transition obligation	93	-	-	93
Prior service cost arising in current year	(5,692)	-	-	(5,692)
Actuarial gain (loss), net, arising in current year	51,681	-	-	51,681
Balance as of July 2, 2011	(501,125)	251,752	(10,585)	(259,958)
Foreign currency translation adjustment	-	(81,003)	-	(81,003)
Amortization of cash flow hedges	-	-	426	426
Settlement of cash flow hedge	-	-	445	445
Amortization of prior service cost	3,093	-	-	3,093
Amortization of actuarial loss (gain), net	36,860	-	-	36,860
Amortization of transition obligation	93	-	-	93
Prior service cost arising in current year	(5,363)	-	-	(5,363)
Actuarial gain (loss), net, arising in current year	(357,459)	-	-	(357,459)
Balance as of June 30, 2012	(823,901)	170,749	(9,714)	(662,866)
Foreign currency translation adjustment	-	(33,191)	-	(33,191)
Amortization of cash flow hedges	-	-	386	386
Amortization of prior service cost	11,310	-	-	11,310
Amortization of actuarial loss (gain), net	44,610	-	-	44,610
Amortization of transition obligation	88	-	-	88
Prior service cost arising in current year	(33,203)	-	-	(33,203)
Actuarial gain (loss), net, arising in current year	225,929	-	-	225,929
Balance as of June 29, 2013	<u>\$ (575,167)</u>	<u>\$ 137,558</u>	<u>\$ (9,328)</u>	<u>\$ (446,937)</u>

17. SHARE-BASED COMPENSATION

Sysco provides compensation benefits to employees and non-employee directors under several share-based payment arrangements including various employee stock option plans, the Employees' Stock Purchase Plan, the Management Incentive Plan and various non-employee director plans.

Stock Incentive Plans

In November 2009, Sysco's 2007 Stock Incentive Plan was amended and provides for the issuance of up to 55,000,000 shares of Sysco common stock for share-based awards to officers and other employees of the company. Of the 55,000,000 authorized shares, the full 55,000,000 shares may be issued as options or stock appreciation rights and up to 10,000,000 shares may be issued as restricted stock, restricted stock units or other types of stock-based awards. To date, Sysco has issued options, restricted stock and restricted stock units under this plan. Vesting requirements for awards under this plan will vary by individual grant and may include either time-based vesting or time-based vesting subject to acceleration based on performance criteria for fiscal periods of at least one year. The contractual life of all options granted under this plan will be no greater than seven years. As of June 29, 2013, there were 10,159,110 remaining shares authorized and available for grant in total under the amended 2007 Stock Incentive Plan, of which the full 10,159,110 shares may be issued as options or stock appreciation rights, or as a combination of up to 5,530,402 shares that may be issued as restricted stock, restricted stock units or other types of stock-based awards with the remainder available for issuance as options or stock appreciation rights.

Sysco has also granted employee options under several previous employee stock option plans for which previously granted options remain outstanding as of June 29, 2013. No new options will be issued under any of the prior plans, as future grants to

employees will be made through the amended 2007 Stock Incentive Plan or subsequently adopted plans . Vesting requirements for awards under these plans vary by individual grant and include either time-based vesting or time-based vesting subject to acceleration based on performance criteria . The contractual life of all options granted under these plans through July 3, 2004 is 10 years; options granted after July 3, 2004 have a contractual life of seven years.

In November 2009, Sysco's 2009 Non-Employee Directors Stock Plan was adopted and provides for the issuance of up to 750,000 shares of Sysco common stock for share-based awards to non-employee directors . The authorized shares may be granted as restricted stock, restricted stock units, elected shares or additional shares . In addition, options and unvested common shares also remained outstanding as of June 29, 2013 under previous non-employee director stock plans . No further grants will be made under these previous plans, as all future grants to non-employee directors will be made through the 2009 Non-Employee Directors Stock Plan or subsequently adopted plans . Vesting requirements for awards under these plans vary by individual grant and include either time-based vesting or vesting based on performance criteria . The contractual life of all options granted under these plans through July 3, 2004 is 10 years; options granted after July 3, 2004 have a contractual life of seven years . As of June 29, 2013 , there were 483,096 remaining shares authorized and available for grant in total under the 2009 Non-Employee Directors Stock Plan.

Stock Options

Sysco's option awards are subject to graded vesting over a service period . Sysco recognizes compensation cost on a straight-line basis over the requisite service period for the entire award.

In addition, certain of Sysco's options provide that the options continue to vest as if the optionee continued to be an employee or director if the optionee meets certain age and years of service thresholds upon retirement . In these cases, Sysco will recognize compensation cost for such awards over the period from the grant date to the date the employee or director first becomes eligible to retire with the options continuing to vest after retirement.

The fair value of each option award is estimated as of the date of grant using a Black-Scholes option pricing model . The weighted average assumptions for the periods indicated are noted in the following table . Expected volatility is based on historical volatility of Sysco's stock, implied volatilities from traded options on Sysco's stock and other factors . Sysco utilizes historical data to estimate option exercise and employee termination behavior within the valuation model; separate groups of employees that have similar historical exercise behavior are considered separately for valuation purposes . Expected dividend yield is estimated based on the historical pattern of dividends and the average stock price for the year preceding the option grant . The risk-free rate for the expected term of the option is based on the U.S. Treasury yield curve in effect at the time of grant.

The following weighted-average assumptions were used for each fiscal year presented:

	2013	2012	2011
Dividend yield	3.7 %	3.7 %	3.5 %
Expected volatility	20.7	23.4	23.4
Risk-free interest rate	0.7	1.0	1.2
Expected life	5.4 years	5.4 years	5.0 years

The following summary presents information regarding outstanding options as of June 29, 2013 and changes during the fiscal year then ended with regard to options under all stock incentive plans:

	Shares Under Option	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding as of June 30, 2012	59,224,226	\$ 29.85		
Granted	6,212,716	29.96		
Exercised	(20,916,611)	30.19		
Forfeited	(653,616)	28.19		
Expired	(12,309,926)	31.42		
Outstanding as of June 29, 2013	31,556,789	\$ 29.07	3.84	\$ 160,756
Vested or expected to vest as of June 29, 2013	31,255,012	\$ 29.07	3.83	\$ 159,125
Exercisable as of June 29, 2013	11,546,717	\$ 30.19	2.15	\$ 45,866

The total number of employee options granted was 6,212,716 , 7,015,952 and 7,190,250 in fiscal years 2013 , 2012 and 2011 , respectively . During fiscal 2013 , 2,351,720 options were granted to 11 executive officers and 3,860,996 options were granted to

approximately 152 other key employees . During fiscal 2012 , 2,898,854 options were granted to 11 executive officers and 4,117,098 options were granted to approximately 180 other key employees . During fiscal 2011 , 1,423,000 options were granted to 11 executive officers and 5,767,250 options were granted to approximately 1,500 other key employees.

The weighted average grant-date fair value of options granted in fiscal 2013 , 2012 and 2011 was \$ 3.20 , \$ 3.69 and \$ 3.96 , respectively . The total intrinsic value of options exercised during fiscal 2013 , 2012 and 2011 was \$ 24.1 million , \$ 8.3 million and \$ 45.5 million , respectively.

Restricted Stock Units

During fiscal 2013, 2012 and 2011 , 1,722,835 , 1,528,734 and 656,000 restricted stock units, respectively, were granted to employees , the majority of which will vest ratably over a three -year period. Some of these restricted stock units were granted with dividend equivalents. The fair value of each restricted stock unit award granted with a dividend equivalent is based on the company's stock price as of the date of grant. For restricted stock unit awards granted without dividend equivalents, the fair value was reduced by the present value of expected dividends during the vesting period. The weighted average grant-date fair value per share of restricted stock units granted during fiscal 2013, 2012 and 2011 was \$ 29.75, \$ 27.35 and \$ 28.72 , respectively. The total fair value of restricted stock units vested during fiscal 2013, 2012 and 2011 was \$ 27.6 million , \$ 11.8 million and \$ 6.2 million , respectively .

Restricted Stock

In fiscal 2009, 75,822 shares of restricted stock were granted to an executive officer. The fair value of these shares was \$ 23.74 per share, which was based on the stock price on the grant date. These shares were to vest ratably over a three -year period. In fiscal 2010, this executive officer announced his retirement, and 37,911 of the shares were forfeited according to the terms of the agreement. The remaining shares have vested according to the terms of the agreement as amended in connection with the executive officer's retirement. The total fair value of restricted stock vested during fiscal 2011 was \$ 0.4 million . There were no vestings of restricted stock in fiscal 2013 or 2012.

Non-Employee Director Awards

The 2009 Non-Employee Directors Stock Plan, as well as previous plans, provides for the issuance of restricted awards to current non-employee directors . During fiscal 2013 , 2012 and 2011 , 48,069 , 63,657 and 60,973 shares, respectively, of restricted awards were granted to non-employee directors that will vest over a one -year period . Beginning in fiscal 2011, the non-employee directors may elect to receive these awards in restricted stock shares that will vest at the end of the award's stated vesting period or as deferred units which convert into shares of Sysco common stock upon a date selected by the non-employee director that is subsequent to the award's stated vesting date. The fair value of the restricted awards is based on the company's stock price as of the date of grant . The weighted average grant-date fair value of the shares granted during fiscal 2013 , 2012 and 2011 was \$ 29.96 , \$ 27.65 and \$ 28.87 , respectively. The total fair value of restricted stock shares vested and deferred units distributed during fiscal 2013, 2012 and 2011 was \$ 1.9 million , \$ 2.2 million and \$ 1.7 million , respectively . Restricted stock shares are valued on their vesting date. Vested deferred units are valued on their subsequent conversion and distribution date.

Under the 2009 Non-Employee Directors Stock Plan, non-employee directors may elect to receive up to 100 % of their annual directors' fees in Sysco common stock on either an annual or deferred basis. Sysco provides a matching grant of 50 % of the number of shares received for the stock election subject to certain limitations. As a result of such elections, a total of 26,702 , 31,397 and 29,979 shares with a weighted-average grant date fair value of \$ 30.38 , \$ 28.46 and \$ 29.26 per share were issued in fiscal 2013 , 2012 and 2011 , respectively, in the form of fully vested common stock or deferred units. The total fair value of common stock issued as a result of election shares and deferred units distributed during fiscal 2013, 2012 and 2011 was \$ 0.5 million , \$ 0.5 million and \$ 0.4 million , respectively . Common stock shares are valued on their vesting date. Vested deferred units are valued on their subsequent conversion and distribution date.

As of June 29, 2013, there were 74,153 fully vested deferred units outstanding which will convert into shares of Sysco common stock upon date s selected by the respective non-employee director s .

Summary of Nonvested Awards

The following summary presents information regarding outstanding nonvested awards as of June 29, 2013 and changes during the fiscal year then ended with regard to these awards under all stock incentive plans. Award types represented include: restricted stock units granted to employees and restricted awards granted to non-employee directors.

	Shares	Weighted Average Grant Date Fair Value Per Share
Nonvested as of June 30, 2012	2,213,371	\$ 27.61
Granted	1,771,096	29.75
Vested	(986,354)	27.64
Forfeited	(64,306)	27.39
Nonvested as of June 29, 2013	<u>2,933,807</u>	<u>\$ 28.90</u>

Employees' Stock Purchase Plan

Sysco has an Employees' Stock Purchase Plan that permits employees to invest in Sysco common stock by means of periodic payroll deductions at a discount of 15 % from the closing price on the last business day of each calendar quarter. In November 2010, the Employees' Stock Purchase Plan was amended to reserve an additional 5,000,000 shares of Sysco common stock for issuance under the plan. Including the additional 5,000,000 shares reserved in fiscal 2011, the total number of shares which may be sold pursuant to the plan may not exceed 79,000,000 shares, of which 3,770,467 remained available as of June 29, 2013.

During fiscal 2013, 1,470,271 shares of Sysco common stock were purchased by the participants as compared to 1,661,758 shares purchased in fiscal 2012 and 1,655,100 shares purchased in fiscal 2011. The weighted average fair value of employee stock purchase rights issued pursuant to the Employees' Stock Purchase Plan was \$ 4.78, \$ 4.33 and \$ 4.28 per share during fiscal 2013, 2012 and 2011, respectively. The fair value of the stock purchase rights was calculated as the difference between the stock price at date of issuance and the employee purchase price.

All Share-Based Payment Arrangements

The total share-based compensation cost that has been recognized in results of operations was \$ 70.1 million, \$ 70.3 million and \$ 59.2 million for fiscal 2013, 2012 and 2011, respectively, and is included within operating expenses in the consolidated results of operations. The total income tax benefit recognized in results of operations for share-based compensation arrangements was \$ 29.9 million, \$ 21.7 million and \$ 18.2 million for fiscal 2013, 2012 and 2011, respectively.

As of June 29, 2013, there was \$ 69.4 million of total unrecognized compensation cost related to share-based compensation arrangements. That cost is expected to be recognized over a weighted-average period of 2.41 years.

Cash received from option exercises and purchases of shares under the Employees' Stock Purchase Plan was \$ 628.7 million, \$ 99.4 million and \$ 332.7 million during fiscal 2013, 2012 and 2011, respectively. The actual tax benefit realized for the tax deductions from option exercises totaled \$ 24.0 million, \$ 3.0 million and \$ 15.9 million during fiscal 2013, 2012 and 2011, respectively.

18. INCOME TAXES

Income Tax Provisions

For financial reporting purposes, earnings before income taxes consists of the following:

	2013	2012	2011
	(In thousands)		
United States	\$ 1,351,947	\$ 1,606,928	\$ 1,639,258
Foreign	195,508	177,074	188,196
Total	<u>\$ 1,547,455</u>	<u>\$ 1,784,002</u>	<u>\$ 1,827,454</u>

The income tax provision for each fiscal year consists of the following:

	2013	2012	2011
	(In thousands)		
United States federal income taxes	\$ 439,667	\$ 540,861	\$ 556,663
State and local income taxes	69,759	77,064	60,081
Foreign income taxes	45,602	44,492	58,680
Total	<u>\$ 555,028</u>	<u>\$ 662,417</u>	<u>\$ 675,424</u>

The current and deferred components of the income tax provisions for each fiscal year are as follows:

	2013	2012	2011
	(In thousands)		
Current	\$ 582,889	\$ 840,745	\$ 840,173
Deferred	(27,861)	(178,328)	(164,749)
Total	<u>\$ 555,028</u>	<u>\$ 662,417</u>	<u>\$ 675,424</u>

The deferred tax provisions result from the effects of net changes during the year in deferred tax assets and liabilities arising from temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Deferred Tax Assets and Liabilities

Significant components of Sysco's deferred tax assets and liabilities are as follows:

	June 29, 2013	June 30, 2012
	(In thousands)	
Deferred tax liabilities:		
Excess tax depreciation and basis differences of assets	\$ 455,752	\$ 473,947
Goodwill and intangible assets	208,229	186,921
Other	18,127	19,756
Total deferred tax liabilities	<u>682,108</u>	<u>680,624</u>
Deferred tax assets:		
Net operating tax loss carryforwards	19,149	21,609
Benefit on unrecognized tax benefits	23,833	23,287
Pension	224,990	362,391
Share-based compensation	39,316	63,522
Deferred compensation	34,951	36,639
Self-insured liabilities	47,538	41,030
Receivables	48,236	51,607
Inventory	63,509	59,619
Other	50,575	40,257
Total deferred tax assets	<u>552,097</u>	<u>699,961</u>
Total net deferred tax liabilities (assets)	<u>\$ 130,011</u>	<u>\$ (19,337)</u>

The company had state net operating tax loss carryforwards as of June 29, 2013 and June 30, 2012. The net operating tax loss carryforwards outstanding as of June 29, 2013 expire in fiscal years 2014 through 2033. There were no valuation allowances recorded for the state tax loss carryforwards as of June 29, 2013 and June 30, 2012 because management believes it is more likely than not that these benefits will be realized based on utilization forecasts.

Sysco's deferred taxes were impacted by an IRS settlement related to Sysco's affiliate, Baugh Supply Chain Cooperative, which resulted in payments of deferred taxes of \$ 212.0 million in each of fiscal 2012, 2011, and 2010. Sysco reclassified amounts due within one year from deferred taxes to accrued income taxes at the beginning of each of fiscal 2012, 2011, and 2010.

Effective Tax Rates

Reconciliations of the statutory federal income tax rate to the effective income tax rates for each fiscal year are as follows:

	2013	2012	2011
United States statutory federal income tax rate	35.00 %	35.00 %	35.00 %
State and local income taxes, net of any applicable federal income tax benefit	2.59	2.65	1.96
Foreign income taxes	(1.22)	(1.07)	(0.50)
Impact of uncertain tax benefits	0.37	0.12	0.51
Impact of adjusting carrying value of corporate-owned life insurance policies to their cash surrender values	(0.13)	(0.08)	(0.61)
Other	(0.74)	0.51	0.60
	<u>35.87 %</u>	<u>37.13 %</u>	<u>36.96 %</u>

The effective tax rate of 35.87 % for fiscal 2013 was favorably impacted primarily by two items. First, the company recorded a tax benefit of \$ 14.0 million related to changes in estimates for the prior year domestic tax provision. Second, the company recorded a tax benefit of \$8.8 million related to disqualifying dispositions of Sysco stock pursuant to share-based compensation arrangements. The effective tax rate was negatively impacted by the recording of \$ 5.7 million in tax and interest related to various federal, foreign and state uncertain tax positions. Indefinitely reinvested earnings taxed at foreign statutory rates less than our domestic tax rate also had the impact of reducing the effective tax rate.

The effective tax rate for fiscal 2012 was 37.13 %. Indefinitely reinvested earnings taxed at foreign statutory rates less than our domestic tax rate had the impact of reducing the effective tax rate.

The effective tax rate of 36.96% for fiscal 2011 was favorably impacted primarily by two items. First, the company recorded a tax benefit of approximately \$ 17.0 million for the reversal of valuation allowances previously recorded on state net operating loss carryforwards. Second, the company adjusted the carrying values of the company's COLI policies to their cash surrender values. The gain of \$ 28.2 million recorded in fiscal 2011 was primarily non-taxable for income tax purposes, and had the impact of decreasing income tax expense for the period by \$ 11.1 million. Partially offsetting these favorable impacts was the recording of \$ 9.3 million in tax and interest related to various federal, foreign and state uncertain tax positions.

Uncertain Tax Positions

In the third quarter of fiscal 2013, we reclassified a receivable that would arise upon the resolution of an unrecognized tax benefit from a net position in other long-term liabilities to a gross position in other assets and other long-term liabilities on our consolidated balance sheet. Prior year amounts within the consolidated balance sheets have been reclassified to conform to the current year presentation. Prior year amounts in schedule below have also been adjusted to conform to the current year gross presentation of the unrecognized tax benefit on this tax position.

A reconciliation of the beginning and ending amount of gross unrecognized tax benefits, excluding interest and penalties, is as follows:

	2013	2012
	(In thousands)	
Unrecognized tax benefits at beginning of year	\$ 103,988	\$ 107,925
Additions for tax positions related to prior years	15,431	2,479
Reductions for tax positions related to prior years	(2,030)	(2,154)
Additions for tax positions related to the current year	-	-
Reductions for tax positions related to the current year	-	-
Reductions due to settlements with taxing authorities	(9,052)	(2,831)
Reductions due to lapse of applicable statute of limitations	-	(1,431)
Unrecognized tax benefits at end of year	<u>\$ 108,337</u>	<u>\$ 103,988</u>

As of June 29, 2013, \$11.6 million of the gross liability for unrecognized tax benefits was netted within prepaid income taxes due to expected payment in fiscal 2014. As of June 29, 2013, the gross amount of liability for accrued interest and penalties related to

unrecognized tax benefits was \$36.8 million, of which \$5.8 million was netted within prepaid income taxes due to expected payment in fiscal 2014. The expense recorded for interest and penalties related to unrecognized tax benefits in fiscal 2013 was \$ 5.0 million.

As of June 30, 2012, \$ 15.9 million of the gross liability for unrecognized tax benefits was netted within prepaid income taxes relating to a payment that occurred during fiscal 2011; however, the liability is considered outstanding until the matters have been settled with the respective jurisdiction. As of June 30, 2012, the gross amount of liability for accrued interest and penalties related to unrecognized tax benefits was \$43.2 million, of which \$ 8.7 million was netted within prepaid income taxes relating to a payment that occurred during fiscal 2011; however, the liability is considered outstanding until the matters have been settled with the respective jurisdiction. The expense recorded for interest and penalties related to unrecognized tax benefits in fiscal 2012 was \$ 4.7 million.

If Sysco were to recognize all unrecognized tax benefits recorded as of June 29, 2013, approximately \$42.0 million of the \$108.3 million reserve would reduce the effective tax rate. If Sysco were to recognize all unrecognized tax benefits recorded as of June 30, 2012, approximately \$ 37.1 million of the \$ 104.0 million reserve would reduce the effective tax rate. It is reasonably possible that the amount of the unrecognized tax benefits with respect to certain of the company's unrecognized tax positions will increase or decrease in the next twelve months either because Sysco's positions are sustained on audit or because the company agrees to their disallowance. Items that may cause changes to unrecognized tax benefits primarily include the consideration of various filing requirements in various states and the allocation of income and expense between tax jurisdictions. In addition, the amount of unrecognized tax benefits recognized within the next twelve months may decrease due to the expiration of the statute of limitations for certain years in various jurisdictions; however, it is possible that a jurisdiction may open an audit on one of these years prior to the statute of limitations expiring. At this time, an estimate of the range of the reasonably possible change cannot be made.

The IRS has open audits for Sysco's 2006, 2007, 2008 and 2009 federal income tax returns. As of June 29, 2013, Sysco's tax returns in the majority of the state and local jurisdictions and Canada are no longer subject to audit for the years before 2007. However, some jurisdictions have audits open prior to 2007, with the earliest dating back to 2002. Certain tax jurisdictions require partial to full payment on audit assessments or the posting of letters of credit in order to proceed to the appeals process. Although the outcome of tax audits is generally uncertain, the company believes that adequate amounts of tax, including interest and penalties, have been accrued for any adjustments that may result from those open years.

Other

Undistributed income of certain consolidated foreign subsidiaries at June 29, 2013 amounted to \$1,052.0 million for which no deferred U.S. income tax provision has been recorded because Sysco intends to permanently reinvest such income in those foreign operations. An estimate of any U.S. or foreign withholding taxes that may be applicable upon actual or deemed repatriation is not practical due to the complexities associated with the hypothetical calculation.

19. ACQUISITIONS

During fiscal 2013, in the aggregate, the company paid cash of \$397.4 million for operations acquired during fiscal 2013 and for contingent consideration related to operations acquired in previous fiscal years. During fiscal 2013, Sysco acquired for cash foodservice operations in Nassau, Bahamas; San Francisco, California; San Jose, California; Stockton, California; Ontario, Canada; Quebec, Canada; Orlando, Florida; Dublin, Ireland; St. Cloud, Minnesota; Co. Down, Northern Ireland; Greenville, Ohio and Houston, Texas. The fiscal 2013 acquisitions were immaterial, individually and in the aggregate, to the consolidated financial statements.

Certain acquisitions involve contingent consideration typically payable over periods up to five years only in the event that certain outstanding contingencies are resolved. As of June 29, 2013, aggregate contingent consideration amounts outstanding relating to acquisitions was \$ 108.0 million, of which \$ 25.3 million could result in the recording of additional goodwill when paid and \$ 68.9 million was recorded as earnout liabilities as of June 29, 2013.

20. COMMITMENTS AND CONTINGENCIES

Legal Proceedings

Sysco is engaged in various legal proceedings which have arisen but have not been fully adjudicated. The likelihood of loss for these legal proceedings, based on definitions within contingency accounting literature, ranges from remote to reasonably possible to probable. When probable, the losses have been accrued. Based on estimates of the range of potential losses associated with these matters, management does not believe the ultimate resolution of these proceedings, either individually or in the aggregate, will have a material adverse effect upon the consolidated financial position or results of operations of the company. However, the final results of legal proceedings cannot be predicted with certainty and if the company failed to prevail in one or more of these legal matters, and the associated realized losses were to exceed the company's current estimates of the range of potential losses, the company's consolidated financial position or results of operations could be materially adversely affected in future periods.

Fuel Commitments

Sysco routinely enters into forward purchase commitments for a portion of its projected diesel fuel requirements. As of June 29, 2013, we had forward diesel fuel commitments totaling approximately \$204.0 million through August 2014.

Other Commitments

Sysco has committed to aggregate product purchases for resale in order to benefit from a centralized approach to purchasing. A majority of these agreements expire within one year; however, certain agreements have terms through fiscal 2018. These agreements commit the company to a minimum volume at various pricing terms, including fixed pricing, variable pricing or a combination thereof. Minimum amounts committed to as of June 29, 2013 totaled approximately \$ 1,819.1 million. Minimum amounts committed to by year are as follows:

	<u>Amount</u>
	<u>(In thousands)</u>
2014	\$ 1,157,103
2015	426,362
2016	141,893
2017	93,266
2018	444

Sysco has contracts with various third party service providers to receive information technology services. The services have been committed for periods up to fiscal 2016 and may be extended. As of June 29, 2013, the total remaining cost of the services over that period is expected to be approximately \$ 531.7 million. A portion of this amount may be reduced by Sysco utilizing less than estimated resources and can be increased by Sysco utilizing more than estimated resources. Certain agreements allow adjustments for inflation. Sysco may also cancel a portion or all of the services provided subject to termination fees which decrease over time. If Sysco were to terminate all of the services in fiscal 2014, the estimated termination fee incurred in fiscal 2014 would range from approximately \$ 22.8 million to \$32.6 million.

21 . BUSINESS SEGMENT INFORMATION

The company has aggregated its operating companies into a number of segments, of which only Broadline and SYGMA are reportable segments as defined in the accounting literature related to disclosures about segments of an enterprise . The Broadline reportable segment is an aggregation of the company's United States, Canadian , Caribbean and European Broadline segments . Broadline operating companies distribute a full line of food products and a wide variety of non-food products to both traditional and chain restaurant customers , hospitals, schools, hotels, industrial caterers and other venues where foodservice products are served. These companies also provide custom-cut meat operations . SYGMA operating companies distribute a full line of food products and a wide variety of non-food products to certain chain restaurant customer locations. "Other" financial information is attributable to the company's other operating segments, including the company's specialty produce and lodging industry segments , a company that distributes specialty imported products and a company that distributes to international customers.

The accounting policies for the segments are the same as those disclosed by Sysco for its consolidated financial statements. Intersegment sales represent specialty produce and imported specialty products distributed by the Broadline and SYGMA operating companies. Management evaluates the performance of each of our operating segments based on its respective operating income results . Corporate expenses generally include all expenses of the corporate office and Sysco's shared service center. These also include all share-based compensation costs and expenses related to the company's Business Transformation Project.

The following table sets forth the financial information for Sysco's business segments:

	Fiscal Year		
	2013	2012	2011
	(In thousands)		
Sales:			
Broadline	\$ 36,129,463	\$ 34,420,851	\$ 31,924,473
SYGMA	5,780,103	5,735,673	5,341,094
Other	2,741,537	2,396,113	2,238,796
Intersegment sales	(239,870)	(171,698)	(180,874)
Total	\$ 44,411,233	\$ 42,380,939	\$ 39,323,489
Operating income:			
Broadline	\$ 2,402,215	\$ 2,416,225	\$ 2,327,847
SYGMA	52,016	60,967	62,190
Other	98,564	91,048	100,222
Total segments	2,552,795	2,568,240	2,490,259
Corporate expenses	(894,317)	(677,608)	(558,757)
Total operating income	1,658,478	1,890,632	1,931,502
Interest expense	128,495	113,396	118,267
Other expense (income), net	(17,472)	(6,766)	(14,219)
Earnings before income taxes	\$ 1,547,455	\$ 1,784,002	\$ 1,827,454
Depreciation and amortization:			
Broadline	\$ 313,611	\$ 298,852	\$ 291,756
SYGMA	28,059	27,706	24,975
Other	28,194	24,745	25,131
Total segments	369,864	351,303	341,862
Corporate	142,684	65,640	60,726
Total	\$ 512,548	\$ 416,943	\$ 402,588
Capital expenditures:			
Broadline	\$ 284,016	\$ 525,368	\$ 353,296
SYGMA	18,078	30,961	38,612
Other	47,744	41,669	20,228
Total segments	349,838	597,998	412,136
Corporate	162,024	186,503	224,306
Total	\$ 511,862	\$ 784,501	\$ 636,442
Assets:			
Broadline	\$ 10,228,722	\$ 8,067,912	\$ 7,261,681
SYGMA	485,520	475,877	456,204
Other	944,140	877,207	814,174
Total segments	11,658,382	9,420,996	8,532,059
Corporate	1,005,565	2,716,211	2,895,131
Total	\$ 12,663,947	\$ 12,137,207	\$ 11,427,190

The sales mix for the principal product categories for each fiscal year is as follows:

	Fiscal Year		
	2013	2012	2011
	(In thousands)		
Canned and dry products	\$ 8,310,634	\$ 7,948,187	\$ 7,308,893
Fresh and frozen meats	8,242,423	7,929,235	7,163,505
Frozen fruits, vegetables, bakery and other	6,023,990	5,757,871	5,337,625
Dairy products	4,669,986	4,456,634	4,145,350
Poultry	4,580,445	4,188,787	3,912,510
Fresh produce	3,540,027	3,332,504	3,345,929
Paper and disposables	3,364,965	3,295,483	3,055,862
Seafood	2,167,588	2,076,848	1,929,417
Beverage products	1,643,034	1,591,540	1,478,456
Janitorial products	1,013,488	952,569	902,636
Equipment and smallwares	637,680	613,590	581,628
Medical supplies	216,973	237,691	161,678
Total	\$ 44,411,233	\$ 42,380,939	\$ 39,323,489

Information concerning geographic areas is as follows:

	Fiscal Year		
	2013	2012	2011
	(In thousands)		
Sales: ⁽¹⁾			
United States	\$ 38,985,715	\$ 37,596,862	\$ 34,992,273
Canada	4,698,814	4,246,611	3,864,420
Other	726,704	537,466	466,796
Total	\$ 44,411,233	\$ 42,380,939	\$ 39,323,489
Long-lived assets: ⁽²⁾			
United States	\$ 3,593,346	\$ 3,564,854	\$ 3,161,724
Canada	307,605	291,304	321,185
Other	77,120	27,592	29,480
Total	\$ 3,978,071	\$ 3,883,750	\$ 3,512,389

⁽¹⁾ Represents sales to external customers from businesses operating in these countries.

⁽²⁾ Long-lived assets represents net property, plant and equipment reported in the country in which they are held.

2.2. SUPPLEMENTAL GUARANTOR INFORMATION – SUBSIDIARY GUARANTEES

On January 19, 2011, the wholly-owned United States Broadline (U.S. Broadline) subsidiaries of Sysco Corporation entered into full and unconditional guarantees of all outstanding senior notes and debentures of Sysco Corporation. Borrowings under the company's revolving credit facility supporting the company's U.S. and Canadian commercial paper programs are also covered by these guarantees. As of June 29, 2013, Sysco had a total of approximately \$ 2,820.5 million in senior notes, debentures and commercial paper outstanding that was covered by these guarantees. All subsidiary guarantors are 100%-owned by the parent company, all guarantees are full and unconditional and all guarantees are joint and several, except that the guarantee of any subsidiary guarantor with respect to a series of senior notes or debentures may be released under certain customary circumstances. If we exercise our defeasance option with respect to the senior notes or debentures of any series, then any subsidiary guarantor effectively will be released with respect to that series. Further, each subsidiary guarantee will remain in full force and effect until the earliest to occur of the date, if any, on which (1) the applicable subsidiary guarantor shall consolidate with or merge into Sysco Corporation or any successor of Sysco Corporation and (2) Sysco Corporation or any successor of Sysco Corporation consolidates with or merges into the applicable subsidiary guarantor.

The following condensed consolidating financial statements present separately the financial position, comprehensive income and cash flows of the parent issuer (Sysco Corporation), the guarantors (the majority of Sysco's U.S. Broadline subsidiaries) and all other non-guarantor subsidiaries of Sysco (Other Non-Guarantor Subsidiaries) on a combined basis with eliminating entries.

**Condensed Consolidating Balance Sheet
June 29, 2013**

	Sysco	U.S. Broadline Subsidiaries	Other Non-Guarantor Subsidiaries	Eliminations	Consolidated Totals
	(In thousands)				
Current assets	\$ 276,713	\$ 3,746,192	\$ 2,184,522	\$ -	\$ 6,207,427
Investment in subsidiaries	8,429,887	-	-	(8,429,887)	-
Plant and equipment, net	540,860	1,885,908	1,551,303	-	3,978,071
Other assets	325,045	534,713	1,618,691	-	2,478,449
Total assets	\$ 9,572,505	\$ 6,166,813	\$ 5,354,516	\$ (8,429,887)	\$ 12,663,947
Current liabilities	\$ 664,366	\$ 928,824	\$ 2,156,092	\$ -	\$ 3,749,282
Intercompany payables (receivables)	594,928	(1,003,219)	408,291	-	-
Long-term debt	2,606,612	10,422	22,952	-	2,639,986
Other liabilities	514,789	414,623	153,457	-	1,082,869
Shareholders' equity	5,191,810	5,816,163	2,613,724	(8,429,887)	5,191,810
Total liabilities and shareholders' equity	\$ 9,572,505	\$ 6,166,813	\$ 5,354,516	\$ (8,429,887)	\$ 12,663,947

**Condensed Consolidating Balance Sheet
June 30, 2012**

	Sysco	U.S. Broadline Subsidiaries	Other Non-Guarantor Subsidiaries	Eliminations	Consolidated Totals
	(In thousands)				
Current assets	\$ 538,451	\$ 3,675,676	\$ 1,870,681	\$ -	\$ 6,084,808
Investment in subsidiaries	10,334,147	-	-	(10,334,147)	-
Plant and equipment, net	703,658	1,923,925	1,256,167	-	3,883,750
Other assets	324,839	532,922	1,310,888	-	2,168,649
Total assets	\$ 11,901,095	\$ 6,132,523	\$ 4,437,736	\$ (10,334,147)	\$ 12,137,207
Current liabilities	\$ 678,527	\$ 900,416	\$ 1,844,636	\$ -	\$ 3,423,579
Intercompany payables (receivables)	3,068,001	(3,334,860)	266,859	-	-
Long-term debt	2,714,415	25,459	23,814	-	2,763,688
Other liabilities	755,112	396,659	113,129	-	1,264,900
Shareholders' equity	4,685,040	8,144,849	2,189,298	(10,334,147)	4,685,040
Total liabilities and shareholders' equity	\$ 11,901,095	\$ 6,132,523	\$ 4,437,736	\$ (10,334,147)	\$ 12,137,207

Condensed Consolidating Statement of Comprehensive Income
Year Ended June 29, 2013

	Sysco	U.S. Broadline Subsidiaries	Other Non-Guarantor Subsidiaries	Eliminations	Consolidated Totals
	(In thousands)				
Sales	\$ -	\$ 30,162,329	\$ 15,335,180	\$ (1,086,276)	\$ 44,411,233
Cost of sales	-	24,385,677	13,127,398	(969,433)	36,543,642
Gross profit	-	5,776,652	2,207,782	(116,843)	7,867,591
Operating expenses	694,323	3,610,907	2,020,726	(116,843)	6,209,113
Operating income (loss)	(694,323)	2,165,745	187,056	-	1,658,478
Interest expense (income)	298,474	(177,421)	7,442	-	128,495
Other expense (income), net	(12,864)	(4,554)	(54)	-	(17,472)
Earnings (losses) before income taxes	(979,933)	2,347,720	179,668	-	1,547,455
Income tax (benefit) provision	(351,474)	842,062	64,440	-	555,028
Equity in earnings of subsidiaries	1,620,886	-	-	(1,620,886)	-
Net earnings	992,427	1,505,658	115,228	(1,620,886)	992,427
Other comprehensive income (loss)	215,929	-	(33,191)	33,191	215,929
Comprehensive income	\$ 1,208,356	\$ 1,505,658	\$ 82,037	\$ (1,587,695)	\$ 1,208,356

Condensed Consolidating Statement of Comprehensive Income
Year Ended June 30, 2012

	Sysco	U.S. Broadline Subsidiaries	Other Non-Guarantor Subsidiaries	Eliminations	Consolidated Totals
	(In thousands)				
Sales	\$ -	\$ 29,100,106	\$ 14,131,162	\$ (850,329)	\$ 42,380,939
Cost of sales	-	23,374,199	12,089,441	(759,278)	34,704,362
Gross profit	-	5,725,907	2,041,721	(91,051)	7,676,577
Operating expenses	527,888	3,534,382	1,814,726	(91,051)	5,785,945
Operating income (loss)	(527,888)	2,191,525	226,995	-	1,890,632
Interest expense (income)	396,374	(281,193)	(1,785)	-	113,396
Other expense (income), net	(6,993)	(1,244)	1,471	-	(6,766)
Earnings (losses) before income taxes	(917,269)	2,473,962	227,309	-	1,784,002
Income tax (benefit) provision	(340,592)	918,607	84,402	-	662,417
Equity in earnings of subsidiaries	1,698,262	-	-	(1,698,262)	-
Net earnings	1,121,585	1,555,355	142,907	(1,698,262)	1,121,585
Other comprehensive income (loss)	(402,908)	-	(81,003)	81,003	(402,908)
Comprehensive income	\$ 718,677	\$ 1,555,355	\$ 61,904	\$ (1,617,259)	\$ 718,677

Condensed Consolidating Statement of Comprehensive Income
Year Ended July 2, 2011

	Sysco	U.S. Broadline Subsidiaries	Other Non-Guarantor Subsidiaries	Eliminations	Consolidated Totals
	(In thousands)				
Sales	\$ -	\$ 27,138,172	\$ 12,861,426	\$ (676,109)	\$ 39,323,489
Cost of sales	-	21,591,829	10,923,446	(586,498)	31,928,777
Gross profit	-	5,546,343	1,937,980	(89,611)	7,394,712
Operating expenses	535,224	3,455,148	1,562,449	(89,611)	5,463,210
Operating income (loss)	(535,224)	2,091,195	375,531	-	1,931,502
Interest expense (income)	453,593	(332,561)	(2,765)	-	118,267
Other expense (income), net	(5,581)	(4,636)	(4,002)	-	(14,219)
Earnings (losses) before income taxes	(983,236)	2,428,392	382,298	-	1,827,454
Income tax (benefit) provision	(363,403)	897,529	141,298	-	675,424
Equity in earnings of subsidiaries	1,771,863	-	-	(1,771,863)	-
Net earnings	1,152,030	1,530,863	241,000	(1,771,863)	1,152,030
Other comprehensive income (loss)	220,293	-	122,217	(122,217)	220,293
Comprehensive income	\$ 1,372,323	\$ 1,530,863	\$ 363,217	\$ (1,894,080)	\$ 1,372,323

Condensed Consolidating Cash Flows
Year Ended June 29, 2013

	Sysco	U.S. Broadline Subsidiaries	Other Non-Guarantor Subsidiaries	Consolidated Totals
	(In thousands)			
Net cash provided by (used for):				
Operating activities	\$ (449,417)	\$ 1,705,950	\$ 255,061	\$ 1,511,594
Investing activities	(105,314)	(140,217)	(666,351)	(911,882)
Financing activities	(887,707)	(15,666)	29,165	(874,208)
Effect of exchange rate on cash	-	-	(2,086)	(2,086)
Intercompany activity	1,178,922	(1,560,250)	381,328	-
Net increase (decrease) in cash and cash equivalents	(263,516)	(10,183)	(2,883)	(276,582)
Cash and cash equivalents at beginning of the period	471,107	34,478	183,282	688,867
Cash and cash equivalents at end of the period	\$ 207,591	\$ 24,295	\$ 180,399	\$ 412,285

Condensed Consolidating Cash Flows
Year Ended June 30, 2012

	Sysco	U.S. Broadline Subsidiaries	Other Non-Guarantor Subsidiaries	Consolidated Totals
	(In thousands)			
Net cash provided by (used for):				
Operating activities	\$ (413,535)	\$ 1,674,817	\$ 142,898	\$ 1,404,180
Investing activities	(222,483)	(367,909)	(313,237)	(903,629)
Financing activities	(58,168)	(2,038)	(382,443)	(442,649)
Effect of exchange rate on cash	-	-	(8,800)	(8,800)
Intercompany activity	859,780	(1,302,546)	442,766	-
Net increase (decrease) in cash and cash equivalents	165,594	2,324	(118,816)	49,102
Cash and cash equivalents at beginning of the period	305,513	32,154	302,098	639,765
Cash and cash equivalents at end of the period	\$ 471,107	\$ 34,478	\$ 183,282	\$ 688,867

Condensed Consolidating Cash Flows
Year Ended July 2, 2011

	Sysco	U.S. Broadline Subsidiaries	Other Non-Guarantor Subsidiaries	Consolidated Totals
	(In thousands)			
Net cash provided by (used for):				
Operating activities	\$ (491,211)	\$ 1,243,884	\$ 338,845	\$ 1,091,518
Investing activities	(203,090)	(318,382)	(158,084)	(679,556)
Financing activities	(555,282)	1,263	176,112	(377,907)
Effect of exchange rate on cash	-	-	20,267	20,267
Intercompany activity	1,181,573	(926,546)	(255,027)	-
Net increase (decrease) in cash and cash equivalents	(68,010)	219	122,113	54,322
Cash and cash equivalents at beginning of the period	373,523	31,935	179,985	585,443
Cash and cash equivalents at end of the period	\$ 305,513	\$ 32,154	\$ 302,098	\$ 639,765

23. QUARTERLY RESULTS (UNAUDITED)

Financial information for each quarter in the years ended June 29, 2013 and June 30, 2012 is set forth below:

	Fiscal 2013 Quarter Ended				Fiscal Year
	September 29	December 29	March 30	June 29	
	(In thousands except for per share data)				
Sales	\$ 11,086,916	\$ 10,796,890	\$ 10,926,371	\$ 11,601,056	\$ 44,411,233
Cost of sales	9,083,372	8,879,324	9,016,052	9,564,894	36,543,642
Gross profit	2,003,544	1,917,566	1,910,319	2,036,162	7,867,591
Operating expenses	1,524,762	1,534,915	1,573,117	1,576,319	6,209,113
Operating income	478,782	382,651	337,202	459,843	1,658,478
Interest expense	30,868	32,242	34,215	31,170	128,495
Other expense (income), net	(2,477)	(1,753)	(3,410)	(9,832)	(17,472)
Earnings before income taxes	450,391	352,162	306,397	438,505	1,547,455
Income taxes	163,793	130,793	104,980	155,462	555,028
Net earnings	\$ 286,598	\$ 221,369	\$ 201,417	\$ 283,043	\$ 992,427
Per share:					
Basic net earnings	\$ 0.49	\$ 0.38	\$ 0.34	\$ 0.48	\$ 1.68
Diluted net earnings	0.49	0.38	0.34	0.47	1.67
Dividends declared	0.27	0.28	0.28	0.28	1.11
Market price — high/low	31-28	32-30	36-31	35-33	36-28

	Fiscal 2012 Quarter Ended				Fiscal Year
	October 1	December 31	March 31	June 30	
	(In thousands except for per share data)				
Sales	\$ 10,586,390	\$ 10,244,421	\$ 10,504,746	\$ 11,045,382	\$ 42,380,939
Cost of sales	8,638,790	8,398,771	8,633,130	9,033,671	34,704,362
Gross profit	1,947,600	1,845,650	1,871,616	2,011,711	7,676,577
Operating expenses	1,438,260	1,418,652	1,432,786	1,496,247	5,785,945
Operating income	509,340	426,998	438,830	515,464	1,890,632
Interest expense	29,474	28,324	28,290	27,308	113,396
Other (income), net	250	(3,472)	(2,248)	(1,296)	(6,766)
Earnings before income taxes	479,616	402,146	412,788	489,452	1,784,002
Income taxes	176,963	152,033	153,238	180,183	662,417
Net earnings	\$ 302,653	\$ 250,113	\$ 259,550	\$ 309,269	\$ 1,121,585
Per share:					
Basic net earnings	\$ 0.51	\$ 0.43	\$ 0.44	\$ 0.53	\$ 1.91
Diluted net earnings	0.51	0.43	0.44	0.53	1.90
Dividends declared	0.26	0.27	0.27	0.27	1.07
Market price — high/low	32-25	30-25	31-29	30-27	32-25

Percentage change — 2013 vs. 2012:

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Fiscal Year
Sales	5 %	5 %	4 %	5 %	5 %
Operating income	(6)	(10)	(23)	(11)	(12)
Net earnings	(5)	(11)	(22)	(8)	(12)
Basic net earnings per share	(4)	(12)	(23)	(9)	(12)
Diluted net earnings per share	(4)	(12)	(23)	(11)	(12)

Financial results are impacted by accounting changes and the adoption of various accounting standards. See Note 2, "Changes in Accounting."

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Sysco's management, with the participation of our chief executive officer and chief financial officer, evaluated the effectiveness of our disclosure controls and procedures as of June 29, 2013. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding the required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Sysco's disclosure controls and procedures have been designed to provide reasonable assurance of achieving their objectives. Based on the evaluation of our disclosure controls and procedures as of June 29, 2013, our chief executive officer and chief financial officer concluded that, as of such date, Sysco's disclosure controls and procedures were effective at the reasonable assurance level.

Management's report on internal control over financial reporting is included in the financial statement pages at page 49.

No change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the fiscal quarter ended June 29, 2013 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item will be included in our proxy statement for the 2013 Annual Meeting of Stockholders under the following captions, and is incorporated herein by reference thereto: "Corporate Governance," "Executive Officers," "Section 16(a) Beneficial Ownership Reporting Compliance," "Report of the Audit Committee" and "Board of Directors Matters."

Item 11. Executive Compensation

The information required by this item will be included in our proxy statement for the 2013 Annual Meeting of Stockholders under the following captions, and is incorporated herein by reference thereto: "Compensation Discussion and Analysis," "Report of the Compensation Committee," "Director Compensation" and "Executive Compensation."

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this item will be included in our proxy statement for the 2013 Annual Meeting of Stockholders under the following captions, and is incorporated herein by reference thereto: "Stock Ownership" and "Equity Compensation Plan Information."

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item will be included in our proxy statement for the 2013 Annual Meeting of Stockholders under the following caption, and is incorporated herein by reference thereto: "Corporate Governance – Certain Relationships and Related Person Transactions" and "Corporate Governance – Director Independence."

Item 14. *Principal Accounting Fees and Services*

The information required by this item will be included in our proxy statement for the 2013 Annual Meeting of Stockholders under the following caption, and is incorporated herein by reference thereto: "Fees Paid to Independent Registered Public Accounting Firm."

PART IV

Item 15. *Exhibits*

(a) The following documents are filed, or incorporated by reference, as part of this Form 10-K:

1. All financial statements. See Index to Consolidated Financial Statements on page 48 of this Form 10-K.
2. All financial statement schedules are omitted because they are not applicable or the information is set forth in the consolidated financial statements or notes thereto within Item 8. Financial Statements and Supplementary Data.
3. Exhibits.

The exhibits listed on the Exhibit Index immediately preceding such exhibits, which is hereby incorporated herein by reference, are filed or furnished as part of this Annual Report on Form 10-K.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, Sysco Corporation has duly caused this Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized, on this 26th day of August, 2013.

SYSCO CORPORATION
By

/s/ WILLIAM J. DELANEY
William J. DeLaney
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of Sysco Corporation in the capacities indicated and on the date indicated above.

PRINCIPAL EXECUTIVE, FINANCIAL & ACCOUNTING OFFICERS:

/s/ WILLIAM J. DELANEY
William J. DeLaney

President and Chief Executive Officer
(principal executive officer)

/s/ ROBERT C. KREIDLER
Robert C. Kreidler

Executive Vice President and Chief Financial Officer
(principal financial officer)

/s/ G. MITCHELL ELMER
G. Mitchell Elmer

Senior Vice President, Controller and Chief Accounting Officer
(principal accounting officer)

DIRECTORS:

/s/ JOHN M. CASSADAY
John M. Cassaday

/s/ JOSEPH A. HAFNER, JR.
Joseph A. Hafner, Jr.

/s/ JUDITH B. CRAVEN
Judith B. Craven

/s/ HANS-JOACHIM KOERBER
Hans-Joachim Koerber

/s/ WILLIAM J. DELANEY
William J. DeLaney

/s/ NANCY S. NEWCOMB
Nancy S. Newcomb

/s/ MANUEL A. FERNANDEZ
Manuel A. Fernandez

/s/ RICHARD G. TILGHMAN
Richard G. Tilghman

/s/ LARRY C. GLASSCOCK
Larry C. Glasscock

/s/ JACKIE M. WARD
Jackie M. Ward

/s/ JONATHAN GOLDEN
Jonathan Golden

EXHIBIT INDEX

Exhibits.	
3.1	— Restated Certificate of Incorporation, incorporated by reference to Exhibit 3(a) to Form 10-K for the year ended June 28, 1997 (File No. 1-6544).
3.2	— Restated Certificate of Incorporation, incorporated by reference to Exhibit 3(a) to Form 10-K for the year ended June 28, 1997 (File No. 1-6544).
3.3	— Certificate of Amendment to Restated Certificate of Incorporation increasing authorized shares, incorporated by reference to Exhibit 3 (e) to Form 10-Q for the quarter ended December 27, 2003 (File No. 1-6544).
3.4	— Form of Amended Certificate of Designation, Preferences and Rights of Series A Junior Participating Preferred Stock, incorporated by reference to Exhibit 3(c) to Form 10-K for the year ended June 29, 1996 (File No. 1-6544).
3.5	— Amended and Restated Bylaws of Sysco Corporation dated November 16, 2011, incorporated by reference to Exhibit 3.5 to Form 10-Q for the quarter ended December 31, 2011 (File No. 1-6544).
4.1	— Senior Debt Indenture, dated as of June 15, 1995, between Sysco Corporation and First Union National Bank of North Carolina, Trustee, incorporated by reference to Exhibit 4(a) to Registration Statement on Form S-3 filed June 6, 1995 (File No. 33-60023).
4.2	— Third Supplemental Indenture, dated as of April 25, 1997 between Sysco Corporation and First Union National Bank of North Carolina, Trustee, incorporated by reference to Exhibit 4(g) to Form 10-K for the year ended June 28, 1997 (File No. 1-6544).
4.3	— Fifth Supplemental Indenture, dated as of July 27, 1998 between Sysco Corporation and First Union National Bank, Trustee, incorporated by reference to Exhibit 4(h) to Form 10-K for the year ended June 27, 1998 (File No. 1-6544).
4.4	— Seventh Supplemental Indenture, including form of Note, dated March 5, 2004 between Sysco Corporation, as Issuer, and Wachovia Bank, National Association (formerly First Union National Bank of North Carolina), as Trustee, incorporated by reference to Exhibit 4 (i) to Form 10-Q for the quarter ended March 27, 2004 (File No. 1-6544).
4.5	— Eighth Supplemental Indenture, including form of Note, dated September 22, 2005 between Sysco Corporation, as Issuer, and Wachovia Bank, National Association, as Trustee, incorporated by reference to Exhibits 4.1 and 4.2 to Form 8-K filed on September 20, 2005 (File No. 1-6544).
4.6	— Ninth Supplemental Indenture, including form of Note, dated February 12, 2008 between Sysco Corporation, as Issuer, and the Trustee, incorporated by reference to Exhibit 4.1 to Form 8-K filed on February 12, 2008 (File No. 1-6544).
4.7	— Tenth Supplemental Indenture, including form of Note, dated February 12, 2008 between Sysco Corporation, as Issuer, and the Trustee, incorporated by reference to Exhibit 4.3 to Form 8-K filed on February 12, 2008 (File No. 1-6544).
4.8	— Form of Eleventh Supplemental Indenture, including form of Note, dated March 17, 2009 between Sysco Corporation, as Issuer, and the Trustee, incorporated by reference to Exhibit 4.1 to Form 8-K filed on March 13, 2009 (File No. 1-6544).
4.9	— Form of Twelfth Supplemental Indenture, including form of Note, dated March 17, 2009 between Sysco Corporation, as Issuer, and the Trustee, incorporated by reference to Exhibit 4.3 to Form 8-K filed on March 13, 2009 (File No. 1-6544).
4.10	— Form of Guarantee of Indebtedness of Sysco Corporation under Exhibits 4.1 through 4.9 as executed by Sysco's U.S. Broadline subsidiaries, incorporated by reference to Exhibit 4.1 to Form 8-K filed on January 20, 2011 (File No. 1-6544).
4.11	— Thirteenth Supplemental Indenture, including form of Initial Guarantee, dated February 17, 2012 between Sysco Corporation, as Issuer, the Trustee and the Initial Guarantors, incorporated by reference to Exhibit 4(o) to Registration Statement on Form S-3 filed on February 17, 2012 (File No. 1-6544).
4.12	— Fourteenth Supplemental Indenture, including form of Note, dated June 12, 2012 among Sysco, the Guarantors and the Trustee relating to the 2015 Notes, incorporated by reference to Exhibit 4.1 to Form 8-K filed on June 12, 2012 (File No. 1-6544).

- 4.13 — Fifteenth Supplemental Indenture, including form of Note, dated June 12, 2012 among Sysco, the Guarantors and the Trustee relating to the 2022 Notes, incorporated by reference to Exhibit 4.3 to Form 8-K filed on June 12, 2012 (File No. 1-6544).
 - 4.14 — Indenture dated May 23, 2002 between Sysco International, Co., Sysco Corporation and Wachovia Bank, National Association, incorporated by reference to Exhibit 4.1 to Registration Statement on Form S-4 filed August 21, 2002 (File No. 333-98489).
 - 4.15 — Form of Supplemental Indenture No. 1, dated July 2, 2010, between Sysco International, ULC, as successor by conversion and name change to Sysco International Co., Sysco Corporation, as Guarantor, and the Trustee, incorporated by reference to Exhibit 4.12 to Form 10-K for the year ended July 3, 2010 filed on August 31, 2010 (File No. 1-6544).
 - 4.16 — Agreement of Resignation, Appointment and Acceptance, dated February 13, 2007, by and among Sysco Corporation and Sysco International Co., a wholly-owned subsidiary of Sysco Corporation, U.S. Bank National Association and The Bank of New York Trust Company, N.A., incorporated by reference to Exhibit 4(h) to Registration Statement on Form S-3 filed on February 6, 2008 (File No. 333-149086).
 - 10.1 — Credit Agreement dated December 29, 2011 between Sysco Corporation, Sysco International, ULC, JP Morgan Chase Bank, N.A., JPMorgan Chase Bank, N.A., Toronto Branch, and certain Lenders and Guarantors party thereto, incorporated by reference to Exhibit 10.1 to Form 10-Q for the quarter ended December 31, 2011 filed on February 7, 2012 (File No. 1-6544).
 - 10.2 — Amended and Restated Issuing and Paying Agency Agreement, dated as of April 13, 2006, between Sysco Corporation and JPMorgan Chase Bank, National Association, incorporated by reference to Exhibit 10.1 to Form 8-K filed on April 19, 2006 (File No. 1-6544).
 - 10.3 — Maturity Date Extension Agreement dated November 29, 2012 to Credit Agreement dated December 29, 2011 between Sysco Corporation, Sysco International, ULC, JP Morgan Chase Bank, N.A., JPMorgan Chase Bank, N.A., Toronto Branch, and certain Lenders and Guarantors party thereto, incorporated by reference to Exhibit 10.1 to Form 10-Q for the quarter ended December 29, 2012 filed on February 4, 2013 (File No. 1-6544).
 - 10.4 — Commercial Paper Dealer Agreement, dated as of April 13, 2006, between Sysco Corporation and J.P. Morgan Securities Inc., incorporated by reference to Exhibit 10.2 to Form 8-K filed on April 19, 2006 (File No. 1-6544).
 - 10.5 — Commercial Paper Dealer Agreement, dated as of April 13, 2006, between Sysco Corporation and Goldman, Sachs & Co., incorporated by reference to Exhibit 10.3 to Form 8-K filed on April 19, 2006 (File No. 1-6544).
 - 10.6 — Demand Facility Agreement, dated as of June 30, 2011, between SFS Canada I, LP and The Toronto-Dominion Bank, incorporated by reference to Exhibit 10.7 to Form 10-K for the year ended July 2, 2011 filed on August 30, 2011 (File No. 1-6544).
 - 10.7 — Guaranty Agreement, dated as of June 30, 2011, between Sysco Corporation and The Toronto-Dominion Bank, incorporated by reference to Exhibit 10.8 to Form 10-K for the year ended July 2, 2011 filed on August 30, 2011 (File No. 1-6544).
 - 10.8† — Sixth Amended and Restated Sysco Corporation Executive Deferred Compensation Plan, incorporated by reference to Exhibit 10.3 to Form 10-Q for the quarter ended October 2, 2010 filed on November 9, 2010 (File No. 1-6544).
 - 10.9† — First Amendment to the Sixth Amended and Restated Sysco Corporation Executive Deferred Compensation Plan, incorporated by reference to Exhibit 10.2 to Form 10-Q for the quarter ended March 31, 2012 filed on May 8, 2012 (File No. 1-6544).
 - 10.10† — Seventh Amended and Restated Sysco Corporation Executive Deferred Compensation Plan, incorporated by reference to Exhibit 10.3 to Form 10-Q for the quarter ended December 29, 2012 filed on February 4, 2013 (File No. 1-6544).
 - 10.11†# — Amended and Restated Sysco Corporation Executive Deferred Compensation Plan, effective June 29, 2013.
 - 10.12† — Tenth Amended and Restated Sysco Corporation Supplemental Executive Retirement Plan, incorporated by reference to Exhibit 10.4 to Form 10-Q for the quarter ended October 2, 2010 filed on November 9, 2010 (File No. 1-6544).
 - 10.13† — First Amendment to Tenth Amended and Restated Sysco Corporation Supplemental Executive Retirement Plan, incorporated by reference to Exhibit 10.15 to Form 10-K for the year ended July 2, 2011 filed on August 30, 2011 (File No. 1-6544).
 - 10.14† — Second Amendment to Tenth Amended and Restated Sysco Corporation Supplemental Executive Retirement Plan, incorporated by reference to Exhibit 10.1 to Form 10-Q for the quarter ended March 31, 2012 filed on May 8, 2012 (File No. 1-6544).
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- 10.15† — Eleventh Amended and Restated Sysco Corporation Supplemental Executive Retirement Plan, incorporated by reference to Exhibit 10.2 to Form 10-Q for the quarter ended December 29, 2012 filed on February 4, 2013 (File No. 1-6544).
 - 10.16†# — Amended and Restated Sysco Corporation Supplemental Executive Retirement Plan, including the Amended and Restated Sysco Corporation MIP Retirement Program, attached as Appendix I, effective as of June 29, 2013.
 - 10.17†# — Amended and Restated Sysco Corporation MIP Retirement Program, effective as of June 29, 2013.
 - 10.18† — Sysco Corporation Management Savings Plan, incorporated by reference to Exhibit 10.4 to Form 10-Q for the quarter ended December 29, 2012 filed on February 4, 2013 (File No. 1-6544).
 - 10.19†# — Amended and Restated Sysco Corporation Management Savings Plan, effective as of June 29, 2013.
 - 10.20† — 2000 Stock Incentive Plan, incorporated by reference to Appendix B to Proxy Statement filed on September 25, 2000 (File No. 1-6544).
 - 10.21† — Form of Stock Option Grant Agreement issued to executive officers on September 11, 2003 under the 2000 Stock Incentive Plan, incorporated by reference to Exhibit 10(yy) to Form 10-K for the year ended July 3, 2004 filed on September 16, 2004 (File No. 1-6544).
 - 10.22† — Form of Stock Option Grant Agreement issued to executive officers on September 2, 2004 under the 2000 Stock Incentive Plan, incorporated by reference to Exhibit 10(a) to Form 8-K filed on September 9, 2004 (File No. 1-6544).
 - 10.23† — 2004 Stock Option Plan, incorporated by reference to Appendix B to the Sysco Corporation Proxy Statement filed September 24, 2004 (File No. 1-6544).
 - 10.24† — First Amendment to the 2004 Stock Option Plan, incorporated by reference to Exhibit 10.2 to Form 10-Q for the quarter ended March 29, 2008 filed on May 6, 2008 (File No. 1-6544).
 - 10.25† — Form of Stock Option Grant Agreement issued to executive officers on September 8, 2005 and September 7, 2006 under the 2004 Stock Option Plan, incorporated by reference to Exhibit 99.1 to Form 8-K filed on September 14, 2005 (File No. 1-6544).
 - 10.26† — 2007 Stock Incentive Plan, as amended, incorporated by reference to Annex B to the Sysco Corporation Proxy Statement filed October 8, 2009 (File No. 1-6544).
 - 10.27† — Form of Stock Option Grant Agreement issued to executive officers under the 2007 Stock Incentive Plan, incorporated by reference to Exhibit 10.6 to Form 10-Q for the quarter ended December 29, 2007 filed on February 5, 2008 (File No. 1-6544).
 - 10.28† — Form of Stock Option Grant Agreement issued to Robert C. Kreidler effective October 5, 2009 under the 2007 Stock Incentive Plan, incorporated by reference to Exhibit 10.5 to Form 10-Q for the quarter ended September 26, 2009 filed on November 3, 2009 (File No. 1-6544).
 - 10.29† — Form of Restricted Stock Unit Award Agreement issued to executive officers under the 2007 Stock Incentive Plan, incorporated by reference to Exhibit 10.7 to Form 10-Q for the quarter ended September 26, 2009 filed on November 3, 2009 (File No. 1-6544).
 - 10.30† — First Amended and Restated 2008 Cash Performance Unit Plan, incorporated by reference to Exhibit 10.2 to Form 10-Q for the quarter ended September 26, 2009 filed on November 3, 2009 (File No. 1-6544).
 - 10.31† — Form of Performance Unit Grant Agreement issued to executive officers effective November 10, 2009, under the First Amended and Restated 2008 Cash Performance Unit Plan, incorporated by reference to Exhibit 10.35 to Form 10-K for the year ended July 3, 2010 filed on August 31, 2010 (File No. 1-6544).
 - 10.32† — Form of Performance Unit Grant Agreement issued to executive officers effective November 11, 2010, under the First Amended and Restated 2008 Cash Performance Unit Plan, incorporated by reference to Exhibit 10.1 to Form 10-Q for the quarter ended January 1, 2011 filed on February 8, 2011 (File No. 1-6544).
 - 10.33† — Form of Performance Unit Grant Agreement issued to executive officers effective November 15, 2011, under the 2008 Cash Performance Unit Plan, as amended and restated, incorporated by reference to Exhibit 10.2 to Form 10-Q for the quarter ended December 31, 2011 filed on February 7, 2012 (File No. 1-6544).
 - 10.34† — 2009 Management Incentive Plan, incorporated by reference to Annex C to the Sysco Corporation Proxy Statement filed on October 8, 2009 (File No. 1-6544).
 - 10.35† — Form of Fiscal Year 2012 Bonus Award for the Chief Executive Officer under the 2009 Management Incentive Plan, incorporated by reference to Exhibit 10.1 to Form 10-Q for the quarter ended October 1, 2011 filed on November 8, 2011 (File No. 1-6544).
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- 10.36† — Form of Fiscal Year 2012 Bonus Award for the Executive Vice Presidents (including the Chief Financial Officer) under the 2009 Management Incentive Plan, incorporated by reference to Exhibit 10.1 to Form 10-Q for the quarter ended October 1, 2011 filed on November 8, 2011 (File No. 1-6544).
 - 10.37† — First Amendment to Fiscal 2011 Management Incentive Plan Bonus Agreement between Sysco Corporation and William J. DeLaney dated September 3, 2010, incorporated by reference to Exhibit 10.1 to Form 10-Q for the quarter ended October 2, 2010 filed on November 9, 2010 (File No. 1-6544).
 - 10.38† — Form of Fiscal Year 2013 Bonus Award under the 2009 Management Incentive Plan, incorporated by reference to Exhibit 10.1 to Form 10-Q for the quarter ended September 29, 2012 filed on November 6, 2012 (File No. 1-6544).
 - 10.39†# — Description of Compensation Arrangements with Named Executive Officers.
 - 10.40† — Description of Sysco Corporation's Executive Relocation Expense Reimbursement Policy, incorporated by reference to Exhibit 10.3 to Form 10-Q for the quarter ended January 1, 2011 filed on February 8, 2011 (File No. 1-6544).
 - 10.41† — Sysco Corporation Amended and Restated Non-Employee Directors Stock Option Plan, incorporated by reference to Exhibit 10(g) to Form 10-K for the year ended June 28, 1997 (File No. 1-6544).
 - 10.42† — Amendment to the Amended and Restated Non-Employee Directors Stock Option Plan dated effective November 5, 1998, incorporated by reference to Exhibit 10(i) to Form 10-K for the year ended July 3, 1999 (File No. 1-6544).
 - 10.43† — Amended and Restated Non-Employee Directors Stock Plan, incorporated by reference to Appendix B to Proxy Statement filed on September 24, 2001 (File No. 1-6544).
 - 10.44† — Form of Stock Option Grant Agreement issued to non-employee directors on September 3, 2004 under the Non-Employee Directors Stock Plan, incorporated by reference to Exhibit 10(b) to Form 8-K filed on September 9, 2004 (File No. 1-6544).
 - 10.45† — Form of Retainer Stock Agreement for issuance to Non-Employee Directors under the Non-Employee Directors Stock Plan, incorporated by reference to Exhibit 10(a) to Form 10-Q for the quarter ended January 1, 2005 filed on February 10, 2005 (File No. 1-6544).
 - 10.46† — Amended and Restated 2005 Non-Employee Directors Stock Plan, incorporated by reference to Exhibit 10.1 to Form 10-Q for the quarter ended December 29, 2007 filed on February 5, 2008 (File No. 1-6544).
 - 10.47† — First Amendment to the Amended and Restated 2005 Non-Employee Directors Stock Plan effective June 28, 2009, incorporated by reference to Exhibit 10.51 to Form 10-K for the year ended June 27, 2009 filed on August 25, 2009 (File No. 1-6544).
 - 10.48† — Form of Option Grant Agreement under the 2005 Non-Employee Directors Stock Plan, incorporated by reference to Exhibit 10(i) to Form 10-Q for the quarter ended December 31, 2005 filed on February 9, 2006 (File No. 1-6544).
 - 10.49† — Form of Restricted Stock Grant Agreement under the 2005 Non-Employee Directors Stock Plan, incorporated by reference to Exhibit 10(j) to Form 10-Q for the quarter ended December 31, 2005 filed on February 9, 2006 (File No. 1-6544).
 - 10.50† — Form of Restricted Stock Agreement under the Amended and Restated 2005 Non-Employee Directors Stock Plan, incorporated by reference to Exhibit 10.1 to Form 10-Q for the quarter ended March 29, 2008 filed on May 6, 2008 (File No. 1-6544).
 - 10.51† — 2009 Non-Employee Directors Stock Plan, incorporated by reference to Annex A to the Sysco Corporation Proxy Statement filed October 8, 2009 (File No. 1-6544).
 - 10.52† — Form of Restricted Stock Grant Agreement under the 2009 Non-Employee Directors Stock Plan, incorporated by reference to Exhibit 10.1 to Form 10-Q for the quarter ended April 2, 2011 filed on May 10, 2011 (File No. 1-6544).
 - 10.53† — Form of Restricted Stock Grant Agreement under the 2009 Non-Employee Directors Stock Plan for those individuals who elected to defer receipt of shares under the 2009 Board of Directors Stock Deferral Plan, incorporated by reference to Exhibit 10.2 to Form 10-Q for the quarter ended April 2, 2011 filed on May 10, 2011 (File No. 1-6544).
 - 10.54† — Second Amended and Restated Board of Directors Deferred Compensation Plan dated April 1, 2002, incorporated by reference to Exhibit 10(aa) to Form 10-K for the year ended June 29, 2002 filed on September 25, 2002 (File No. 1-6544).
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- 10.55† — First Amendment to Second Amended and Restated Board of Directors Deferred Compensation Plan dated July 12, 2002, incorporated by reference to Exhibit 10(bb) to Form 10-K for the year ended June 29, 2002 filed on September 25, 2002 (File No. 1-6544).
- 10.56† — Second Amendment to the Second Amended and Restated Sysco Corporation Board of Directors Deferred Compensation Plan, incorporated by reference to Exhibit 10(k) to Form 10-Q for the quarter ended December 31, 2005 filed on February 9, 2006 (File No. 1-6544).
- 10.57† — Third Amendment to the Second Amended and Restated Sysco Corporation Board of Directors Deferred Compensation Plan, incorporated by reference to Exhibit 10.4 to Form 10-Q for the quarter ended March 31, 2012 filed on May 8, 2012 (File No. 1-6544).
- 10.58† — Second Amended and Restated Sysco Corporation 2005 Board of Directors Deferred Compensation Plan, incorporated by reference to Exhibit 10.59 to Form 10-K for the year ended July 28, 2008 filed on August 26, 2008 (File No. 1-6544).
- 10.59† — First Amendment to the Second Amended and Restated Sysco Corporation 2005 Board of Directors Deferred Compensation Plan, incorporated by reference to Exhibit 10.3 to Form 10-Q for the quarter ended March 31, 2012 filed on May 8, 2012 (File No. 1-6544).
- 10.60† — 2009 Board of Directors Stock Deferral Plan, incorporated by reference to Exhibit 10.1 to Form 10-Q for the quarter ended December 26, 2009 filed on February 2, 2010 (File No. 1-6544).
- 10.61†# — Description of Compensation Arrangements with Non-Employee Directors and the Executive Chairman.
- 10.62† — Form of Indemnification Agreement with Non-Employee Directors, incorporated by reference to Exhibit 10.61 to Form 10-K for the year ended July 28, 2008 filed on August 26, 2008 (File No. 1-6544).
- 10.63† — Compensation Arrangement Letter dated April 15, 2012 between Sysco Corporation and Manuel A. Fernandez, incorporated by reference to Exhibit 10.57 to Form 10-K for the year ended June 30, 2012 filed on August 27, 2012 (File No. 1-6544).
- 10.64† — Deferral Acknowledgment Letter dated May 1, 2012 between Sysco Corporation and Manuel A. Fernandez incorporated by reference to Exhibit 10.58 to Form 10-K for the year ended June 30, 2012 filed on August 27, 2012 (File No. 1-6544).
- 10.65†# — Separation Agreement dated April 1, 2013 by and between Sysco Corporation and Jim Hope.
- 10.66†# — Offer of Employment by Sysco Corporation to Wayne Shurts dated September 13, 2012.
- 12.1# — Statement regarding Computation of Ratio of Earnings to Fixed Charges.
- 21.1# — Subsidiaries of the Registrant.
- 23.1# — Consent of Independent Registered Public Accounting Firm.
- 31.1# — CEO Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2# — CFO Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32.1# — CEO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.2# — CFO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 101.1# — The following financial information from Sysco Corporation's Annual Report on Form 10-K for the year ended June 29, 2013 filed with the SEC on August 26, 2013, formatted in XBRL includes: (i) Consolidated Balance Sheets as of June 29, 2013 and June 30, 2012, (ii) Consolidated Results of Operations for the periods ended June 29, 2013, June 30, 2012 and July 2, 2011, (iii) Consolidated Shareholders' Equity for the periods ended June 29, 2013, June 30, 2012 and July 2, 2011, (iv) Consolidated Cash Flows for the periods ended June 29, 2013, June 30, 2012 and July 2, 2011, and (v) the Notes to Consolidated Financial Statements.

† Executive Compensation Arrangement pursuant to 601(b)(10)(iii)(A) of Regulation S-K

Filed Herewith

Note: Debt instruments of Sysco Corporation and its subsidiaries defining the rights of long-term debt holders in principal amounts not exceeding 10% of Sysco Corporation's consolidated assets have been omitted and will be provided to the Securities and Exchange Commission upon request.

**AMENDED AND RESTATED
SYSCO CORPORATION
EXECUTIVE DEFERRED COMPENSATION PLAN**

WHEREAS , Sysco Corporation (“Sysco”) sponsors and maintains the Seventh Amended and Restated Sysco Corporation Executive Deferred Compensation Plan, effective as of December 31, 2012 (the “Current Plan”) to provide a select group of management and highly compensated employees within the meaning of Sections 201, 301 and 401 of ERISA (and therefore exempt from the requirements of Parts 2, 3 and 4 of Title I of ERISA as a “top hat” plan and eligible for the alternative method for reporting and disclosure which is available for such plans) the opportunity to defer a portion of their annual compensation from Sysco;

WHEREAS , Section 9.1 of the Current Plan authorizes the Compensation Committee of the Board of Directors of Sysco (the “Compensation Committee”) to amend the Current Plan; and

WHEREAS , Compensation Committee has determined that it is in the best interests of Sysco and its stockholders to amend and restate the Current Plan to (i) limit the application of the non-competition provision in Section 6.8 of the Plan to (x) the one-year period following termination of a participant’s employment and (y) the period of time following termination of a participant’s employment and the commencement of distributions under the Plan or receipt of all distributions such participant is entitled to receive under this Plan and (ii) delete the word “Seventh” from the title of the Plan.

NOW, THEREFORE , Sysco hereby adopts the Amended and Restated Sysco Corporation Executive Deferred Compensation Plan, effective June 29, 2013 (the “Plan”), as follows:

ARTICLE I

DEFINITIONS

Account. “Account” means a Participant’s account in the Deferred Compensation Ledger maintained by the Administrative Committee which reflects the entire interest of the Participant in the Plan, as adjusted herein for deemed Investment earnings and losses and credited interest. A Participant’s Account shall be comprised of, if applicable, such Participant’s Termination/Retirement Account and In-Service Account(s).

Active Participant. “Active Participant” means a Participant in the employ of Sysco or a Subsidiary as of December 31, 2012.

Administrative Committee. “Administrative Committee” means the persons who are from time to time serving as members of the committee administering this Plan.

Affiliate. “Affiliate” means any entity with respect to which Sysco beneficially owns, directly or indirectly, at least 50% of the total voting power of the interests of such entity and at least 50% of the total value of the interests of such entity.

Beneficiary. “Beneficiary” means a person or entity designated by the Participant under the terms of this Plan to receive any amounts distributed under the Plan upon the death of the Participant.

Board of Directors. “Board of Directors” means the Board of Directors of Sysco.

Bonus Deferral. “Bonus Deferral” means a “Bonus Deferral” as such term is defined under the Current Plan.

Bonus Deferral Election. “Bonus Deferral Election” means a “Bonus Deferral Election” as such term is defined under the Current Plan.

Business Day. “Business Day” means during regular business hours of any day on which the New York Stock Exchange is open for trading.

Change of Control. “Change of Control” means the occurrence of one or more of the following events:

- (a) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Act) (a “Person”) of beneficial ownership (within the meaning of Rule 13d -3 promulgated under the Securities Act) of 20% or more of either (i) the then-outstanding shares of Sysco common stock (the “Outstanding Sysco Common Stock”) or (ii) the combined
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voting power of the then-outstanding voting securities of Sysco entitled to vote generally in the election of directors (the “Outstanding Sysco Voting Securities”); provided, however, that the following acquisitions shall not constitute a Change of Control: (1) any acquisition directly from Sysco, (2) any acquisition by Sysco, (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by Sysco or any Affiliate, or (4) any acquisition by any corporation pursuant to a transaction that complies with subparagraphs (c)(i), (c)(ii) and (c)(iii) of this definition;

(b) Individuals who, as of July 1, 2012, constitute the Board of Directors (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board of Directors; provided, however, that any individual becoming a director subsequent to July 1, 2012 whose election, or nomination for election by Sysco’s stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board of Directors;

(c) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar corporate transaction involving Sysco or any of its Affiliates, a sale or other disposition of all or substantially all of the assets of Sysco, or the acquisition of assets or stock of another entity by Sysco or any of its Affiliates (each, a “Business Combination”), in each case unless, following such Business Combination, (i) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Sysco Common Stock and the Outstanding Sysco Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of the then-outstanding shares of common stock and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation that, as a result of such transaction, owns Sysco or all or substantially all of Sysco’s assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Sysco Common Stock and the Outstanding Sysco Voting Securities, as the case may be, (ii) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of Sysco or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of, respectively, the then-outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such corporation, except to the extent that such ownership existed prior to the Business Combination, and (iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were

members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board of Directors providing for such Business Combination; or

(d) Approval by the stockholders of Sysco of a complete liquidation or dissolution of Sysco.

Change of Control Period. “Change of Control Period” shall have the meaning set forth in Section 6.7(d).

Claimant. “Claimant” shall have the meaning set forth in Section 7.7.

Code. “Code” means the Internal Revenue Code of 1986, as amended from time to time.

Company. “Company” means Sysco and any Subsidiary that has adopted the Plan with the approval of the Administrative Committee, pursuant to Section 8.1.

Company Match. “Company Match” means a “Company Match” (as such term is defined in the Current Plan) credited to a Participant’s Account with respect to Bonus Deferral Elections made before January 1, 2013.

Compensation Committee. “Compensation Committee” means the Compensation Committee of the Board of Directors of Sysco.

Current Plan. “Current Plan” shall have the meaning set forth in the Recitals.

Default Distribution Option. “Default Distribution Option” shall have the meaning set forth in Section 6.6(c)(iv).

Default Investment. “Default Investment” means a hypothetical investment with a *per annum* investment return equal to Moody’s determined as of October 31st of the calendar year prior to the calendar year for which such rate shall be effective, or such other Investment designated by the Administrative Committee as the “Default Investment” on Exhibit “A” attached hereto. The investment return of the Default Investment shall be re-determined annually as of November 1st of the calendar year prior to the calendar year for which such rate shall be effective. The investment return, once established, shall be effective as of January 1st of the calendar year following the calendar year in which such investment return is calculated and shall remain in effect for the entire calendar year.

Deferrals. “Deferrals” shall mean a Bonus Deferral, a Salary Deferral, or both.

Deferral Election. “Deferral Election” shall mean a Bonus Deferral Election, a Salary Deferral Election or both.

Deferred Compensation Ledger. “Deferred Compensation Ledger” means the ledger maintained by the Administrative Committee for each Participant which reflects the amount of the Participant’s Deferrals, Company Match, credits and debits for deemed Investment earnings and losses and interest credited pursuant to Article IV, and cash distributed to the Participant or the Participant’s Beneficiaries pursuant to Article VI.

Disability. “Disability” means that a Participant has been determined by the Social Security Administration to be totally disabled.

Executive Officer. “Executive Officer” means each of Sysco’s Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, President, Executive Vice Presidents, Senior Vice Presidents or any other officers designated as “officers” for purposes of Section 16 of the Securities Act.

Executive Retirement Plans. “Executive Retirement Plans” means, collectively, the Plan, the Sysco Corporation Supplemental Executive Retirement Plan, the Sysco Corporation MIP Retirement Program, the Sysco Corporation Management Savings Plan, and the Sysco Corporation Canadian Executive Capital Accumulation Plan, and such other non-qualified deferred compensation arrangements sponsored by Sysco or a Subsidiary as determined by the Compensation Committee.

Fair Market Value. “Fair Market Value” means, with respect to any Investment, the closing price on the date of reference, or if there were no sales on such date, then the closing price on the nearest preceding day on which there were such sales, and in the case of an unlisted security, the mean between the bid and asked prices on the date of reference, or if no such prices are available for such date, then the mean between the bid and asked prices on the nearest preceding day for which such prices are available. With respect to any Investment which reports “net asset values” or similar measures of the value of an ownership interest in the Investment, Fair Market Value shall mean such closing net asset value on the date of reference, or if no net asset value was reported on such date, then the net asset value on the nearest preceding day on which such net asset value was reported. For any Investment not described in the preceding sentences, Fair Market Value shall mean the value of the Investment as determined by the Administrative Committee in its reasonable judgment on a consistent basis, based upon such available and relevant information as the Administrative Committee determines to be appropriate.

In-Service Account. “In-Service Account” means a separate recordkeeping account under a Participant’s Account that is created when a Participant elects a new In-Service Distribution Date with respect to amounts deferred hereunder.

In-Service Distribution. “In-Service Distribution” means a payment to the Participant following the occurrence of an In-Service Distribution Date of the amount represented by the balance in the In-Service Account with respect to such In-Service Distribution Date.

In-Service Distribution Date. “In-Service Distribution Date” means the date on which the Participant’s applicable In-Service Account shall be paid under the Current Plan ; provided, however, that for Subsequent Elections made by Participants pursuant to Section 6.6(b) after November 13, 2012, “In-Service Distribution Date” shall mean March 10th of the calendar year selected by the Participant during which the Participant’s applicable In-Service Account shall be paid.

Installment Distribution Option. “Installment Distribution Option” shall have the meaning set forth in Section 6.6 (c)(i).

Investment. “Investment” means the options set forth in Exhibit “A” attached hereto, including interest credited at the investment return of the Default Investment, as the same may be amended from time to time by the Administrative Committee in its sole and absolute discretion.

Lump Sum Distribution Option. “Lump Sum Distribution Option” shall have the meaning set forth in Section 6.6 (c)(ii).

Management Incentive Plan. “Management Incentive Plan” means the Sysco Corporation 2009 Management Incentive Plan, as it may be amended from time to time, any successor or predecessor plan, and, at the discretion of the Compensation Committee, any other management incentive plan of Sysco.

MIP Bonus. “MIP Bonus” means a bonus awarded or to be awarded to the Participant under the Management Incentive Plan, or any bonus awarded or to be awarded to a Participant as a substitute for or in lieu of such Participant’s MIP Bonus for a Plan Year (including any amounts paid as a substitute for or in lieu of such MIP Bonus pursuant to a severance agreement or other arrangement providing for post-retirement benefits), or such other annual incentive bonus determined by the Compensation Committee in its sole discretion.

MIP Participation. “MIP Participation” means full years of participation in the Management Incentive Plan determined on an elapsed time basis. MIP Participation shall include the time a Participant was not eligible to participate in the Management Incentive Plan if, the Participant (i) was previously eligible to participate in the Management Incentive Plan; (ii) remains employed by Sysco or a Subsidiary while such Participant was ineligible to participate in the Management Incentive Plan; and (iii) later becomes eligible to again participate in the Management Incentive Plan.

Moody’s. “Moody’s” means, as of any specified date, the monthly average of the Moody’s Average Corporate Bond Yield (determined by dividing the sum of the Corporate Bond Yield Averages for each month, as published in Moody’s Bond Survey, by the number of months in the applicable calculation period) for either the (i) six-month period ending on the specified date or (ii) the twelve-month period ending on the specified date whichever produces the higher rate.

Participant. “Participant” means an employee of a Company who becomes eligible for or is participating in the Plan, and any other current or former employee of Sysco or a Subsidiary who has an Account in the Deferred Compensation Ledger.

Plan. “Plan” means the Amended and Restated Sysco Corporation Executive Deferred Compensation Plan, as set forth in this document and amended from time to time.

Plan Year. “Plan Year” means a one-year period that coincides with the fiscal year of Sysco. Sysco has a 52/53 week fiscal year beginning on the Sunday next following the Saturday closest to June 30th of each calendar year.

Retirement. “Retirement” means any Separation from Service by a Participant from Sysco and its Subsidiaries for any reason other than death or Disability on or after the earlier of (A) the date the Participant attains age sixty (60), (B) the date that the Participant has attained age fifty-five (55) and has at least fifteen (15) years of MIP Participation, or (C) the date that the Participant has attained age fifty-five (55) and has at least ten (10) years of Sysco Service.

Salary Deferral. “Salary Deferral” means a “Salary Deferral” as such term is defined under the Current Plan.

Salary Deferral Election. “Salary Deferral Election” means a “Salary Deferral Election” as such term is defined under the Current Plan.

Section 409A. “Section 409A” means Section 409A of the Code. References herein to “Section 409A” shall also include any regulatory and other interpretive guidance promulgated by the Treasury Department, including the Treasury Regulations, or the Internal Revenue Service under Section 409A of the Code.

Securities Act. “Securities Act” means the Securities Exchange Act of 1934, as amended from time to time.

Separation from Service. “Separation from Service” means a “separation from service” within the meaning of Section 409A. A Participant shall be presumed to have experienced a “separation from service” as a result of a termination of employment if the level of bona fide services performed by the Participant for Sysco or a Subsidiary decreases to a level equal to twenty-five percent (25%) or less of the average level of services performed by the Participant during the immediately preceding thirty-six (36) month period, taking into account any periods of performance excluded by the Treasury Regulations.

Specified Employee. “Specified Employee” means a “specified employee” as defined in Section 409A(a)(2)(B)(i) of the Code. By way of clarification, “specified employee” means a “key employee” (as

defined in Section 416(i) of the Code, disregarding Section 416(i)(5) of the Code) of the Company. A Participant shall be treated as a key employee if the Participant meets the requirements of Section 416(i)(1)(A)(i), (ii), or (iii) (applied in accordance with the Treasury Regulations thereunder and disregarding Section 416(i)(5) of the Code) at any time during the twelve (12) month period ending on an Identification Date. If a Participant is a key employee as of an Identification Date, the Participant shall be treated as a Specified Employee for the twelve (12) month period beginning on the first day of the fourth month following such Identification Date. For purposes of any "Specified Employee" determination hereunder, the "Identification Date" shall mean the last day of the calendar year. The Administrative Committee may in its discretion amend the Plan to change the Identification Date, provided that any change to the Plan's Identification Date shall not take effect for at least twelve (12) months after the date of the Plan amendment authorizing such change.

Subsidiary. "Subsidiary" means (a) any corporation which is a member of a "controlled group of corporations" which includes Sysco, as defined in Code Section 414(b), (b) any trade or business under "common control" with Sysco, as defined in Code Section 414(c), (c) any organization which is a member of an "affiliated service group" which includes Sysco, as defined in Code Section 414(m), (d) any other entity required to be aggregated with Sysco pursuant to Code Section 414(o), and (e) any other organization or employment location designated as a "Subsidiary" by resolution of the Board of Directors or by the Administrative Committee for purposes of this Plan.

Sysco. "Sysco" means Sysco Corporation, the sponsor of this Plan.

Sysco Service. "Sysco Service" means service with Sysco or a Subsidiary for which the Participant is awarded "credited service" under the Pension Plan for vesting purposes or would be awarded "credited service" under the Pension Plan for vesting purposes if the Participant was covered under the Pension Plan. For purposes of this definition, "Pension Plan" means the Sysco Corporation Retirement Plan, a defined benefit plan qualified under Section 401(a) of the Code, and any U.S. qualified defined benefit pension plan successor thereto.

Termination. "Termination" means Separation from Service from Sysco and its Subsidiaries, voluntarily or involuntarily, for any reason other than Retirement, death or Disability.

Termination/Retirement Account. "Termination/Retirement Account" means that portion of a Participant's Account that has not been allocated to In-Service Accounts.

Treasury Regulations. "Treasury Regulations" means the Federal Income Tax Regulations, and to the extent applicable any Temporary or Proposed Regulations, promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

Trust. "Trust" shall mean the trust established pursuant to the Trust Agreement.

Trust Agreement. “Trust Agreement” shall mean the Third Amended and Restated Grantor Trust under the Amended and Restated Sysco Corporation Executive Deferred Compensation Plan, as may be further amended and/or restated from time to time.

Trustee. “Trustee” shall mean the trustee as defined in the Trust Agreement.

Total Payments. “Total Payments” means all payments or benefits, including any accelerated vesting or payment of such benefits, received or to be received by a Participant in connection with a “change of control” (within the meaning of Section 280G of the Code) of Sysco under the terms of the Executive Retirement Plans or any other non-qualified deferred compensation arrangement sponsored by Sysco or any Subsidiary (or any company for which the Participant worked that was acquired by Sysco or a Subsidiary) and in connection with a change of control of Sysco under the terms of any stock incentive plan, mid-term or long-term incentive cash plan, or any other plan, arrangement or agreement with the Company, its successors, any person whose actions result in a change of control or any person affiliated with the Company or who, as a result of the completion of transactions causing a change of control, become affiliated with the Company within the meaning of Section 1504 of the Code, taken collectively.

Unforeseeable Emergency. “Unforeseeable Emergency” shall have the meaning set forth in Section 6.9.

ARTICLE II

ELIGIBILITY

2.1 Eligibility. Only those individuals who were Participants in the Plan as of December 31, 2012 shall be eligible to participate in the Plan.

ARTICLE III

PARTICIPANT DEFERRALS AND COMPANY CONTRIBUTIONS

3.1 Deferral Elections. No further Deferral Elections will be permitted under this Plan for calendar years and Plan Years commencing after December 31, 2012. Any Deferral Elections made by a Participant for calendar years or Plan Years commencing before January 1, 2013, shall remain in full force and effect, and such Participants shall remain eligible for the Company Match, if any, on any Bonus Deferral Elections made with respect to such Plan Years, pursuant to the terms of the Current Plan. Any Deferrals or Company Matches with respect to such calendar years or Plan Years, as applicable, shall be credited to the Participant's Account at the times set forth in Sections 4.2 and 4.3 of the Current Plan.

3.2 Discretionary Company Contributions. Notwithstanding anything to the contrary contained herein, if authorized by the Compensation Committee, the Company, may, pursuant to a written agreement approved by the Compensation Committee, cause the Company to make additional contributions to a Participant's Account. Any discretionary Company contributions made pursuant to this Section 3.3 shall be credited to a Participant's Termination/Retirement Account and shall be paid at the earliest to occur of a Participant's death, Disability, Retirement or Termination. Unless otherwise expressly provided in such written agreement, such discretionary contributions by the Company shall be 100% vested at all times.

3.3 Cancellation of Deferral Elections upon the Occurrence of an Unforeseeable Emergency. Notwithstanding anything to the contrary contained herein, if a Participant requests a hardship withdrawal pursuant to Section 6.9, and the Administrative Committee determines that such Participant has suffered an Unforeseeable Emergency, the Participant may elect to cancel such Participant's Deferral Elections in effect for such calendar year. Such election shall be made in writing by the Participant in such form as the Administrative Committee determines from time to time. In addition, if a Participant receives a hardship distribution under a 401(k) plan sponsored by the Company, all Deferral Elections in effect for the calendar year or Plan Year, as the case may be, in which such hardship distribution is made shall be cancelled, and such Participant may not make additional Deferral Elections for at least six (6) months following the receipt of such hardship distribution.

ARTICLE IV

ACCOUNT

4.1 Establishing a Participant's Account. The Administrative Committee shall establish an Account for each Participant in the Deferred Compensation Ledger which shall be maintained by the Company. Each Account shall reflect the entire interest of the Participant in the Plan.

4.2 Deemed Investment of Deferrals and Company Matches. The credit balance of Deferrals and Company Matches in the Participant's Account shall be deemed invested and reinvested from time to time in such Investments as shall be designated by the Participant in accordance with this Section 4.2; provided, however, the designation of investment provisions set forth in this Section 4.2 shall not be available for Company Matches until January 1, 2014. Until such time, interest shall be credited on the portion of the Participant's Account attributable to Company Matches in accordance with Section 4.4, and, after such time, interest shall continue to be credited on the portion of the Participant's Account attributable to Company Matches in accordance with Section 4.4 unless and until the Participant changes his Investments with respect to such Company Matches pursuant to this Section 4.2 .

(a) Each Participant may make a designation of the Investments in which the Deferrals in such Participant's Account will be deemed invested. The Investments designated by a Participant shall be deemed to have been purchased on the date on which the Deferrals are credited to the Participant's Account, or if such day is not a Business Day, on the first Business Day following such date. If a Participant has not made a designation of Investments in which such Participant's Deferrals will be deemed invested, the credit balance of the Deferrals in the Participant's Account shall be deemed to be invested in the Default Investment .

(b) At such times and under such procedures as the Administrative Committee shall designate, each Participant shall have the right to (i) change the existing Investments in which the Deferrals and Company Matches (subject to the first sentence of Section 4.2) in such Participant's Account are deemed invested by treating a portion of such Investments as having been sold and the new Investments purchased (i.e., an investment transfer), and (ii) change the Investments which are deemed purchased with future Deferrals and Company Matches credited to the Participant's Account.

(c) In the case of any deemed purchase of an Investment, the Participant's Account shall be decreased by a dollar amount equal to the number of units of such Investment treated as purchased multiplied by the per unit net asset value of such Investment as of such date or, if such date is not a Business Day, on the first Business Day following such date, and shall be increased by the number of units of such Investment treated as purchased. In the case of any deemed sale of an Investment, the Participant's Account shall be decreased by the number of units of such Investment treated as sold, and shall be increased by a dollar

amount equal to the number of units of such Investment treated as sold multiplied by the net asset value of such Investment as of such date or, if such date is not a Business Day, on the first Business Day following such date.

(d) In no event shall the Company be under any obligation, as a result of any designation of Investments made by Participants, to acquire any Investment assets, it being intended that the designation of any Investment shall only affect the determination of the amounts ultimately paid to a Participant.

(e) In determining the amounts of all debits and credits to the Participant's Account, the Administrative Committee shall exercise its reasonable best judgment, and all such determinations (in the absence of bad faith) shall be binding upon all Participants and their Beneficiaries. If an error is discovered in the Participant's Account, the Administrative Committee, in its sole and absolute discretion, shall cause appropriate, equitable adjustments to be made as soon as administratively practicable following the discovery of such error or omission.

4.3 Crediting of Earnings on Deferrals Invested in the Default Investment. Earnings will be credited on the portion of the Participant's Account attributable to Deferrals invested (or deemed invested) by a Participant in the Default Investment in accordance with this Section 4.3. For the portion of the Participant's Account attributable to Deferrals invested (or deemed invested) in the Default Investment as of the close of business on July 1, 2008 (including a Participant's Bonus Deferral for the fiscal year 2008 MIP Bonus), earnings credited to a Participant's Account on or after July 2, 2008 with respect to such amounts will be credited at a per annum investment return equal to the sum of (a) the investment return of the Default Investment, plus (b) one percent (1%). For Deferrals credited to a Participant's Account on or after July 2, 2008 and invested in the Default Investment, and investment transfers into the Default Investment on or after July 2, 2008, earnings credited to a Participant's Account on or after July 2, 2008 with respect to such amounts will be credited at a per annum investment return equal to the investment return of the Default Investment.

4.4 Crediting of Interest on Company Match. Subject to Section 4.2, interest will be credited on the portion of the Participant's Account attributable to Company Matches in accordance with this Section 4.4. For Company Matches credited to a Participant's Account prior to July 2, 2008 (including the Company Match attributable to a Participant's Bonus Deferral for the fiscal year 2008 MIP Bonus), interest credited to a Participant's Account on or after July 2, 2008 with respect to such amounts will be credited at a per annum interest rate equal to the sum of (a) the investment return of the Default Investment, plus (b) one percent (1%). For Company Matches credited to a Participant's Account on or after July 2, 2008, interest credited to a Participant's Account on or after July 2, 2008 with respect to such amounts will be credited at a per annum interest rate equal to the investment return of the Default Investment. Interest on each Company Match shall be compounded annually, but credited on a daily basis.

4.5 Procedure to Credit or Debit Interest, Earnings or Losses Upon an Event of Distribution.

(a) Crediting of Interest or Deemed Investment Earnings or Losses Prior to Commencement of Distributions. The Participant's Account shall continue to be credited or debited with Investment earnings or losses until (i) with respect to distribution events other than In-Service Distributions, the later to occur of (x) the date of the event giving rise to the distribution; or (y) the last day of the month preceding the month in which distributions will commence; and (ii) with respect to an In-Service Distribution, the date that is three (3) weeks prior to the In-Service Distribution Date with respect to such In-Service Distribution (the "Conversion Date"), at which time the deemed Investments of the portion of the Participant's Account attributable to Deferrals, other than amounts invested in the Default Investment, shall be treated as sold and credited with a dollar value in accordance with Section 4.2(c) and invested in the Default Investment. For the period beginning on the Conversion Date and ending on the date on which distributions commence, the portion of the Participant's Account attributable to Deferrals shall be credited with earnings as provided in Section 4.3. For purposes of this Section 4.5(a), for the period prior to the commencement of distributions, the portion of the Participant's Account attributable to Company Matches shall be credited with interest as provided in Section 4.4 or deemed Investment earnings or losses as provided in Section 4.2, if applicable. As of the close of business on the date distributions are to commence, interest and Investment earnings shall no longer be credited to a Participant's Account pursuant to this Section 4.5(a) and interest shall be credited to the Participant's Account as provided in Section 4.5(b).

(b) Crediting of Interest After Commencement of Installment Distributions. If any portion of a Participant's Account is to be paid pursuant to the Installment Distribution Option, interest shall be credited to the declining balance of the portion of the Participant's Account subject to this Section 4.5(b), beginning on the day after the date on which distributions commence and continuing through the scheduled date of the final installment. The interest crediting rate for purposes of this Section 4.5(b) shall be the *per annum* interest rate equal to Moody's as of the last day of the month that is two (2) months prior to the month during which distributions are to commence.

(c) Variable Investment Option. For Participants whose Retirement occurred prior to July 2, 2008, and who elected the Variable Investment Option (as defined in the Fifth Amended and Restated Sysco Corporation Executive Deferred Compensation Plan), the determination of the amount of each installment distribution and the crediting of Investment earnings and losses during the period in which the Participant is receiving distributions shall be governed by the terms of the Fifth Amended and Restated Sysco Corporation Executive Deferred Compensation Plan, except that for purposes of determining the amount of Investment earnings and losses credited to such Participant's Account the terms of the Plan shall govern.

ARTICLE V

VESTING

5.1 Deferrals. The amount credited to a Participant's Account attributable to Deferrals, adjusted for deemed Investment earnings and losses pursuant to Sections 4.2 and 4.3, shall be 100% vested at all times, except that deemed Investment earnings attributable to Deferrals shall be subject to forfeiture under Sections 6.7 and 6.8.

5.2 Company Match. Effective on and after December 31, 2012, the amount credited to an Active Participant's Account attributable to Company Matches, together with interest accumulated on those Company Matches pursuant to Section 4.4 or deemed Investment earnings or losses as provided in Section 4.2, shall be 100% vested, except that such amounts shall be subject to forfeiture under Sections 6.7 and 6.8, and any applicable reduction caused by the restrictions set forth in Section 6.11.

ARTICLE VI

DISTRIBUTIONS

6.1 Death. Upon the death of a Participant, the Participant's Beneficiary or Beneficiaries shall be paid the balance of the Participant's Account in the Deferred Compensation Ledger pursuant to the distribution option selected by the Participant under Section 6.6(c).

Each Participant, upon making his initial deferral election, shall file with the Administrative Committee a designation of one or more Beneficiaries to whom distributions otherwise due the Participant shall be made in the event of the Participant's death prior to the complete distribution of the amount credited to his Account in the Deferred Compensation Ledger. The designation shall be effective upon receipt by the Administrative Committee of a properly executed form approved by the Administrative Committee for that purpose. The Participant may from time to time revoke or change any designation of Beneficiary by filing another approved Beneficiary designation form with the Administrative Committee. If there is no valid designation of Beneficiary on file with the Administrative Committee at the time of the Participant's death, or if all of the Beneficiaries designated in the last Beneficiary designation have predeceased the Participant or, in the case of an entity, otherwise ceased to exist, the Beneficiary shall be the Participant's spouse, if the spouse survives the Participant, or otherwise the Participant's estate. A Beneficiary who is an individual shall be deemed to have predeceased the Participant if the Beneficiary dies within 30 days of the date of the Participant's death. If any Beneficiary survives the Participant but dies or, in the case of an entity, otherwise ceases to exist before receiving all amounts due the Beneficiary from the Participant's Account, the balance of the amount which would have been paid to that Beneficiary shall, unless the Participant's designation provides otherwise, be distributed to the individual deceased Beneficiary's estate or, in the case of an entity, to the Participant's spouse, if the spouse survives the Participant, or otherwise to the Participant's estate. Any Beneficiary designation which designates any person or entity other than the Participant's spouse must be consented to in writing by the Participant's spouse in a form acceptable to the Administrative Committee in order to be effective.

6.2 Disability. Upon the Disability of a Participant, the Participant shall be paid the balance of the Participant's Account in the Deferred Compensation Ledger pursuant to the distribution option selected by the Participant under Section 6.6(c).

6.3 Retirement. Upon the Retirement of a Participant, the Participant shall be paid the vested portion of such Participant's Account in the Deferred Compensation Ledger pursuant to the Distribution option selected by the Participant under Section 6.6(c). Any amounts not vested at the time of such Participant's Retirement shall be forfeited.

6.4 Distributions Upon Termination. Upon a Participant's Termination, the Participant shall be paid the vested portion of such Participant's Account in the Deferred Compensation Ledger pursuant to the Lump Sum Distribution Option. Any amounts not vested at the time of such Participant's Termination shall be forfeited.

6.5 In-Service Distributions. Each In-Service Distribution shall be paid in a lump sum on the In-Service Distribution Date, or as soon as administratively practicable thereafter. Notwithstanding a Participant's election to receive an In-Service Distribution of some or all of the Participant's Account, if the Participant's Retirement, Disability, death or Termination, as applicable, occurs prior to any In-Service Distribution Date(s), the Participant's remaining In-Service Account balance(s) (after making any In-Service Distributions with respect to In-Service Distribution Date(s) occurring prior to such Participant's Retirement, death, Disability or Termination but not otherwise paid) shall be distributed pursuant to the Plan's provisions regarding distributions upon Retirement, Disability, death or Termination, as applicable.

6.6 Distribution Elections for Deferrals. Each Participant shall have the right to elect, to revoke, or to change any prior election of the timing of payment or the form of distribution at the time and under the rules established by the Administrative Committee, which rules shall include and shall be limited by the provisions of this Section 6.6.

(a) Initial Distribution Elections. A Participant may elect different forms of distribution, as specified in Section 6.6(c), with respect to the distribution events described in Sections 6.1 (upon death), 6.2 (upon Disability) and 6.3 (upon Retirement). The initial election of form of distribution with respect to a particular distribution event, if received by the Administrative Committee in proper form prior to or concurrent with the time a Participant first makes an affirmative Deferral Election under this Plan, shall be effective upon receipt, and shall become irrevocable at the time a Participant first makes an affirmative Deferral Election under this Plan. All elections of form of distribution, with respect to such distribution events, made after the time a Participant first makes an affirmative Deferral Election under this Plan must comply with the rules of Section 6.6(b).

(b) Subsequent Elections. Any election, revocation, or change of election of form of distribution with respect to distributions upon death, Disability and Retirement that a Participant makes after he first makes an affirmative Deferral Election under this Plan; or change of election of time of payment with respect to In-Service Distributions (such elections, revocations and changes are referred to collectively herein as a, "Subsequent Election") shall be effective only if the requirements of this Section 6.6(b) are met. Subsequent Elections may be submitted to the Administrative Committee from time to time in the form determined by the Administrative Committee and shall be effective on the date that is twelve (12) months after the date on which such Subsequent Election is received by the Administrative Committee. If an event giving rise to a distribution occurs during the one-year period after a Subsequent Election is made, or if such Subsequent Election does not meet the requirements of this Section 6.6(b),

distributions under this Plan shall be made pursuant to the Participant's last effective election, revocation, or change with respect to the event giving rise to the distribution. With respect to payments upon Retirement or upon the occurrence of an In-Service Distribution Date, (i) the Subsequent Election must be received by the Administrative Committee in proper form at least one year prior to such Participant's Retirement or the occurrence of an In-Service Distribution Date; and (ii) the first payment pursuant to such Subsequent Election may not be made within the five-year period commencing on the date such payment would have been made or commenced under the last effective election, revocation, or change made by the Participant.

(c) Distribution Options. The distribution options that may be selected by Participants pursuant to this Section 6.6 are as follows:

(i) Installment Distribution Option. If a Participant selects the “Installment Distribution Option”, with respect to all or a portion of a Participant's Account, except as otherwise provided in this Section 6.6(c)(i), the Participant or the Participant's Beneficiaries shall be paid the portion of the Participant's Account in the Deferred Compensation Ledger to which this section applies in equal quarterly or annual (as selected by the Participant) installments of principal and interest for a period of up to 20 years (as selected by the Participant). Notwithstanding the foregoing, if the Participant forfeits all or a portion of his Account pursuant to Section 6.7 (forfeiture for cause) or Section 6.8 (forfeiture for competition), the amount of the installment shall be recalculated as of the date of any such forfeiture taking into account the remaining amount due to the Participant and the remaining period over which such Participant was to receive installment payments pursuant to this Section 6.6(c)(i), with no further interest credited on the declining balance following such forfeiture. Amounts distributed pursuant to the Installment Distribution Option shall be treated as a single payment for purposes of the subsequent deferral election rules of Section 409A.

(ii) Lump Sum Distribution Option. If the Participant selects the “Lump Sum Distribution Option”, with respect to all or a portion of the Participant's Account, the Participant or the Participant's Beneficiaries shall be paid the portion of the Participant's Account in the Deferred Compensation Ledger to which this Section 6.6(c)(ii) applies, in a lump sum.

(iii) Combination Lump Sum and Installment Distribution Option. Participants may also elect to have their Accounts distributed in part pursuant to the Lump Sum Distribution Option, and the balance distributed pursuant to the Installment Distribution Option, by making the appropriate designation on the form which the Administrative Committee has approved for this purpose. If a Participant elects to have his Account distributed pursuant to this Section 6.6(c)(iii), the lump sum payment shall be made at the time provided under Section 6.6(d) and the installment payments shall commence upon the next applicable payment date (i.e., either quarterly or annually).

(iv) Default Distribution Option. If a Participant does not have an effective election as to the form of distribution on file with the Administrative Committee at the time distributions to such Participant are to commence, the Participant shall be conclusively deemed to have elected to receive the vested balance of such Participant's Account pursuant to the Installment Distribution Option annually over a period of fifteen (15) years (the "Default Distribution Option").

(d) Commencement of Distributions. Distributions pursuant to this Section 6.6 shall commence as soon as administratively feasible after the event giving rise to the distribution, but not later than 90 days after the event giving rise to the distribution; *provided, however*, that in the case of the death of the Participant, distributions shall not commence within the thirty (30) day period following the Participant's death; *provided further*, that, in the case of a Participant who has made a Subsequent Election with respect to distributions upon Retirement or the occurrence of an In-Service Distribution Date, distributions upon Retirement or the occurrence of an In-Service Distribution Date shall not commence earlier than the time prescribed by Section 6.6(b); *provided further*, that distributions to a Specified Employee that result from such Participant's Retirement or Termination shall not commence earlier than the date that is six (6) months after such Specified Employee's Retirement or Termination from the Company if such earlier commencement would result in the imposition of tax under Section 409A. If distributions to a Participant are delayed because of the six-month distribution delay described in the immediately preceding sentence, such distributions shall commence as soon as administratively feasible following the end of such six-month period, but not later than thirty (30) days after the end of such six-month period.

6.7 Forfeiture For Cause.

Forfeiture on Account of Discharge. If the Administrative Committee finds, after full consideration of the facts presented on behalf of both Sysco (or as applicable, a Subsidiary) and a Participant, that the Participant was discharged by Sysco (or as applicable, a Subsidiary) for: (i) fraud, (ii) embezzlement, (iii) theft, (iv) commission of a felony, (v) proven dishonesty in the course of his employment by Sysco (or as applicable, a Subsidiary) which damaged Sysco and/or any of its Subsidiaries, or (vi) disclosing trade secrets of Sysco and/or any of its Subsidiaries ((i) through (vi) individually and collectively referred to as "Forfeiture Event"), the entire amount credited to the Participant's Account in the Deferred Compensation Ledger as of the date of discharge, exclusive of the lesser of (a) the credit balance of the Participant's Account attributable to Deferrals of the Participant, without any adjustments for deemed Investment earnings and losses pursuant to Sections 4.2, 4.3 and 4.5, or (b) the credit balance of the Participant's Account attributable to Deferrals, taking into account the adjustments for deemed Investment earnings and losses pursuant to Sections 4.2, 4.3 and 4.5, shall be forfeited even though it may have been previously vested under Article V.

Forfeiture after Commencement of Distributions . If the Administrative Committee finds, after full consideration of the facts presented on behalf of both Sysco (or as applicable, a Subsidiary) and the Participant, that a Participant who has begun receiving distributions under this Plan (other than In-Service Distributions) or has received all distributions such Participant is entitled to receive under this Plan engaged in a Forfeiture Event during his employment with Sysco (or as applicable, a Subsidiary) (even though the Participant was not discharged from Sysco or a Subsidiary for such a Forfeiture Event), the Participant and/or Participant's Beneficiaries shall, to the extent determined by the Administrative Committee, in its sole discretion, (i) forfeit the entire amount credited to the Participant's Account exclusive of the lesser of (A) the credit balance of the Participant's Account attributable to Deferrals of the Participant, without any adjustments for deemed Investment earnings and losses pursuant to Sections 4.2, 4.3 and 4.5, or (B) the credit balance of the Participant's Account attributable to Deferrals, taking into account the adjustments for deemed Investment earnings and losses pursuant to Sections 4.2, 4.3 and 4.5, and/or (ii) repay to the Company (at such times as determined by the Administrative Committee) amounts previously distributed to the Participant under this Plan exclusive of amounts attributable to Deferrals (without any adjustments for deemed Investment earnings and losses pursuant to Sections 4.2, 4.3 and 4.5) under this Plan, even though such amounts may have been previously vested under Article V. For purposes of determining the portion of the Participant's Account attributable to Deferrals, any distributions made to a Participant before the date of determination (including any In-Service Distributions) shall be applied first to reduce the credit balance of the Participant's Account attributable to Deferrals (exclusive of any associated Investment earnings).

Administrative Committee Discretion . The decision of the Administrative Committee as to the existence of a Forfeiture Event shall be final. No decision of the Administrative Committee shall affect the finality of the discharge of the Participant by Sysco or a Subsidiary in any manner.

Special Rule for Change of Control . Notwithstanding the above, the forfeiture created by Sections 6.7(a) and 6.7 (b), respectively, shall not apply to a Participant who: (i) is discharged during the Plan Year in which a Change of Control occurs, or during the next three (3) succeeding Plan Years following the Plan Year in which a Change of Controls occurs (the "Change of Control Period") or (ii) during the Change of Control Period is determined by the Administrative Committee to have engaged in a Forfeiture Event, unless a court reviewing the Administrative Committee's findings agrees with the Administrative Committee's determination to apply the forfeiture.

6.8 Forfeiture for Competition .

(a) Participant hereby recognizes that the Company would not be providing the valuable benefits conferred by this Plan but for Participant's willingness to provide certain post-employment covenants designed to protect Sysco and its Subsidiaries' valuable confidential information,

trade secrets and goodwill, including, without limitation, its valuable customer and supplier relationships. By accepting the benefits provided by this Plan, Participant acknowledges that Participant is engaging in an arms-length transaction of parties with equal bargaining power, recognizing that Participant may refuse to accept the benefits provided by this Plan and accordingly refuse to provide the covenants contained in this Section 6.8 without any impact on Participant's continued employment with Sysco (or, as applicable, any Subsidiary).

(b) To the extent determined by the Administrative Committee, in its sole discretion, Participant and/or Participant's Beneficiaries shall (i) forfeit the entire amount credited to the Participant's Account exclusive of the lesser of (A) the credit balance of the Participant's Account attributable to Deferrals of the Participant, without any adjustments for deemed Investment earnings and losses pursuant to Sections 4.2, 4.3 and 4.5, or (B) the credit balance of the Participant's Account attributable to Deferrals, taking into account the adjustments for deemed Investment earnings and losses pursuant to Sections 4.2, 4.3 and 4.5, and/or (ii) repay to the Company (at such times as determined by the Administrative Committee) amounts previously distributed to the Participant under this Plan exclusive of amounts attributable to Deferrals (without any adjustments for deemed Investment earnings and losses pursuant to Sections 4.2, 4.3 and 4.5) under this Plan, if the Administrative Committee finds, after full consideration of the facts, that Participant, at any time (I) (x) within one (1) year following the Participant's last day of employment or (y) following the Participant's last day of employment and after the date that a Participant has begun receiving distributions under this Plan or has received all distributions such Participant is entitled to receive under this Plan, and (y) without written consent of Sysco's Chief Executive Officer or General Counsel, directly or indirectly engages in any of the following acts: (1) provides services (regardless of whether as a director, officer, employee, consultant or independent contractor) that are substantially the same as provided to Sysco (or as applicable, any Subsidiary) to any business that competes with the business of Sysco (or, if applicable, any Subsidiary if Participant worked for a Subsidiary as of Participant's last day of employment) in any county where Sysco (or as applicable, any Subsidiary) that employed Participant sold product as of the date of this Plan, *provided that* Participant also worked in or had responsibility over such county or counties at any time during the last twenty-four (24) months of Participant's employment with Sysco (or, as applicable, any Subsidiary); (2) solicits, entices or recruits for any business that competes with the business of Sysco (or, if applicable, any Subsidiary if Participant worked for a Subsidiary as of Participant's last day of employment) any actual or prospective customer of Sysco (or as applicable, any Subsidiary) with whom Participant had contact at any time during Participant's employment; (3) solicits, entices or recruits any employee of Sysco or any Subsidiary to leave such employment to join a competing business; or (4) discloses any trade secret or item of confidential information of Sysco and/or any Subsidiary to a competing business. For purposes of determining the portion of the Participant's Account attributable to Deferrals, any distributions made to a Participant before the date of determination shall be applied first to reduce the credit balance of the Participant's Account attributable to Deferrals (exclusive of any associated Investment earnings).

(c) Notwithstanding the foregoing, the forfeiture or repayment obligations created by this Section 6.8 shall not apply to any Participant whose termination of employment from Sysco or a Subsidiary occurs during the Change of Control Period.

6.9 Hardship Withdrawals. Any Participant may request a hardship withdrawal to satisfy an “Unforeseeable Emergency.” No hardship withdrawal can exceed the lesser of (i) the amount of Deferrals credited to the Participant’s Account, or (ii) the amount reasonably necessary to satisfy the Unforeseeable Emergency. Whether an Unforeseeable Emergency exists and the amount reasonably needed to satisfy such need shall be determined by the Administrative Committee based upon the evidence presented by the Participant and the rules established in this Section 6.9. If a hardship withdrawal under this Section 6.9 is approved by the Administrative Committee, it shall be paid within ten (10) days of the Administrative Committee’s determination. For purposes of this Plan, an “Unforeseeable Emergency” means either: (i) a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant’s spouse or of a dependent (as defined in Section 152(a) of the Code) of the Participant, (ii) loss of the Participant’s property due to casualty, or (iii) other similar extraordinary and unforeseeable circumstance arising as a result of events beyond the control of the Participant, provided that in each case the circumstances qualify as an “unforeseeable emergency” for purposes of Section 409A. The circumstances that constitute a hardship shall depend upon the facts of each case, but, in any case, amounts distributed with respect to an Unforeseeable Emergency shall not exceed the amount necessary to satisfy such need plus amounts necessary to pay taxes reasonably anticipated as a result of the distribution, after taking into account the extent to which such need is or may be relieved: (a) through reimbursement or compensation by insurance or otherwise (other than compensation that would otherwise be available to the Participant from either a tax-qualified plan or another non-qualified deferred compensation plan (irrespective of whether such non-qualified deferred compensation plan is subject to Section 409A of the Code)), (b) by liquidation of the Participant’s assets, to the extent the liquidation of such assets will not itself cause severe financial hardship, or (c) additional compensation that may be available to such Participant by reason of a cancellation of deferrals under Section 3.5 of this Plan. Foreseeable needs for funds, such as the need to send a Participant’s child to college or the desire to purchase a home, shall not be considered to be an Unforeseeable Emergency.

6.10 Payments Upon Income Inclusion Under Section 409A. It is intended that the provisions of this Plan shall comply fully with the requirements of Section 409A. In the event that it is determined that some or all of the provisions of this Plan do not comply with the requirements of Section 409A and a Participant is required to include in income amounts otherwise deferred under this Plan as a result of non-compliance with Section 409A, the Participant shall be entitled, upon request, to receive a distribution from such Participant’s Account not to exceed the lesser of (i) the vested portion of the Participant’s Account, or (ii) the amount required to be included in income as a result of the failure of the Plan to comply with the requirements of Section 409A. Amounts distributable pursuant to this Section 6.10 shall be distributed as

soon as administratively feasible but no later than ninety (90) days after the date of the determination that such provisions of the Plan do not comply with the requirements of Section 409A.

6.11 Restrictions on any Portion of Total Payments Determined to be Excess Parachute Payments. If any payment or benefit received or to be received by a Participant in connection with a “change of control” (as defined in Section 280G of the Code and the Treasury Regulations thereunder) of Sysco would either (i) result in such payment or benefit not being deductible, whether in whole or in part, by Sysco or any Subsidiary, as a result of Section 280G of the Code, and/or (ii) result in the Participant being subject to the excise tax imposed under Section 4999 of the Code, then the benefits payable to the Participant under the Executive Retirement Plans shall be reduced until no portion of the Total Payments is not deductible as a result of Section 280G of the Code (and/or not subject to the excise tax imposed under Section 4999 of the Code) or the benefits payable under the Executive Retirement Plans that are treated as “parachute payments” (within the meaning of Section 280G(b)(2) of the Code) have been reduced to zero. If a Participant is entitled to a benefit under more than one (1) of the Executive Retirement Plans, then the reduction shall be applied in the order determined by the Administrative Committee in its sole discretion. In determining the amount of the reduction, if any, under this Plan: (a) no portion of the Total Payments which the Participant has waived in writing prior to the date of the payment of benefits under this Plan will be taken into account, (b) no portion of the Total Payments which tax counsel, selected by Sysco’s independent auditors and acceptable to the Participant and reasonably acceptable to Sysco (“Tax Counsel”), determines not to constitute a “parachute payment” within the meaning of Section 280G(b)(2) of the Code will be taken into account (including, without limitation, amounts not treated as a “parachute payment” as a result of the application of Section 280G(d)(4)(A)), (c) no portion of the Total Payments which Tax Counsel, determines to be reasonable compensation for services rendered within the meaning of Section 280G(d)(4)(B) of the Code will be treated as an “excess parachute payment” in the manner provided by Section 280G(d)(4)(B), and (d) the value of any non-cash benefit or any deferred payment or benefit included in the Total Payments will be determined by Sysco’s independent auditors in accordance with Sections 280G(b)(3) and (4) of the Code. Notwithstanding anything herein or otherwise to the contrary, the Compensation Committee, may, within its sole discretion and pursuant to an agreement approved by the Compensation Committee, waive application of this Section 6.11, when it determines that specific situations warrant such action.

6.12 Responsibility for Distributions and Withholding of Taxes. The Administrative Committee shall furnish information, to the Company last employing the Participant, concerning the amount and form of distribution to any Participant entitled to a distribution so that the Company may make or cause the Trust to make the distribution required. It shall also calculate the deductions from the amount of the benefit paid under the Plan for any taxes required to be withheld by federal, state or local government and will cause them to be withheld.

ARTICLE VII

ADMINISTRATION

7.1 Administrative Committee Appointment. The Administrative Committee shall be appointed by the Compensation Committee. Each Administrative Committee member shall serve until his or her resignation or removal. The Compensation Committee or its designee shall have the sole discretion to remove any one or more Administrative Committee members and to appoint one or more replacement or additional Administrative Committee members from time to time.

7.2 Administrative Committee Organization and Voting. The organizational structure and voting responsibilities of the Administrative Committee shall be as set forth in the bylaws of the Administrative Committee.

7.3 Powers of the Administrative Committee. Except as provided under Section 7.8 or unless otherwise reserved to the Compensation Committee, the Administrative Committee shall have the exclusive responsibility for the general administration of the Plan according to the terms and provisions of the Plan and shall have all powers necessary to accomplish those purposes, including but not by way of limitation the right, power and authority:

- (a) to make rules and regulations for the administration of the Plan;
 - (b) to construe, interpret and apply all terms, provisions, conditions and limitations of the Plan;
 - (c) to correct any defect, supply any omission or reconcile any inconsistency that may appear in the Plan in the manner and to the extent it deems expedient to carry the Plan into effect for the greatest benefit of all parties at interest;
 - (d) to designate the persons eligible to become Participants and to establish the maximum and minimum amounts that may be elected to be deferred;
 - (e) to determine all controversies relating to the administration of the Plan, including but not limited to:
 - (i) differences of opinion arising between the Company and a Participant in accordance with Section 7.7, except when the difference of opinion relates to the entitlement to, the amount of or the method or timing of payment of a benefit affected by a Change of Control, in which event, such difference of opinion shall be decided by judicial action; and
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(ii) any question it deems advisable to determine in order to promote the uniform administration of the Plan for the benefits of all parties at interest;

(f) to delegate by written notice any plan administration duties of the Administrative Committee to such individual members of the Administrative Committee, individual employees of the Company, or groups of employees of the Company, as the Administrative Committee determines to be necessary or advisable to properly administer the Plan; and

(g) to designate the investment options treated as Investments for purposes of this Plan.

7.4 Committee Discretion. The Administrative Committee (or, as applicable, the Compensation Committee), in exercising any power or authority granted under this Plan, or in making any determination under this Plan shall perform or refrain from performing those acts pursuant to such authority using its sole discretion and judgment. By way of amplification and without limiting the foregoing, the Company specifically intends that the Administrative Committee (or, as applicable, the Compensation Committee) have the greatest possible discretionary authority to construe, interpret and apply the terms of the Plan and to determine all questions concerning eligibility, participation and benefits. Any decision made by the Administrative Committee (or, as applicable, the Compensation Committee) or any refraining to act or any act taken by the Administrative Committee (or, as applicable, the Compensation Committee) in good faith shall be final and binding on all parties, subject to the provisions of Sections 7.7(a) through 7.7(c). The Administrative Committee's (or, as applicable, the Compensation Committee's) decisions shall never be subject to de novo review. Notwithstanding the foregoing, the Administrative Committee's (or, as applicable, the Compensation Committee's) decisions, refraining to act or acting is to be subject to judicial review for those incidents occurring during the Plan Year in which a Change of Control occurs and during the next three (3) succeeding Plan Years.

7.5 Reimbursement of Expenses. The Administrative Committee shall serve without compensation for its services but shall be reimbursed by Sysco for all expenses properly and actually incurred in the performance of its duties under the Plan.

7.6 Indemnification. To the extent permitted by law, members of the Board of Directors, members of the Compensation Committee, members of the Administrative Committee, employees of the Company, and all agents and representatives of the Company shall be indemnified by the Company, and saved harmless against any claims resulting from any action or conduct relating to the administration of the Plan, except claims arising from gross negligence, willful neglect or willful misconduct.

7.7 Claims Procedure. Any person who believes that he or she is being denied a benefit to which he or she is entitled under the Plan (referred to hereinafter as a "Claimant") must file a written

request for such benefit with the Administrative Committee; *provided, however* , that any claim involving entitlement to, the amount of or the method of or timing of payment of a benefit affected by a Change of Control shall be governed by Section 7.3(e)(i). Such written request must set forth the Claimant's claim and must be addressed to the Administrative Committee at Sysco's principal office.

(a) Initial Claims Decision. The Administrative Committee shall generally provide written notice to the Claimant of its decision within ninety (90) days (or forty-five (45) days for a Disability-based claim) after the claim is filed with the Administrative Committee; *provided, however* , that the Administrative Committee may have up to an additional ninety (90) days (or up to two (2) thirty (30) day periods for a Disability-based claim), to decide the claim, if the Administrative Committee determines that special circumstances require an extension of time to decide the claim, and the Administrative Committee advises the Claimant in writing of the need for an extension (including an explanation of the special circumstances requiring the extension) and the date on which it expects to decide the claim.

(b) Appeals. A Claimant may appeal the Administrative Committee's decision by submitting a written request for review to the Administrative Committee within sixty (60) days (or one hundred eighty (180) days for a Disability-based claim) after the earlier of receiving the denial notice or after expiration of the initial review period. Such written request must be addressed to the Administrative Committee at Sysco 's principal office. In connection with such request, the Claimant (and his or her authorized representative, if any) may review any pertinent documents upon which the denial was based and may submit issues and comments in writing for consideration by the Administrative Committee. If the Claimant's request for review is not received within the earlier of sixty (60) days (or one hundred eighty (180) days for a Disability-based claim) after receipt of the denial or after expiration of the initial review period, the denial shall be final, and the Claimant shall be barred and estopped from challenging the Administrative Committee's determination.

(c) Decision Following Appeal. The Administrative Committee shall generally make its decision on the Claimant's appeal in writing within sixty (60) days (or forty-five (45) days for a Disability-based claim) following its receipt of the Claimant's request for appeal; *provided, however* , that the Administrative Committee may have up to an additional sixty (60) days (or forty-five (45) days for a Disability-based claim) to decide the claim, if the Administrative Committee determines that special circumstances require an extension of time to decide the claim and the Administrative Committee advises the Claimant in writing of the need for an extension (including an explanation of the special circumstances requiring the extension) and the date on which it expects to decide the claim. The Administrative Committee shall notify the Claimant of its decision on the Claimant's appeal in writing, regardless of whether the decision is adverse.

(d) Decisions Final; Procedures Mandatory. A decision on appeal by the Administrative Committee shall be binding and conclusive upon all persons, and completion of the claims

procedures described in this Section 7.7 shall be a mandatory precondition to commencement of any court proceeding in connection with the Plan by a person claiming rights under the Plan or by another person claiming rights through such a person. The Administrative Committee may, in its sole discretion, waive the procedures described in this Section 7.7 as a mandatory precondition to such an action.

7.8 Compensation Committee Decisions. Notwithstanding anything in the Plan to the contrary, any determination made with respect to the benefits or rights of an Executive Officer under this Plan shall not be made by the Administrative Committee but shall instead be made by the Compensation Committee, and each provision of the Plan otherwise governing such a determination shall be interpreted and construed to substitute the Compensation Committee for the Administrative Committee in such provision.

ARTICLE VIII

ADOPTION BY SUBSIDIARIES

8.1 Procedure for and Status After Adoption. Any Subsidiary may, with the approval of the Administrative Committee, adopt this Plan by appropriate action of its board of directors. The terms of this Plan shall apply separately to each Subsidiary adopting this Plan and its Participants in the same manner as is expressly provided for Sysco and its Participants except that the powers of the Board of Directors, the Compensation Committee and the Administrative Committee under the Plan shall be exercised by the Board of Directors of Sysco, the Compensation Committee of the Board of Directors of Sysco or the Administrative Committee of Sysco, as applicable. Sysco and each Subsidiary adopting this Plan shall bear the cost of providing plan benefits for its own Participants. It is intended that the obligation of Sysco and each Subsidiary with respect to its Participants shall be the sole obligation of the Company that is employing the Participant and shall not bind any other Company.

8.2 Termination of Participation By Adopting Subsidiary. Any Subsidiary adopting this Plan may, by appropriate action of its board of directors, terminate its participation in this Plan. The Administrative Committee may, in its discretion, also terminate a Subsidiary's participation in this Plan at any time. The termination of the participation in this Plan by any Subsidiary shall not, however, affect the rights of any Participant who is working or has worked for the Subsidiary as to amounts previously standing to his credit in his Account in the Deferred Compensation Ledger, including, without limitation, all of the Participant's rights pursuant to Sections 4.2, 4.3 and 4.4 with respect to amounts deferred by him and matched by the Company and credited to his Account, prior to the distribution of those funds to the Participant, without his consent.

ARTICLE IX

AMENDMENT AND/OR TERMINATION

9.1 Amendment or Termination of the Plan. The Compensation Committee may amend or terminate this Plan at any time by an instrument in writing without the consent of any adopting Subsidiary.

9.2 No Retroactive Effect on Awarded Benefits. Absent a Participant's prior consent, no amendment shall:

- (a) affect the amounts then standing to his credit in his Account in the Deferred Compensation Ledger;
- (b) change the rate of or method of calculating interest to accrue in the future on Company Matches credited to a Participant's Account prior to July 2, 2008;
- (c) change a Participant's rights under any provision relating to a Change of Control after a Change of Control has occurred.

However, the Compensation Committee shall retain the right at any time to (i) change in any manner the method of calculating Investment earnings and losses effective from and after the date of the amendment on the Participant's Deferrals, and (ii) change the rate of or method of calculating interest, effective from and after the date of the amendment, to accrue on Company Matches credited to a Participant's Account on or after July 2, 2008, if in both cases the amendment has been announced to the Participants.

9.3 Effect of Termination. Upon termination of the Plan, the following provisions of this Section 9.3 shall apply:

(a) No additional amounts shall be credited to any Participant's Account in the Deferred Compensation Ledger, to the extent such amounts relate to salaries or bonuses earned on or after the effective date of the Plan's termination.

(b) The Compensation Committee may, in its sole discretion, authorize distributions of the vested balance of the Participants' Accounts in the Deferred Compensation Ledger to Participants as a result of the Plan's termination; provided that:

(i) All deferred compensation arrangements sponsored by the Company that would be aggregated with this Plan under Section 1.409A-1(c) of the Treasury Regulations, if the Participant participated in such arrangements are terminated;

(ii) No distributions other than distributions that would be payable under the terms of the Plan if the termination had not occurred are made within twelve (12) months of the termination of the Plan;

(iii) All distributions of amounts deferred under the Plan and any other vested amounts are paid within twenty-four (24) months of the termination of the Plan; and

(iv) The Company does not adopt a new deferred compensation arrangement at any time within three (3) years following the date of termination of the Plan that would be aggregated with this Plan under Section 1.409A-1(c) of the Treasury Regulations if the Participant participated in this Plan and the new arrangement.

(c) Except as otherwise provided in Sections 9.3(a) and (b), on and after the effective date of the Plan's termination, (i) the Plan shall continue to be administered as it was prior to the Plan's termination until all Participant Account balances have been distributed pursuant to the terms of the Plan; (ii) a Participant shall continue to be entitled to a distribution of his Account only if he meets the distribution requirements set forth in Article 6 hereof; (iii) the forfeiture provisions of Sections 6.7 and 6.8, and the restrictions set out in Section 6.11 shall continue to apply; and (iv) no Participant shall be entitled to a distribution of the Participant's Account solely as a result of the Plan's termination in accordance with the terms of this Article IX.

ARTICLE X

FUNDING

10.1 Payments Under This Plan are the Obligation of the Company . The Company last employing a Participant shall pay the benefits due the Participant under this Plan; however, should it fail to do so when a benefit is due, then the benefit shall be paid by the Trust. In any event, if the Trust fails to pay for any reason, the Company still remains liable for the payment of all benefits provided by this Plan.

10.2 Plan May Be Funded Through the Trust . It is specifically recognized by both the Company and the Participants that the Company may, but is not required to, purchase life insurance so as to accumulate assets to fund the obligations of the Company under this Plan, and that the Company may, but is not required to contribute any policy or policies it may purchase and any amounts or other assets it finds desirable to the Trust. However, under all circumstances, the Participants shall have no rights to any of those policies or any other assets contributed to the Trust; and, likewise, under all circumstances, the rights of the Participants to the assets held in the Trust shall be no greater than the rights expressed in this Plan and the Trust Agreement. Nothing contained in the Trust Agreement shall constitute a guarantee by the Company that assets of the Company transferred to the Trust shall be sufficient to pay any benefits under this Plan or would place the Participant in a secured position ahead of general creditors should the Company become insolvent or bankrupt. The Trust Agreement must specify that Participants in this Plan are only unsecured general creditors of the Company in relation to their benefits under this Plan.

10.3 Reversion of Excess Assets . Sysco may, at any time, request the record keeper for the Plan to determine the present Account balances, assuming the Account balances to be fully vested and taking into account credits and debits arising from deemed Investment earnings and losses or interest credited pursuant to Article IV, as of the month end coincident with or next preceding the request, of all Participants and Beneficiaries of deceased Participants for which the Company is or will be obligated to make payments under this Plan. For periods prior to a Change of Control, if the fair market value of the assets held in the Trust, as determined by the Trustee as of that same date, exceeds the total of the Account balances of all Participants and Beneficiaries under this Plan, Sysco may direct the Trustee to return to Sysco the assets which are in excess of the Account balances under this Plan. For periods following a Change of Control, if the fair market value of the assets held in the Trust, as determined by the Trustee as of that same date, exceeds the total of the Account balances of all Participants and Beneficiaries under this Plan by 10%, Sysco may direct the Trustee to return to Sysco the assets which are in excess of 110% of the Account balances under this Plan. If there has been a Change of Control, to determine excess assets, all contributions made prior to the Change of Control shall be subtracted from the fair market value of the assets held in the Trust as of the determination date but before the determination is made.

10.4 Participants Must Rely Only on General Credit of the Company. The Company and the Participants recognize that this Plan is only a general corporate commitment, and that each Participant is merely an unsecured general creditor of the Company with respect to any of the Company's obligations under this Plan.

ARTICLE XI

MISCELLANEOUS

- 11.1 Limitation of Rights . Nothing in this Plan shall be construed:
- (a) to give any employee of any Company any right to be designated a Participant in the Plan;
 - (b) to give a Participant any right with respect to the compensation deferred, the Company Match, the deemed Investment earnings and losses, or the interest credited in the Deferred Compensation Ledger except in accordance with the terms of this Plan;
 - (c) to limit in any way the right of the Company to terminate a Participant's employment with the Company at any time;
 - (d) to evidence any agreement or understanding, expressed or implied, that the Company shall employ a Participant in any particular position or for any particular remuneration; or
 - (e) to give a Participant or any other person claiming through him any interest or right under this Plan other than that of any unsecured general creditor of the Company.

11.2 Distributions to Incompetents or Minors . Should a Participant become incompetent or should a Participant designate a Beneficiary who is a minor or incompetent, the Administrative Committee is authorized to pay the funds due to the parent of the minor or to the guardian of the minor or incompetent or directly to the minor or to apply those funds for the benefit of the minor or incompetent in any manner the Administrative Committee determines in its sole discretion.

11.3 Non-alienation of Benefits . No right or benefit provided in this Plan shall be transferable by the Participant except, upon his death, to a named Beneficiary as provided in this Plan. No right or benefit under this Plan shall be subject to anticipation, alienation, sale, assignment, pledge, encumbrance or charge, and any attempt to anticipate, alienate, sell, assign, pledge, encumber, or charge the same will be void. No right or benefit under this Plan shall in any manner be liable for or subject to any debts, contracts, liabilities or torts of the person entitled to such benefits. If any Participant or any Beneficiary becomes bankrupt or attempts to anticipate, alienate, sell, assign, pledge, encumber or charge any right or benefit under this Plan, that right or benefit shall, in the discretion of the Administrative Committee, cease. In that event, the Administrative Committee may have the Company hold or apply the right or benefit or any part of it to the benefit of the Participant or Beneficiary, his or her spouse, children or other dependents or any of them in any manner and in any proportion the Administrative Committee believes to be proper in its sole and absolute discretion, but is not required to do so.

11.4 Reliance Upon Information . No member of either the Administrative Committee or the Compensation Committee shall be liable for any decision or action taken in good faith in connection with the administration of this Plan. Without limiting the generality of the foregoing, any decision or action taken by the Administrative Committee or the Compensation Committee when it relies upon information supplied it by any officer of the Company, the Company's legal counsel, the Company's independent accountants or other advisors in connection with the administration of this Plan shall be deemed to have been taken in good faith.

11.5 Severability . If any term, provision, covenant or condition of the Plan is held to be invalid, void or otherwise unenforceable, the rest of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

11.6 Notice . Any notice or filing required or permitted to be given to the Administrative Committee or a Participant shall be sufficient if submitted in writing and hand-delivered or sent by U.S. mail to the principal office of the Company or to the residential mailing address of the Participant. Notice shall be deemed to be given as of the date of hand-delivery or if delivery is by mail, as of the date shown on the postmark.

11.7 Gender and Number . If the context requires it, words of one gender when used in this Plan will include the other genders, and words used in the singular or plural will include the other.

11.8 Governing Law and Exclusive Jurisdiction . The Plan shall be governed by the laws of the State of Delaware, except to the extent such laws are preempted by federal law. Participant and the Company agree that the sole and exclusive jurisdiction for any dispute under this Plan shall lie in the United States District Court for the Southern District of Texas, and the parties hereby waive any jurisdictional or venue-related defense to litigating in this forum.

11.9 Effective Date . This Plan will be operative and effective on June 29, 2013.

11.10 Compliance with Section 409A . The Plan (i) is intended to comply with, (ii) shall be interpreted and its provisions shall be applied in a manner that is consistent with, and (iii) shall have any ambiguities therein interpreted, to the extent possible, in a manner that complies with Section 409A.

IN WITNESS WHEREOF, the Company has executed this document as of June 5, 2013, effective June 29, 2013.

SYSCO CORPORATION

By: /s/ Russell T. Libby
Name: Russell T. Libby
Title: Senior Vice President, General Counsel
and Secretary

EXHIBIT "A"

AMENDED AND RESTATED

SYSKO CORPORATION

EXECUTIVE DEFERRED COMPENSATION PLAN

INVESTMENT OPTIONS

The following are the "Investments" that are available under the Amended and Restated Sysco Corporation Executive Deferred Compensation Plan:

Option

Equity Income Trust
500 Index B Trust
Mid-Value Trust
JHT International Value
Small Cap Value Trust
Brandes International Equity Fund
Frontier Capital Appreciation
Bond Index B Trust

Sub-Advisor/Manager

T. Rowe Price Associates, Inc.
MFC Global Invest. Management USA Ltd.
T. Rowe Price Associates, Inc.
Templeton Global Advisors Limited
Wellington Management Company LLC
Brandes Investment Partners, LP
Frontier Capital Management, LLC
Declaration Management & Research LLC

Default Investment

Moody's Average Corporate Bond Yield calculated as described in the definition of Default Investment.

**AMENDED AND RESTATED
SYSCO CORPORATION
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN**

WHEREAS , Sysco Corporation (“ Sysco ”) established the Sysco Corporation Supplemental Executive Retirement Plan (the “ SERP ”), originally effective July 3, 1988, to provide a select group of highly compensated management personnel within the meaning of Sections 201, 301 and 401 of ERISA (and therefore exempt from the requirements of Parts 2, 3 and 4 of Title I of ERISA as a “top hat” plan and eligible for the alternative method of compliance for reporting and disclosure which is available for such plans), a supplement to their retirement pay so as to retain their loyalty and to offer them a further incentive to maintain and increase their standard of performance;

WHEREAS , Sysco adopted the Eleventh Amended and Restated Sysco Corporation Supplemental Executive Retirement Plan, effective June 29, 2013 (the “ Eleventh Amendment and Restatement ”), which includes the Third Amended and Restated Sysco Corporation MIP Retirement Program, attached as Appendix I thereto (the “ Program ”);

WHEREAS , pursuant to Section 10.1 of the Eleventh Amendment and Restatement, the Compensation Committee of the Board of Directors of Sysco (the “ Compensation Committee ”) may amend the Eleventh Amendment and Restatement (including the Program) by an instrument in writing;

WHEREAS , the Compensation Committee has determined that it is in the best interests of Sysco and its stockholders to amend and restate the Eleventh Amendment and Restatement, effective June 29, 2013, to provide that (i) a participant who is married on the participant’s Benefit Commencement Date (as defined herein) may elect the form of payment of the participant’s benefits under the plan, to be paid either as an annuity or a joint and survivor annuity, which forms of payment shall be actuarially equivalent annuities as required under Section 409A of the Internal Revenue Code, (ii) in the absence of an election, and provided that on the date that the first monthly annuity payment is made, a participant is married to the same spouse to whom the participant was married on the Benefit Commencement Date, benefits for the married participant will be paid in the form of joint and survivor annuity, (iii) if the married participant as of the participant’s Benefit Commencement Date is no longer married on the date that the first monthly annuity payment is made to the participant under the plan or the married participant is married to a spouse other than the spouse to whom the participant was married on the participant’s Benefit Commencement Date, the benefit will be paid in the form of a single life annuity, (iv) benefits for participants who are not married on the Benefit Commencement Date will be paid in the form of a single life annuity, (v) the non-competition covenant shall be limited to the one (1) year period following a participant’s termination of employment and the period following the participant’s Benefit Commencement Date, (vi) reconcile certain inconsistencies and (vii) the word “Eleventh” shall be deleted from the title of the plan.

NOW, THEREFORE , Sysco hereby adopts this Amended and Restated Sysco Corporation Supplemental Executive Retirement Plan (including the Amended and Restated Sysco Corporation MIP Retirement Program, attached as Appendix I hereto) (the “ Plan ”), effective as of June 29, 2013, as follows:

ARTICLE I

DEFINITIONS

1.1 401(k) Plan. “401(k) Plan” means the Sysco Corporation Employees’ 401(k) Plan, a defined contribution plan qualified under Section 401(a) of the Code, any U.S. tax-qualified defined contribution plan successor thereto and any other such plan sponsored by Sysco or a Subsidiary.

1.2 Active Participant. “Active Participant” means a Participant in the employ of the Company who, as of June 29, 2013, is not a Frozen Participant. If after June 29, 2013, an Active Participant either (i) ceases to be a participant in the Management Incentive Plan, or (ii) transfers to a Non-Participating Subsidiary, his status shall remain that of an Active Participant until Separation from Service.

1.3 Actuarial Equivalence or Actuarially Equivalent. “Actuarial Equivalence” shall be determined on the basis of the mortality and interest rate assumptions used in computing annuity benefits under the Pension Plan. If there is no Pension Plan in effect at the time any such determination is made, the actuarial assumptions to be used shall be selected by an actuarial firm chosen by the Administrative Committee. Such actuarial firm shall select such actuarial assumptions as would be appropriate for the Pension Plan if the Pension Plan remained in existence with its last participant census. “Actuarially Equivalent” means equality in value of the aggregate amounts expected to be received under different forms of payment based on the mortality and interest rate assumptions specified for purposes of Actuarial Equivalence.

1.4 Administrative Committee. “Administrative Committee” means the committee administering this Plan (including the Program).

1.5 Affiliate. “Affiliate” means any entity with respect to which Sysco beneficially owns, directly or indirectly, at least 50% of the total voting power of the interests of such entity and at least 50% of the total value of the interests of such entity.

1.6 Annuity. “Annuity” means a monthly annuity for the life of the Participant with a ten (10) year certain period. Except as provided in Section 4.4, a Participant’s Vested Accrued Benefit and Retirement Benefit are expressed in the form of an Annuity.

1.7 Beneficiary. “Beneficiary” means a person or entity designated by the Participant under the terms of this Plan to receive any amounts distributed under the Plan upon the death of the Participant.

1.8 Benefit Commencement Date. “Benefit Commencement Date” means the first date the Participant’s benefits are payable under Section 4.3, without regard to any delay under either Section 4.6 or 4.7.

1.9 Benefit Service. “Benefit Service” shall have the meaning set forth in Section 4.1(d).

1.10 Board of Directors. “Board of Directors” means the Board of Directors of Sysco.

1.11 Canada/Quebec Pension Plan Offset. “Canada/Quebec Pension Plan Offset” shall have the meaning set forth in Section 4.1(j).

1.12 Change of Control. “Change of Control” means the occurrence of one or more of the following events:

(a) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Act) (a “Person”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Securities Act) of 20% or more of either (i) the then-outstanding shares of Sysco common stock (the “Outstanding Sysco Common Stock”) or (ii) the combined voting power of the then-outstanding voting securities of Sysco entitled to vote generally in the election of directors (the “Outstanding Sysco Voting Securities”); *provided, however*, that the following acquisitions shall not constitute a Change of Control: (1) any acquisition directly from Sysco, (2) any acquisition by Sysco, (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by Sysco or any Affiliate, or (4) any acquisition by any corporation; pursuant to a transaction that complies with Sections (c)(i), (c)(ii) and (c)(iii), below;

(b) Individuals who, as of July 1, 2012, constitute the Board of Directors (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board of Directors; *provided, however*, that any individual becoming a director subsequent to July 1, 2012 whose election, or nomination for election by Sysco’s stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board of Directors;

(c) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar corporate transaction involving Sysco or any of its Affiliates, a sale or other disposition of all or substantially all of the assets of Sysco, or the acquisition of assets or stock of another entity by Sysco or any of its Affiliates (each, a “Business Combination”), in each case unless, following such Business Combination, (i) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Sysco Common Stock and the Outstanding Sysco Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of the then-outstanding shares of common stock and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation that, as a result of such transaction, owns Sysco or all or substantially all of Sysco’s assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Sysco Common Stock and the Outstanding Sysco Voting Securities, as the case may be, (ii) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of Sysco or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of, respectively, the then-outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then-outstanding voting

securities of such corporation, except to the extent that such ownership existed prior to the Business Combination, and (iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board of Directors providing for such Business Combination; or

(d) Approval by the stockholders of Sysco of a complete liquidation or dissolution of Sysco.

- 1.13 Change of Control Period. “Change of Control Period” shall have the meaning set forth in Section 7.3(d).
- 1.14 Code. “Code” means the Internal Revenue Code of 1986, as amended from time to time.
- 1.15 Company. “Company” means Sysco and any Subsidiary other than a Non-Participating Subsidiary.
- 1.16 Compensation Committee. “Compensation Committee” means the Compensation Committee of the Board of Directors of Sysco.
- 1.17 Current Plan. “Current Plan” shall have the meaning set forth in the Recitals.
- 1.18 Death Benefit Eligible Earnings. “Death Benefit Eligible Earnings” shall have the meaning set forth in Section 6.1(d).
- 1.19 Defined Benefit Offset. “Defined Benefit Offset” shall have the meaning set forth in Section 4.1(g).
- 1.20 Defined Contribution Offset. “Defined Contribution Offset” shall have the meaning set forth in Section 4.1(h).
- 1.21 Early Payment Criteria. “Early Payment Criteria” shall have the meaning set forth in Section 4.1(l).
- 1.22 EDCP. “EDCP” means the Sysco Corporation Executive Deferred Compensation Plan, as it may be amended from time to time, and any successor plan thereto.
- 1.23 Eligible Earnings. “Eligible Earnings” shall have the meaning set forth in Section 4.1(a).
- 1.24 ERISA. “ERISA” means the Employee Retirement Income Security Act of 1974, as amended.
- 1.25 Executive Officer. “Executive Officer” means each of Sysco’s Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, President, Executive Vice Presidents, Senior Vice Presidents or any other officers designated as “officers” for purposes of Section 16 of the Securities Act.
- 1.26 Executive Retirement Plans. “Executive Retirement Plans” means, collectively, this Plan, the Program, the Sysco Corporation Management Savings Plan, the Sysco Corporation Canadian Executive Capital

Accumulation Plan, the EDCP and such other non-qualified deferred compensation arrangements sponsored by Sysco or a Subsidiary as determined by the Compensation Committee.

1.27 For Cause Event. “For Cause Event” shall have the meaning set forth in Section 7.3.

1.28 Frozen Participant. “Frozen Participant” means a Participant in the employ of Sysco or a Subsidiary on June 29, 2013, whose participation in the Plan is frozen prior to June 30, 2013, because on or before June 29, 2013, he either (i) ceased to be a participant in the Management Incentive Plan; or (ii) he transferred to a Non-Participating Subsidiary. A Frozen Participant on June 29, 2013 shall not be treated as an Active Participant if he subsequently becomes a participant in the Management Incentive Plan or transfers to the Company after June 29, 2013.

1.29 High-Five Average Compensation as of June 28, 2008. “High-Five Average Compensation as of June 28, 2008” shall have the meaning set forth in Section 4.1(c).

1.30 Joint and Survivor Annuity. “Joint and Survivor Annuity” means a joint and two-thirds survivor monthly annuity with a ten (10) year certain period that is the Actuarial Equivalent of an Annuity. This annuity is payable during the joint lives of the Participant and his spouse, and a monthly annuity shall continue for the life of the survivor in an amount equal to two-thirds of the monthly amount provided during their joint lives. Notwithstanding the above, during the ten (10) year certain period, there shall be no reduction in the amount of such payment regardless of the death of either or both the Participant and his spouse.

1.31 Minimum Vested Accrued Benefit. “Minimum Vested Accrued Benefit” shall have the meaning set forth in Section 10.2.

1.32 Management Incentive Plan or MIP. “Management Incentive Plan” or “MIP” means the Sysco Corporation 1995 Management Incentive Plan, the Sysco Corporation 2000 Management Incentive Plan, the Sysco Corporation 2005 Management Incentive Plan and the Sysco Corporation 2009 Management Incentive Plan, as each may be amended, and any successor plans.

1.33 MIP Participation. “MIP Participation” refers to an individual’s periods of participation in the MIP. Non-continuous periods of MIP Participation (e.g. , as a result of a termination and subsequent reemployment) shall be added together. A Participant’s years of MIP Participation shall mean the number of full years of such eligible periods of participation determined on an elapsed time basis.

1.34 Non-Participating Subsidiary. “Non-Participating Subsidiary” means a Subsidiary that has not adopted this Plan pursuant to Article IX.

1.35 Offset Amount. “Offset Amount” shall have the meaning set forth in Section 4.1(f).

1.36 Participant. “Participant” means an employee of a Company who is eligible for and is participating in this Plan, and any other current or former employee of Sysco and its Subsidiaries who is entitled to a benefit under this Plan. Unless otherwise specified herein, references to a Participant or Participants shall include both Active Participants and Frozen Participants.

1.37 Pension Plan. “Pension Plan” means the Sysco Corporation Retirement Plan, a defined benefit plan qualified under Section 401(a) of the Code, as amended from time to time and any U.S. tax-qualified defined benefit pension plan successor thereto.

1.38 Plan. “Plan” means this Amended and Restated Sysco Corporation Supplemental Executive Retirement Plan, as it may be amended from time to time. Unless otherwise specified herein, references to “the Plan” or “this Plan” herein shall refer to the Supplemental Executive Retirement Plan only and not the Program.

1.39 Plan Year. “Plan Year” means the period that coincides with the fiscal year of Sysco. Sysco has a 52/53 week fiscal year beginning on the Sunday next following the Saturday closest to June 30th of each calendar year.

1.40 Program. “Program” means the Amended and Restated Sysco Corporation MIP Retirement Program the non-qualified deferred compensation plan that is set forth in Appendix I to this Plan, and which covers individuals who (i) do not satisfy the eligibility requirements for participation in this Plan, as set forth in Section 2.1; and (ii) satisfy the eligibility requirements set forth in Section 2.1 of the Program.

1.41 Protected Benefit and Protected Participant. A “Protected Benefit,” as determined under Sections 4.2(a)(i)(B), 4.2(a)(ii)(B), 4.2(b)(i)(B), and 4.2(b)(ii)(B), is a benefit which is only applicable to a Protected Participant. A “Protected Participant” is an individual who, as of July 3, 2005, was an Active Participant who was (a) at least age sixty (60) or (b) at least age fifty-five (55) and had at least ten (10) years of MIP Participation.

1.42 Retired Participant. “Retired Participant” shall have the meaning set forth in Section 6.1(b).

1.43 Retirement. “Retirement” means the Participant’s Separation from Service from Sysco or its Subsidiaries on or after June 29, 2013 for reason other than death, provided that at the time of such Separation from Service, the Participant is at least age fifty-five (55) and has a Vested Accrued Benefit.

1.44 Retirement Benefit. “Retirement Benefit” means the benefit paid to a Participant at the time and in the amount set forth in Article IV as a result of a Participant’s Retirement or Vested Separation.

1.45 Section 409A. “Section 409A” means Section 409A of the Code. References herein to “Section 409A” shall also include any regulatory or other interpretive guidance promulgated by the Treasury Department, including the U.S. Treasury Regulations, or the U.S. Internal Revenue Service under Section 409A of the Code.

1.46 Securities Act. “Securities Act” means the Securities Exchange Act of 1934, as amended from time to time.

1.47 Separation from Service. “Separation from Service” means a “separation from service” within the meaning of Section 409A. A Participant shall have experienced a “separation from service” for purposes of Section 409A as a result of a termination of employment if the level of bona fide services performed by the Participant for Sysco or a Subsidiary decreases to a level equal to twenty-five percent (25%) or less of the average level of service performed by the Participant for the immediately preceding thirty-six (36) month period, taking into account any periods of performance excluded under Section 409A.

1.48 Service Factor. “Service Factor” shall have the meaning set forth in Section 4.1(e).

1.49 Social Security Offset. “Social Security Offset” shall have the meaning set forth in Section 4.1(i).

1.50 Specified Employee. “Specified Employee” means a “specified employee” as defined in Section 409A(a)(2)(B)(i) of the Code. By way of clarification, a “specified employee” means a “key employee” (as defined in Section 416(i) of the Code, disregarding Section 416(i)(5) of the Code) of the Company. A Participant shall be treated as a key employee if he meets the requirements of Section 416(i)(1)(A)(i), (ii), or (iii) (applied in accordance with the Treasury Regulations thereunder and disregarding Section 416(i)(5) of the Code) at any time during the twelve (12) month period ending on an Identification Date (as defined below). If a Participant is a key employee as of an Identification Date, he shall be treated as a Specified Employee for the twelve (12) month period beginning on the first day of the fourth month following such Identification Date. For purposes of any Specified Employee determination hereunder, the “Identification Date” shall mean December 31. The Compensation Committee may in its discretion amend the Plan (including the Program) to change the Identification Date, provided that any change to the Plan’s (including the Program’s) Identification Date shall not take effect for at least twelve (12) months after the date of the Plan (including the Program) amendment authorizing such change.

1.51 Subsidiary. “Subsidiary” means (a) any corporation which is a member of a “controlled group of corporations” which includes Sysco, as defined in Section 414(b) of the Code, (b) any trade or business under “common control” with Sysco, as defined in Section 414(c) of the Code, (c) any organization which is a member of an “affiliated service group” which includes Sysco, as defined in Section 414(m) of the Code, (d) any other entity required to be aggregated with Sysco pursuant to Section 414(o) of the Code, and (e) any other organization or employment location designated as a “Subsidiary” by resolution of the Board of Directors.

1.52 Sysco. “Sysco” means Sysco Corporation, the sponsor of this Plan (including the Program).

1.53 Ten-Year Final Average Compensation. “Ten-Year Final Average Compensation” shall have the meaning set forth in Section 4.1(b).

1.54 Total Payments. “Total Payments” means all payments or benefits received or to be received by a Participant in connection with a “change of control” (within the meaning of Section 280G of the Code) of Sysco under the terms of the Executive Retirement Plans or any other non-qualified deferred compensation arrangement sponsored by Sysco or a Subsidiary (or any company for which the Participant worked that was acquired by Sysco or a Subsidiary), and in connection with a change of control of Sysco under the terms of any stock incentive plan, mid-term or long-term cash incentive plan, or any other plan, arrangement or agreement with the Company, its successors, any person whose actions result in a change of control or any person affiliated with the Company or who as a result of the completion of transactions causing a change of control become affiliated with the Company within the meaning of Section 1504 of the Code, taken collectively.

1.55 Trust. “Trust” shall mean the trust established pursuant to the Trust Agreement.

1.56 Trust Agreement. “Trust Agreement” shall mean the Third Amended and Restated Grantor Trust under the Sysco Corporation Supplemental Executive Retirement Plan, as may be further amended and/or restated from time to time.

1.57 Trustee. “Trustee” shall mean the trustee as defined in the Trust Agreement.

1.58 Vested Accrued Benefit. “Vested Accrued Benefit” shall mean the benefit calculated pursuant to Sections 4.2(a) and 4.2(b), as applicable.

1.59 Vested Percentage. “Vested Percentage” shall have the meaning set forth in Article III.

1.60 Vested Separated Participant. “Vested Separated Participant” shall have the meaning set forth in Section 6.1(a).

1.61 Vested Separation. “Vested Separation” means the Participant’s Separation from Service from Sysco or its Subsidiaries on or after June 29, 2013, other than upon Retirement or death on or after June 29, 2013, if, at the time of the Separation from Service, the Participant has a Vested Accrued Benefit.

1.62 Vesting Service. "Vesting Service" means service with Sysco and its Subsidiaries for which the Participant or Frozen Participant is awarded "credited service" under the Pension Plan for vesting purposes or would have been awarded credited service under the Pension Plan for vesting purposes if the Participant were covered under the Pension Plan; *provided however*, any service before the later of the first date of hire by the Company or the date of acquisition by Sysco or a Subsidiary for which the Participant then worked shall not be included in calculating the Participant's Vesting Service.

ARTICLE II

ELIGIBILITY & CONTINUED PARTICIPATION

2.1 Eligibility. Only those Company employees who are Participants (including Frozen Participants) in the Plan as of June 29, 2013, shall be eligible to participate in the Plan. For purposes of clarification, this Section 2.1 is not applicable to the Program, which has unique eligibility requirements as set forth in Section 2.1 of the Program.

2.2 Benefits upon Re-Employment. If a Retired or Vested Separated Participant is subsequently re-employed by Sysco or an Affiliate, the re-employed Participant's status shall remain that of a Retired or Vested Separated Participant for all purposes under this Plan and distributions to such Participant shall commence as provided under Section 4.3 without regard to his re-employment or, in the case of a Retired or Vested Separated Participant who is receiving distributions from this Plan as of his re-employment date, such payments shall continue unchanged during his period of re-employment.

ARTICLE III

VESTING

Subject to Section 7.5, all Active Participants and Frozen Participants on June 29, 2013 shall have a Vested Percentage of 100%. If a Participant's Vested Percentage is reduced by reason of Section 7.5 (as a result of a Change of Control), no additional vesting credit shall be awarded to such Participant under this Plan.

ARTICLE IV

VESTED ACCRUED BENEFIT & RETIREMENT BENEFIT

4.1 Definitions. The following definitions are used in this Article IV:

(a) Eligible Earnings. “Eligible Earnings” means, for a given Plan Year ending before June 30, 2013, the sum of the Participant’s (i) salary, including salary deferred under the EDCP, and (ii) to the extent described in the table below: (A) all or a portion of the bonus payable to the Participant under the MIP, any amounts payable to the Participant as a substitute for or in lieu of such MIP bonus for a Plan Year (but excluding any amounts paid as a substitute for or in lieu of such MIP bonus pursuant to a severance agreement or other arrangement providing for post-termination benefits, unless otherwise determined by the Administrative Committee) (“MIP Bonus”) and (B) the bonus earned under the Sysco Corporation 2006 Supplemental Performance Based Bonus Plan (“Supplemental Performance Bonus”), even if the amounts described above were earned before the individual became a Participant.

Plan Year (PY)	Treatment of Bonuses for Purposes of Eligible Earnings		
	MIP Bonus (including any MIP Bonus deferred under the EDCP)		Supplemental Performance Bonus
	Benefits other than Protected Benefits	Protected Benefits	
2009 PY through 2013 PY	Included, except for MIP Additional Bonuses, but capped at 150% of base salary rate as of the last day of the Plan Year	Included, except for MIP Additional Bonuses, but capped at 150% of base salary rate as of the last day of the Plan Year	Excluded
2008 PY	Included, except for MIP Additional Shares and MIP Additional Bonuses	Included, except for MIP Additional Bonuses	Excluded
2007 PY	Included, except for MIP Additional Shares	Included in full	Included, except for calculation of Protected Benefit
2006 PY	Included, except for MIP Additional Shares and MIP Additional Cash Bonuses	Included in full	Excluded
2005 PY and prior PYs	Included in full	Included in full	Excluded
<p>NOTE: The terms “MIP Additional Bonus”, “MIP Additional Shares” and “MIP Additional Cash Bonus” shall have the meanings given to them in the MIP.</p> <p>No bonus other than those specified in the above table is included in Eligible Earnings.</p>			

Eligible Earnings shall not include a Participant's compensation from a company before the date such company was acquired by Sysco or a Subsidiary. Eligible Earnings for Plan Years commencing after June 29, 2013, shall not be used in calculating, or taken into account in determining, Participants' accrued benefits under the Plan.

Solely for purposes of determining the salary component of Eligible Earnings used in the determination of Ten-Year Final Average Compensation defined in (b) below, "salary" shall mean the annual rate of the Participant's base salary as of his last day of employment during the applicable Plan Year.

(b) Ten-Year Final Average Compensation. Except as provided in Section 5.1(c), "Ten-Year Final Average Compensation" means the monthly average of the Participant's Eligible Earnings for the ten (10) Plan Years (excluding those Plan Years in which the Participant does not have any Eligible Earnings) ending on June 29, 2013. If the Participant does not have ten (10) Plan Years of Eligible Earnings, the Participant's Ten-Year Final Average Compensation shall be based on the monthly average of Eligible Earnings for the available Plan Years ending on June 29, 2013. The Plan Year in which the Participant was originally hired shall be disregarded if he was hired after the first business day of such Plan Year.

(c) High-Five Average Compensation as of June 28, 2008. Except as provided in Section 5.1(d), "High-Five Average Compensation as of June 28, 2008" means the monthly average of the Participant's Eligible Earnings for the five (5) full Plan Years (which need not be successive) that yield the highest monthly average of Eligible Earnings out of the ten (10) full Plan Years ending June 28, 2008. If the Participant does not have five (5) full Plan Years of Eligible Earnings, the Participant's High-Five Average Compensation as of June 28, 2008 shall be based on the monthly average of Eligible Earnings for the available full Plan Years ending June 28, 2008.

(d) Benefit Service. Except as provided in Section 5.1(b), "Benefit Service" means service with Sysco and its Subsidiaries through (i) June 28, 2008, for purposes of Sections 4.2(a)(i) and 4.2(b)(i), and (ii) June 29, 2013, for purposes of Sections 4.2(a)(ii) and 4.2(b)(ii), for which the Participant is awarded "credited service" under the Pension Plan for vesting purposes or would have been awarded "credited service" under the Pension Plan for vesting purposes if the Participant was covered under the Pension Plan ; *provided, however* , the Compensation Committee may, in its sole discretion, award a Participant additional Benefit Service.

(e) Service Factor. "Service Factor" means a fraction equal to the Participant's full years of Benefit Service as determined under Section 4.1(d) (not to exceed twenty (20) years) divided by twenty (20).

(f) Offset Amount. "Offset Amount" means the sum of a Participant's Defined Benefit Offset, Defined Contribution Offset, Social Security Offset and the Canada/Quebec Pension Plan Offset.

(g) Defined Benefit Offset. "Defined Benefit Offset" refers to the offset of the Participant's vested accrued benefit under the Pension Plan, and each other U.S. tax-qualified defined benefit plan, or Canadian registered pension plan sponsored by Sysco or a Subsidiary (or any company for which the Participant worked that was acquired by Sysco or a Subsidiary), each determined as of (i) June 28, 2008, for purposes of Sections 4.2(a)(i) and 4.2(b)(i) or, in the case of a Frozen Participant, as provided under Section 5.1(f), and (ii) December 31, 2012,

for purposes of Sections 4.2(a)(ii) and 4.2(b)(ii) or, in the case of a Frozen Participant, as provided under Section 5.1(f), and further determined as follows:

(i) Such a vested accrued benefit shall only reflect the benefit derived from employer contributions.

(ii) Each such vested accrued benefit will be adjusted in accordance with provisions of the applicable plan to reflect an assumed benefit commencement date of the later of (A) the Benefit Commencement Date or (B) the date a retirement benefit is first payable to the Participant under the applicable plan without regard to the actual election made by the Participant under such plan. The resulting amount shall be converted to an Actuarially Equivalent Annuity as of the assumed benefit commencement date.

(iii) Such benefits shall include prior distributions (subject to the limitation in item (i) and including but not limited to an in-service withdrawal or a qualified domestic relations order distribution), increased with interest. If the prior distribution was a lump-sum payment, interest will be credited from the date of the lump-sum payment. If the prior distribution consists or consisted of periodic payments, the Actuarially Equivalent single-sum value of the stream of payments will be determined as of the date of the first periodic payment and increased with interest from such date. Interest on the lump-sum payment or single-sum value of periodic payments will be credited to the assumed benefit commencement date described in (ii) above using the interest rate used for determining Actuarial Equivalence. The resulting amount will be converted to an Actuarial Equivalent Annuity as described in (ii) above.

(h) Defined Contribution Offset. “Defined Contribution Offset” refers to the offset of an Annuity that could be provided by the Participant’s vested account balance under the 401(k) Plan, and each other U.S. tax-qualified defined contribution plan or each Canadian tax-registered capital accumulation plan, sponsored by Sysco or a Subsidiary (or any company for which the Participant worked that was acquired by Sysco or a Subsidiary), determined as follows:

(i) Such account balance shall only reflect the vested balance derived from employer contributions, excluding the balance attributable to 401(k) Plan salary deferrals.

(ii) Such account balance shall be determined as (1) June 28, 2008, for purposes of Sections 4.2(a)(i) and 4.2(b)(i) or, in the case of a Frozen Participant, as provided under Section 5.1(f), and (ii) December 31, 2012, for purposes of Sections 4.2(a)(ii) and 4.2(b)(ii) or, in the case of a Frozen Participant, as provided under Section 5.1(f). This balance will be increased with interest to the Benefit Commencement Date, using the interest rate used for determining Actuarial Equivalence and shall be converted to an Actuarially Equivalent Annuity as of the Benefit Commencement Date.

(iii) Such balances shall include prior distributions (subject to the limitation in item (i) and including but not limited to an in-service withdrawal or a qualified domestic relations order distribution), increased with interest. Interest will be credited from the date of the lump-sum payment to the Benefit

Commencement Date, using the interest rate used for determining Actuarial Equivalence. The resulting balance shall be converted to an Actuarially Equivalent Annuity as of the Benefit Commencement Date.

(i) Social Security Offset. “Social Security Offset” means the Participant’s monthly old-age benefit under the Federal Social Security Act or any similar federal act in effect (i) June 28, 2008, for purposes of Sections 4.2(a)(i) and 4.2(b)(i) or, in the case of a Frozen Participant whose participation was frozen before June 28, 2008, as of the Frozen Participant’s Retirement or Vested Separation as provided under Section 5.1(f), and (ii) June 29, 2013, for purposes of Sections 4.2(a)(ii) and 4.2(b)(ii) or, in the case of a Frozen Participant, as of the Frozen Participant’s Retirement or Vested Separation as provided under Section 5.1(f), and payable as of the later of age sixty-two (62) or the Benefit Commencement Date (the “Social Security Benefit”), and without regard to whether such Social Security Benefit is actually delayed, superseded, or forfeited because of failure to apply or for any other reason. The amount of the Social Security Benefit shall be determined based upon the pay and employment data that may be furnished by the Company and/or the Participant concerned and it shall be assumed that the Participant has no compensation after (1) June 28, 2008, for purposes of Sections 4.2(a)(i) and 4.2(b)(i) or, in the case of a Frozen Participant whose participation was frozen before June 28, 2008, the Frozen Participant’s Retirement or Vested Separation, subject to Section 5.1(f), and (2) June 29, 2013, for purposes of Sections 4.2(a)(ii) and 4.2(b)(ii) or, in the case of a Frozen Participant, the Frozen Participant’s Retirement or Vested Separation. Any pay for periods prior to the earliest data furnished shall be estimated by applying a salary scale discount, and the discount applied for this purpose shall be the actual change in average wages from year to year as determined by the Social Security Administration.

(j) Canada/Quebec Pension Plan Offset. “Canada/Quebec Pension Plan Offset” means the Participant’s monthly retirement benefit payable under the Canada Pension Plan or Quebec Pension Plan, as applicable, as in effect (i) June 28, 2008, for purposes of Sections 4.2(a)(i) and 4.2(b)(i) or, in the case of a Frozen Participant whose participation was frozen before June 28, 2008, as of the Frozen Participant’s Retirement or Vested Separation as provided under Section 5.1(f), and (ii) June 29, 2013, for purposes of Sections 4.2(a)(ii) and 4.2(b)(ii) or, in the case of a Frozen Participant, as of the Frozen Participant’s Retirement or Vested Separation as provided under Section 5.1(f), and payable as of the later of age sixty (60) or the Benefit Commencement Date (the “Canada/Quebec Pension Benefit”), and without regard to whether such Canada/Quebec Pension Benefit is actually delayed, superseded, or forfeited because of failure to apply or for any other reason. The amount of the Canada/Quebec Pension Benefit shall be determined based upon the pay and employment data that may be furnished by the Company and/or the Participant concerned and it shall be assumed that the Participant has no compensation or service for benefit accrual purposes under such plan after (1) June 28, 2008, for purposes of Sections 4.2(a)(i) and 4.2(b)(i) or, in the case of a Frozen Participant whose participation was frozen before June 28, 2008, the Frozen Participant’s Retirement or Vested Separation, subject to Section 5.1(f), and (2) June 29, 2013, for purposes of Sections 4.2(a)(ii) and 4.2(b)(ii) or, in the case of a Frozen Participant, the Frozen Participant’s Retirement or Vested Separation. Any pay for periods prior to the earliest data furnished shall be estimated by applying a salary scale discount, and the discount applied for this purpose shall be the actual change in average wages from year to year as determined for purposes of the Canada Pension Plan or the Quebec Pension Plan, as applicable.

(k) Participant who has paid into both the US Federal Social Security and either the Canada Pension Plan or the Quebec Pension Plan. If a Participant has paid into both the US Federal Social Security and either the Canada Pension Plan or the Quebec Pension Plan, while an employee of Sysco or its Subsidiaries, the monthly Social Security Offset will be assumed to be zero and the monthly Canada/Quebec Pension Plan Offset will be determined to be a theoretical amount calculated under the Canada Pension Plan or Quebec Pension Plan, as applicable, as if the Participant had always been covered under and contributing to the Canada Pension Plan or Quebec Pension Plan. For purposes of determining the monthly Canada/Quebec Pension Plan Offset, the amount of the benefit shall be determined based upon the pay and employment data that may be furnished by the Company and/or the Participant while a Canadian Participant. Any pay for periods prior to the earliest data furnished shall be estimated by applying a salary scale discount, and the discount applied for this purpose shall be the actual change in average wages from year to year as determined for purposes of the Canada Pension Plan or the Quebec Pension Plan, as applicable. Any pay for periods prior to (i) June 28, 2008, for purposes of Sections 4.2(a)(i) and 4.2(b)(i) or, in the case of a Frozen Participant whose participation was frozen before June 28, 2008, the Frozen Participant's Retirement or Vested Separation as provided under Section 5.1(f), and (ii) June 29, 2013, for purposes of Sections 4.2(a)(ii) and 4.2(b)(ii) or, in the case of a Frozen Participant, the Frozen Participant's Retirement or Vested Separation, but after the latest data furnished, shall be estimated by applying a salary scale factor, and the factor applied for this purpose shall be the actual change in average wages from year to year as determined for purposes of the Canada Pension Plan or the Quebec Pension Plan, as applicable. It shall be assumed that the Participant has no compensation after (1) June 28, 2008, for purposes of Sections 4.2(a)(i) and 4.2(b)(i) or, in the case of a Frozen Participant whose participation was frozen before June 28, 2008, the Frozen Participant's Retirement or Vested Separation, subject to Section 5.1(f), and (2) June 29, 2013, for purposes of Sections 4.2(a)(ii) and 4.2(b)(ii) or, in the case of a Frozen Participant, the Frozen Participant's Retirement or Vested Separation. For purposes of the Temporary Supplement of Section 4.7, the Participant will be treated as a Canadian Participant, regardless of the Participant's status at Retirement or Vested Separation.

(l) Early Payment Criteria. "Early Payment Criteria" are as follows:

(i) Early Payment Criteria of a Protected Benefit: If, as of his Retirement or Vested Separation, the Participant is at least age sixty (60), has at least 10 years of MIP Participation and has at least twenty (20) years of Vesting Service.

(ii) Early Payment Criteria of a Benefit other than a Protected Benefit : If, as of his Retirement or Vested Separation, the Participant has either (1) satisfied the criteria in Section 4.1(l)(i) above or (2) is at least age fifty-five (55) and has at least fifteen (15) years of MIP Participation.

(m) Early Retirement Factor or ERF. "Early Retirement Factor" or "ERF" means the percentage determined in accordance with this Section 4.1(m) using the Participant's age, Vesting Service and MIP Participation determined as of the ERF Determination Date. The Early Retirement Factor shall be the greatest of the percentages determined under Section 4.1(m)(i) or Section 4.1(m)(ii), except the schedule under Section 4.1(m)(ii) shall not apply for purposes of determining an Early Retirement Factor applicable to a Protected Participant's Protected Benefit. The "ERF Determination Date" shall be the date of the applicable distribution event.

(i) If the Participant (A) is at least age sixty (60), has at least ten (10) years of MIP Participation and twenty (20) years of Vesting Service, his Early Retirement Factor under this Section 4.1(m)(i) shall be determined as follows:

Participant with at least ten (10) years of MIP Participation and 20 Years of Vesting Service whose age is	ERF
60 but less than 61	50%
61 but less than 62	60%
62 but less than 63	70%
63 but less than 64	80%
64 but less than 65	90%
65 or more	100%

(ii) If the Participant (i) is at least age fifty-five (55) and (ii) has at least fifteen (15) years of MIP Participation, his Early Retirement Factor under this Section 4.1(m)(ii) shall be determined as follows:

Sum of Participant's full years of age plus full years of MIP Participation	ERF
70	50%
71	55%
72	60%
73	65%
74	70%
75	75%
76	80%
77	85%
78	90%
79	95%
80 or more	100%

(iii) If the Participant is (i) at least age sixty-two (62), (ii) has completed at least twenty-five (25) years of Vesting Service and (iii) has at least fifteen (15) years of MIP Participation, he shall have an Early Retirement Factor of 100%;

provided that, the Compensation Committee, in its sole discretion, may increase a Participant's Early Retirement Factor to any percentage not to exceed 100%; *provided further*, subject to Section 7.5, a Participant's Early Retirement Factor shall be 100% upon a Change of Control.

(n) Vested Percentage. "Vested Percentage" means the Participant's vested percentage, which shall be 100%.

4.2 Retirement Benefit. If a Participant's Separation from Service from Sysco or its Subsidiaries occurs prior to June 29, 2013, such Participant's Retirement Benefit, if any, shall be determined under the Current

Plan. Upon the Retirement or Vested Separation of an Active Participant or, subject to Article V, a Frozen Participant, such Participant's Retirement Benefit shall be determined as provided in this Section 4.2, as follows:

(o) Participant Does Not Satisfy the Early Payment Criteria. If, as of the date of the Participant's Retirement or Vested Separation, the Participant does not satisfy the Early Payment Criteria, the Participant's Retirement Benefit under this Section 4.2(a) shall be the Participant's Vested Accrued Benefit determined as follows:

(i) Minimum Vested Accrued Benefit as of June 28, 2008. An Active Participant as of June 28, 2008 shall have a Minimum Vested Accrued Benefit as of June 28, 2008, equal to:

(A) In General. The Participant's { High-Five Average Compensation as of June 28, 2008 × 50% × Service Factor × Vested Percentage } *less* Offset Amount; *provided, however*, the resulting monthly amount shall not exceed the Participant's Vested Percentage × USD \$199,486.

(B) For a Protected Participant. The greater of (i) the amount determined under Section 4.2(a)(i)(A) above or (ii) the Protected Minimum Vested Accrued Benefit equal to the Protected Participant's { (High-Five Average Compensation as of June 28, 2008 × 50%) *less* Offset Amount } × Service Factor × Vested Percentage.

(ii) Vested Accrued Benefit on or after June 29, 2013. An Active Participant's Vested Accrued Benefit on or after June 29, 2013 shall equal the greater of the Participant's benefit, if any, under Section 4.2(a)(i) above, or:

(A) In General. The Participant's { Ten-Year Final Average Compensation × 50% × Service Factor × Vested Percentage } *less* Offset Amount; *provided however*, the resulting monthly amount shall not exceed the Participant's Vested Percentage × USD \$199,486.

(B) For a Protected Participant. The greater of (i) the amount determined under Section 4.2(a)(ii)(A) above or (ii) the Protected Benefit equal to the Protected Participant's { (Ten-Year Final Average Compensation × 50%) *less* Offset Amount } × Service Factor × Vested Percentage.

(p) Participant Satisfies the Early Payment Criteria. If, as of the date of the Participant's Retirement or Vested Separation, the Participant satisfies the Early Payment Criteria, the Participant's Retirement Benefit under this Section 4.2 (b) shall be the Participant's Vested Accrued Benefit determined as follows:

(i) Minimum Early Retirement Benefit. An Active Participant as of June 28, 2008 shall have a Minimum Vested Accrued Benefit, equal to:

(A) In General. The Participant's { High-Five Average Compensation as of June 28, 2008 × 50% × Service Factor × Vested Percentage × Early Retirement Factor } *less* Offset Amount; *provided, however*, the resulting monthly amount shall not exceed the Participant's Vested Percentage × USD \$199,486 × Early Retirement Factor.

(B) For a Protected Participant. The greater of (i) the amount determined under Section 4.2 (b)(i)(A) above or (ii) the Protected Minimum Vested Accrued Benefit equal to the Protected Participant's { (High-Five Average Compensation as of June 28, 2008 \times 50%) *less* Offset Amount } \times Service Factor \times Vested Percentage \times Early Retirement Factor.

(ii) Early Retirement Benefit on or after June 29, 2013. An Active Participant's Vested Accrued Benefit on or after June 29, 2013 shall equal the greater of the Participant's benefit, if any, under Section 4.2(b)(i) above, or

(A) In General. The Participant's { Ten-Year Final Average Compensation \times 50% \times Service Factor \times Vested Percentage \times Early Retirement Factor } *less* Offset Amount; *provided however*, the resulting monthly amount shall not exceed the Participant's Vested Percentage \times USD \$199,486 \times Early Retirement Factor.

(B) For a Protected Participant. The greater of (i) the amount determined under Section 4.2 (b)(ii)(A) above or (ii) the Protected Benefit equal to the Protected Participant's { (Ten-Year Final Average Compensation \times 50%) *less* Offset Amount } \times Service Factor \times Vested Percentage \times Early Retirement Factor.

4.3 Benefit Commencement Date.

(q) Normal Payment Criteria. Unless a Participant satisfies the Early Payment Criteria under Section 4.1(l), payment of the Participant's Retirement Benefit under Section 4.2(a) shall begin on the first day of the month coincident with or next following his sixty-fifth (65th) birthday or his actual Retirement or Vested Separation date, whichever is later, if he survives to the applicable date.

(r) Early Payment Criteria. If a Participant Separates from Service before age sixty-five (65) and satisfies the Early Payment Criteria set forth in Section 4.1(l) above as of his Retirement or Vested Separation date, payment of the Participant's Retirement Benefit under Section 4.2(b) shall begin on the first day of the month coincident with or next following the Participant's Retirement date, if he survives to the applicable date.

4.4 Form of Payment. At the time and in the form prescribed by the Administrative Committee, but, in any event, prior to the date the first monthly annuity payment is to be made to the Participant under this Plan, a married Participant may elect the form of payment of the Participant's Retirement Benefit, to be paid either as an Annuity or a Joint and Survivor Annuity, which forms of payment shall be actuarially equivalent annuities in accordance with the requirements of Section 409A of the Code. If the married Participant does not elect a form of payment in accordance with the procedures established by the Administrative Committee and as of the date that the first monthly annuity payment is made the Participant is married to the same spouse to whom the Participant was married on the Participant's Benefit Commencement Date, the form of payment of the Participant's Retirement Benefit will be a Joint and Survivor Annuity. If the married Participant as of the Participant's Benefit Commencement Date is no longer married on the date that the first monthly annuity payment is made to the Participant under this Plan or the married Participant is married to a spouse other than the spouse to whom the

Participant was married on the Participant's Benefit Commencement Date, then the form of payment of the Participant's Retirement Benefit will be an Annuity. If a Participant is not married as of the date of the Participant's Benefit Commencement Date, the form of payment of the Participant's Retirement Benefit will be an Annuity. Any election made by a married Participant pursuant to this Section 4.4 may be changed pursuant to the rules and procedures prescribed by the Administrative Committee, provided that no such change can be made following the date that the first monthly annuity payment is made to the Participant under this Plan.

4.5 Temporary Supplement. A U.S. Participant who retires before age sixty-two (62), meets the criteria of Section 4.1(l)(i) or 4.1(l)(ii), and who will receive a Retirement Benefit under Section 4.2(b), shall also receive a Temporary Supplement equal to such Participant's monthly Social Security Offset as defined in Section 4.1(i). A Canadian Participant who retires before age sixty (60), meets the criteria of Section 4.1(l)(i) or 4.1(l)(ii), and who will receive a Retirement Benefit under 4.2(b), shall also receive a Temporary Supplement equal to such Participant's monthly Canada/Quebec Pension Plan Offset as defined in Section 4.1 (j). The Temporary Supplement will be paid to an eligible Participant through and including the earlier of (a) the month in which the Participant dies or (b) the month in which the U.S. Participant attains age sixty-two (62) or the Canadian Participant attains age sixty (60).

4.6 Administrative Delay. Except as required under Section 4.7, payment of the Participant's Retirement Benefit and, if applicable, Temporary Supplement shall begin on the Benefit Commencement Date set forth in Section 4.3 or the first day of the month as soon as administratively practicable thereafter but in no event later than the last day of the taxable year in which the Benefit Commencement Date occurs, or if later within seventy-five (75) days of the Benefit Commencement Date, unless an exception under Section 409A applies. The aggregate amount of any delayed payments, without interest, shall be paid to the Participant on such delayed commencement date.

4.7 Delay of Payments under Section 409A of the Code. Notwithstanding any provision of Sections 4.3 and 4.5 to the contrary, if the distribution of a Retirement Benefit under Section 4.3 (and, if applicable, a Temporary Supplement under Section 4.5) to a Participant who is a Specified Employee result from such Participant's Retirement or Vested Separation, such distributions shall not commence earlier than the date that is six (6) months after the date of such Participant's Retirement or Vested Separation if such earlier commencement would result in the imposition of tax under Section 409A. If distributions to a Participant are so delayed, such distributions shall commence at the later of (a) the first day of the month coincident with or next following the date that is six (6) months after the Participant's Retirement or Vested Separation date; or (b) the Participant's Benefit Commencement Date. If a Participant's distributions are delayed by reason of clause (a), above, the aggregate amount of any such delayed payments, together with interest on such delayed payments (calculated using the interest rate used for determining Actuarial Equivalence), shall be paid to the Participant on such delayed commencement date.

ARTICLE V

FROZEN PARTICIPATION

5.1 In General. This Section 5.1 provides special rules that apply to a Participant whose status as of June 29, 2013 is that of a Frozen Participant, whether participation was frozen on or before June 29, 2013. In the case of a Frozen Participant whose participation was frozen before June 28, 2008, such Frozen Participant's Vested Accrued Benefit shall be determined using the benefit formula in effect under the Plan as of the date his participation was frozen.

(a) Vesting Service and Age Credit. During the period of time during which his participation is frozen, a Frozen Participant shall continue to be awarded Vesting Service and age credit for satisfaction of the Early Payment Criteria under Section 4.1(l) and determination of the ERF under Section 4.1(m).

(b) Benefit Service. A Frozen Participant's service from and after the date his participation is so frozen shall not count as Benefit Service, except as provided under Section 5.2.

(c) Ten-Year Final Average Compensation. If a Frozen Participant is eligible for the benefits under Section 4.2(a)(ii) or 4.2(b)(ii), Ten-Year Final Average Compensation shall be determined as of the date his participation was so frozen.

(d) High-Five Average Compensation as of June 28, 2008. A Frozen Participant's High-Five Average Compensation as of June 28, 2008 shall be determined as of the date his participation was frozen if such date was prior to June 28, 2008.

(e) MIP Participation. Frozen Participation shall not count as MIP Participation, except during periods in which such Frozen Participant is a MIP participant or as provided under Section 5.2.

(f) Offset Amount. If a Frozen Participant's participation was frozen after June 28, 2008, such Frozen Participant's Offset Amount used in the determination of such Frozen Participant's benefits as of June 28, 2008 under Sections 4.2(a)(i) and 4.2(b)(i) shall be determined in the same manner as an Active Participant. In all other cases, for purposes of determining the Offset Amount under the benefit formulas in Section 4.2, (i) the Defined Benefit Offset, Social Security Offset and Canada/Quebec Pension Plan Offset shall be determined as of the Frozen Participant's date of Retirement or Vested Separation, and (ii) the account balance specified in the first

sentence of Section 4.1(h)(ii) for the Defined Contribution Offset shall be the balance as of the last day of the month preceding the month of the Frozen Participant's date of Retirement or Vested Separation, subject to the adjustments specified in Section 4.1(h).

5.2 Active Participant Previously Frozen . If the participation of an Active Participant on June 29, 2013 was previously frozen for a period of time and he subsequently became eligible to participate in the Current Plan on or before June 29, 2013, he shall, for all purposes under the Plan, be treated as though his participation had never been frozen.

ARTICLE VI

DEATH BENEFIT

6.1 Definitions. The following definitions are used in this Article VI:

(a) Vested Separated Participant. “Vested Separated Participant” means a Participant who becomes entitled to a deferred Vested Accrued Benefit commencing under the payment criteria under Section 4.3(a) after June 29, 2013 and whose Benefit Commencement Date has not occurred.

(b) Retired Participant. “Retired Participant” means a Participant (i) whose Benefit Commencement Date occurred after June 29, 2013 but who has not yet received his first benefit payment or (ii) who is receiving benefit payments, which began after June 29, 2013.

(c) Three-Year Final Average Compensation. “Three-Year Final Average Compensation” means the annual average of the Participant’s Death Benefit Eligible Earnings for the three (3) Plan Years (excluding those Plan Years in which the Participant does not have any Eligible Earnings) ending on June 29, 2013. Unless otherwise provided herein, the Plan Year in which the Participant was originally hired shall be disregarded if he was hired after the first business day of such Plan Year. If the Participant does not have three (3) Plan Years of Death Benefit Eligible Earnings, the Participant’s Three-Year Final Average Compensation shall be based on the annual average of Death Benefit Eligible Earnings for the available Plan Years through June 29, 2013. If all Plan Years have been excluded (i.e. there are no “available” Plan Years), Three-Year Final Average Compensation shall mean the Participant’s Death Benefit Eligible Earnings in the Plan Year in which he was originally hired.

(d) Death Benefit Eligible Earnings. “Death Benefit Eligible Earnings” shall have the same meaning as “Eligible Earnings” (as defined in Section 4.1(a)); *provided, however*, the salary component of Eligible Earnings shall mean the annual rate of the Participant’s base salary as of his last day of employment during the applicable Plan Year, and the cap on the MIP Bonus shall not apply.

6.2 Death of an Active Participant. If an Active Participant dies while in the employ of the Company, such Participant’s spouse or other Beneficiary shall be entitled to a monthly annuity payable for life with a ten (10) year certain period commencing on the first day of the month coincident with or next following the Participant’s death, without regard to the Participant’s election, if any, pursuant to Section 4.4. Such monthly annuity shall be Actuarially Equivalent to the greater of the Actuarially Equivalent single-sum value of (i) or (ii), where (i) is an annual payment equal to 25% of the Participant’s Three-Year Final Average Compensation payable for ten (10) years certain, and (ii) is (x) if the Participant is at least age 65 or satisfies the Early Payment Criteria under Section 4.1(l), the Retirement Benefit that would have been payable as an Annuity under Section 4.2(b) assuming the participant had retired on his date of death or (y) if the Participant does not satisfy the condition in (x), the hypothetical immediate Annuity equal to the deferred Annuity that would have been payable to the Participant under Section 4.2(a), assuming the Participant had retired on his date of death, *reduced* for the period by which the first payment of the death benefit precedes the first day of the month on or after date the Participant would have attained

age sixty-five (65), by 5/9ths of one percent (1%) for each of the first one hundred twenty (120) calendar months and actuarially thereafter (using the assumptions for Actuarial Equivalence).

6.3 Death of Frozen Participant. If a Frozen Participant dies while in the employ of Sysco or a Subsidiary, such Frozen Participant's spouse or other Beneficiary shall be entitled to a monthly annuity payable for life with a ten (10) year certain period commencing on the first day of the month coincident with or next following the Frozen Participant's death, without regard to the Participant's election, if any, pursuant to Section 4.4. Such monthly annuity shall be Actuarially Equivalent to the single sum value of the survivor's benefit that would have been payable to the Participant's spouse or other Beneficiary if the Participant had begun receiving a hypothetical Retirement Benefit on his date of death, determined as follows:

(a) If the Participant is at least age 65 or has satisfied the Early Payment Criteria under Section 4.1 (l) on his date of death, the amount of such hypothetical retirement benefit shall equal the Participant's Retirement Benefit determined under Section 4.2(b) as of his date of death, adjusted, as applicable, to take into account the form of such Participant's Retirement Benefit under Section 4.4.

(b) If the Participant does not meet the requirements of Section 6.3(a), the amount of such hypothetical retirement benefit shall equal the Participant's Vested Accrued Benefit determined under Section 4.2(a) as of his date of death, *reduced*, for the period by which the first payment of the death benefit precedes the first day of the month on or after date the Participant would have attained age sixty-five (65), by 5/9ths of one percent (1%) for each of the first one hundred twenty (120) calendar months and actuarially thereafter (using the assumptions for Actuarial Equivalence), adjusted, as applicable, to take into account the form of such Participant's Retirement Benefit under Section 4.4.

(c) For purposes of determining the amount of the survivor's benefit under this Section 6.3, if a Participant's Retirement Benefit would have been paid in the form of a Joint and Survivor Annuity, and the Participant designated a Beneficiary other than his spouse, his Beneficiary shall be substituted for the Participant's "spouse" for purposes of the conversion to a Joint and Survivor Annuity.

6.4 Death of Vested Separated Participant. Upon the death of a Vested Separated Participant, such Participant's Beneficiary shall be entitled to a monthly annuity payable for life with a ten (10) year certain period commencing on the first day of the month coincident with or next following the Participant's death. Such monthly annuity shall be Actuarially Equivalent to the single-sum value of the survivor's benefit that would have been payable to the Participant's spouse or other Beneficiary if the Participant had begun receiving a hypothetical retirement benefit on his date of death. The amount of such hypothetical retirement benefit shall equal the Participant's Vested Accrued Benefit as determined under Section 4.2(a), reduced, for the period by which the first payment of the death benefit precedes the first day of the month on or after date the Participant would have attained age sixty-five (65), by 5/9ths of one percent (1%) for each of the first one hundred twenty (120) calendar months and actuarially thereafter (using the assumptions for Actuarial Equivalence), adjusted as applicable, to take into account the form of such Participant's Retirement Benefit under Section 4.4. For purposes of determining the amount of the survivor's benefit under this Section 6.4, if a Participant's Retirement Benefit would have been paid in the form of a Joint and Survivor Annuity, and the Participant designated a Beneficiary other than his spouse, his

Beneficiary shall be substituted for the Participant's "spouse" for purposes of the conversion to the Joint and Survivor Annuity.

6.5 Death of Retired Participant before or after Commencement of Benefits . If a Retired Participant (a) dies before benefit payments begin or (b) dies after benefit payments begin, any death benefit that may be payable is a function of the form of payment applicable to such Retired Participant (Joint and Survivor Annuity or Annuity as provided under Section 4.4), as described below:

(a) Joint and Survivor Annuity .

(i) Death of Participant or Spouse during Ten (10) Year Certain Period . If either the Participant or his spouse (but not both) dies before the first benefit payment or during the ten (10) year certain period following the Benefit Commencement Date, the benefit amount payable during their joint lives shall be paid to the survivor for the balance of the ten (10) year certain period and then two-thirds (2/3) of that amount shall be paid to the survivor for life.

(ii) Death of Both Participant and Spouse during Ten (10) Year Certain Period . If both the Participant and his spouse die before the first benefit payment or during the ten (10) year certain period following the Benefit Commencement Date, the benefit amount payable during their joint lives shall be paid to the Participant's Beneficiary for the balance of the ten (10) year certain period.

(iii) Cessation of Benefits . No further benefits are payable after the later of (a) the deaths of the Participant and his spouse or (b) the end of the ten (10) year certain period.

(iv) Spouse . For purposes of this Section 6.5(a), "spouse" refers to the Participant's spouse whose birth date was used in the calculation of the Joint and Survivor Annuity, even if the Participant is married to a different individual at the time of the Participant's death.

(b) Annuity .

(i) Death of Participant during Ten (10) Year Certain Period . If the Participant dies before the first benefit payment or during the ten (10) year certain period following the Benefit Commencement Date, the benefit amount shall be paid to the Participant's Beneficiary for the balance of the ten (10) year certain period.

(ii) Cessation of Benefits . No further benefits are payable after the later of (a) the death of the Participant or (b) the end of the ten (10) year certain period.

6.6 Administrative Delay . Death benefits shall commence as of the date set forth in this Article VI or the first day of the month as soon as administratively practicable thereafter but in any event within ninety (90) days of the Participant's death. The aggregate amount of any such delayed payments, without interest on such delayed payments, shall be paid to the Beneficiary on such delayed commencement date.

6.7 Beneficiary Designation for Ten (10) Year Certain Period. A Beneficiary designation shall be effective upon receipt by the Administrative Committee of a properly executed form which the Administrative Committee has approved for that purpose, and shall remain in force until revoked or changed by the Participant. The Participant may, from time to time, revoke or change any designation of Beneficiary by filing another approved Beneficiary designation form with the Administrative Committee.

(a) Upon entering the Plan, each Participant shall file with the Administrative Committee a designation of one or more Beneficiaries to whom the death benefit provided by Sections 6.2, 6.3, and 6.4 shall be payable. Any Beneficiary designation by a married Participant who designates any person or entity other than the Participant's spouse shall be ineffective unless the Participant's spouse has indicated consent by completing and signing the applicable spousal consent section of the approved beneficiary designation form.

(b) Upon Retirement and prior to commencement of benefits under Article IV, the Participant shall designate one or more Beneficiaries to receive the remaining period certain payments, which designation shall be made and modified in accordance with the procedures set forth in this Section 6.7. If the Participant does not designate one or more Beneficiaries to receive the remaining period certain payments, the Beneficiaries designated by the Participant upon entering the Plan shall be the Participant's Beneficiaries for purposes of the remaining period certain payments. A spouse of a Participant may not change the Beneficiaries designated by the Participant, including the Beneficiaries to whom the remaining period certain payments may be paid. Notwithstanding the preceding sentences of this Section 6.7(b), in the case of a Joint and Survivor Annuity, a Beneficiary designation shall have no effect unless the Participant and the Participant's spouse both die during the ten (10) year certain period and (b) if the Participant dies during the ten (10) year certain period and the Beneficiaries designated by the Participant have predeceased the Participant or otherwise ceased to exist, the Participant's surviving spouse who is receiving the survivor benefit under the Joint and Survivor Annuity may designate the Beneficiaries to receive any remaining guaranteed payments if the spouse should die during the ten (10) year certain period.

(c) If there is no valid Beneficiary designation on file with the Administrative Committee at the time of the Participant's death, or if all of the Beneficiaries designated in the last Beneficiary designation have predeceased the Participant or, in the case of an entity, otherwise ceased to exist, the Beneficiary shall be the Participant's spouse, if the spouse survives the Participant, or otherwise the Participant's estate. A Beneficiary who is an individual shall be deemed to have predeceased the Participant if the Beneficiary dies within thirty (30) days of the date of the Participant's death. If any Beneficiary survives the Participant but dies or, in the case of an entity, otherwise ceases to exist, before receiving all payments due under this Article VI, the balance of the payments that would have been paid to that Beneficiary shall, unless the Participant's designation provides otherwise, be distributed to the deceased individual Beneficiary's estate or, in the case of an entity, to the Participant's spouse, if the spouse survives the Participant, or otherwise to the Participant's estate.

ARTICLE VII

PROVISIONS RELATING TO ALL BENEFITS

7.1 Effect of this Article. The provisions of this Article shall control over all other provisions of the Plan (including the Program).

7.2 Termination of Employment. A Participant's termination of employment for any reason prior to the Participant's vesting under Article III shall cause the Participant and all his Beneficiaries to forfeit all interests in and under this Plan, other than any benefit payable to such Participant's Beneficiaries under Article VI.

7.3 Forfeiture for Cause.

(a) Forfeiture on Account of Discharge. If the Administrative Committee finds, after full consideration of the facts presented on behalf of Sysco or a Subsidiary and a former Participant, that the Participant was discharged by Sysco or a Subsidiary for: (i) fraud, (ii) embezzlement, (iii) theft, (iv) commission of a felony, (v) proven dishonesty in the course of his employment by Sysco or a Subsidiary which damaged Sysco or a Subsidiary, or (vi) disclosing trade secrets of Sysco or a Subsidiary ((i) through (vi) individually and collectively referred to as a "For Cause Event"), the entire Vested Accrued Benefit of the Participant and/or his Beneficiaries shall be forfeited.

(b) Forfeiture after Commencement of Benefits. If the Administrative Committee finds, after full consideration of the facts presented on behalf of Sysco or a Subsidiary and the former Participant, that a former Participant who has begun receiving benefits under this Plan engaged in a For Cause Event during his employment with Sysco or a Subsidiary (even though the Participant was not discharged from Sysco or the Subsidiary for such a For Cause Event), the former Participant's and/or Beneficiaries remaining benefit payments under the Plan (including the Program) shall be forfeited.

(c) Administrative Committee Discretion. The decision of the Administrative Committee as to the existence of a For Cause Event shall be final. No decision of the Administrative Committee shall affect the finality of the discharge of the Participant by Sysco or the Subsidiary in any manner.

(d) Special Rule for Change of Control. Notwithstanding the above, the forfeitures created by Sections 7.3(a) and 7.3(b) above shall not apply to a Participant or former Participant who: (i) is discharged during the Plan Year in which a Change of Control occurs, or during the next three (3) succeeding Plan Years following the Plan Year in which a Change of Controls occurs (the "Change of Control Period") or (ii) during the Change of Control Period is determined by the Administrative Committee to have engaged in a For Cause Event, unless a court reviewing the Administrative Committee's findings agrees with the Administrative Committee's determination to apply the forfeiture.

7.4 Forfeiture for Competition. If, at the time a distribution is being made or is to be made to a Participant, the Administrative Committee finds, after full consideration of the facts presented on behalf of Sysco or a Subsidiary and the Participant, that the Participant has engaged in any of the conduct set forth in this Section 7.4, the entire benefit remaining to be paid to the Participant and/or his Beneficiaries shall be forfeited, even though it may have been previously vested under any portion of this Plan; *provided, however*, that this Section 7.4 shall not apply to any Participant whose termination of employment from Sysco or a Subsidiary occurs during a Change of Control Period. A forfeiture shall occur if, at any time within one (1) year after his termination of employment from Sysco or a Subsidiary or at any time after the Participant's Benefit Commencement Date, in either case, while any remaining benefit is to be paid to the Participant and/or his Beneficiaries under this Plan, and without written consent of Sysco's Chief Executive Officer or General Counsel, the Participant:

(a) either directly or indirectly owns, operates, manages, controls, or participates in the ownership, management, operation, or control of, or is employed by, or is paid as a consultant or other independent contractor by, a business which competes with any aspect of the business of Sysco or a Subsidiary by which he was formerly employed (as the scope of Sysco's or such Subsidiary's business is defined as of the date of Participant's termination of employment) in a trade area served by Sysco or the Subsidiary and in which the Participant directly or indirectly represented Sysco or the Subsidiary while employed by it; and the Participant continues to be so engaged ten (10) days after written notice has been given to him by or on behalf of Sysco or the Subsidiary;

(b) either directly or indirectly owns, operates, manages, controls, or participates in the ownership, management, operation, or control of, or is employed by, or is paid as a consultant or other independent contractor by, a customer or supplier of Sysco or a Subsidiary by which he was formerly employed and with whom the Participant dealt, either directly or indirectly through the supervision of others, on behalf of Sysco or a Subsidiary by which he was formerly employed; and the Participant continues to be so engaged ten (10) days after written notice has been given to him by or on behalf of Sysco or the Subsidiary;

(c) on behalf of a business which competes with Sysco or a Subsidiary by which he was formerly employed, directly or indirectly markets, solicits or sells to any actual or prospective customer of Sysco or a Subsidiary by which he was formerly employed and with whom the Participant dealt, either directly or indirectly through the supervision of others, on behalf of Sysco or the Subsidiary by which he was formerly employed;

(d) on behalf of a business which competes with Sysco or a Subsidiary by which he was formerly employed, directly or indirectly markets to, solicits or buys from any supplier of Sysco or a Subsidiary by which he was formerly employed and with whom the Participant dealt, either directly or indirectly through the supervision of others, on behalf of Sysco or the Subsidiary by which he was formerly employed;

(e) on behalf of a business which competes with Sysco or a Subsidiary by which he was formerly employed, directly or indirectly solicits, offers employment to, hires or otherwise enters into a consulting relationship with any employee of Sysco or any Subsidiary;

(f) either (i) fails to return to Sysco or the Subsidiary by which he was formerly employed, within ten (10) days of any request issued to the Participant, any and all trade secrets or confidential information or

any portion thereof and all materials relating thereto in his possession, or (ii) fails to hold in confidence or reproduces, distributes, transmits, reverse engineers, decompiles, disassembles, or transfers, directly or indirectly, in any form, by any means, or for any purpose, any Sysco or Subsidiary trade secrets or confidential information or any portion thereof or any materials relating thereto; or

(g) makes any disparaging comments or accusations detrimental to the reputation, business, or business relationships of Sysco (as reasonably determined by Sysco or a Subsidiary), and the Participant fails to retract such comments or accusations within sixty (60) days after written notice demanding such retraction has been provided to him by or on behalf of Sysco or the Subsidiary.

7.5 Restrictions on any Portion of Total Payments Determined to be Excess Parachute Payments. If any payment or benefit received or to be received by a Participant in connection with a “change of control” (as defined in Section 280G of the Code and the Treasury Regulations thereunder) of Sysco would either (i) result in such payment or benefit not being deductible, whether in whole or in part, by Sysco or any Subsidiary, as a result of Section 280G of the Code, and/or (ii) result in the Participant being subject to the excise tax imposed under Section 4999 of the Code, then the benefits payable under the Executive Retirement Plans shall be reduced until no portion of the Total Payments is not deductible as a result of Section 280G of the Code (and/or not subject to the excise tax imposed under Section 4999 of the Code) or the benefits payable under the Executive Retirement Plans have been reduced to zero. If a Participant is entitled to a benefit under more than one (1) of the Executive Retirement Plans, then the reduction shall be applied in the order determined by the Administrative Committee in its sole discretion. The reduction in benefits payable under this Plan, if any, shall be determined by reducing the Vested Percentage of the Participant’s Vested Accrued Benefit, or, as applicable, the Participant’s ERF. In determining the amount of the reduction, if any, under this Plan: (a) no portion of the Total Payments which the Participant has waived in writing prior to the date of the payment of benefits under this Plan shall be taken into account, (b) no portion of the Total Payments which tax counsel, selected by Sysco’s independent auditors and reasonably acceptable to the Participant (“Tax Counsel”), determines not to constitute a “parachute payment” within the meaning of Section 280G(b)(2) of the Code shall be taken into account (including, without limitation, amounts not treated as a “parachute payment” as a result of the application of Section 280G(b)(4)(A)), (c) no portion of the Total Payments which Tax Counsel, determines to be reasonable compensation for services rendered within the meaning of Section 280G(b)(4)(B) of the Code will be treated as an “excess parachute payment” in the manner provided by Section 280G(b)(4)(B), and (d) the value of any non-cash benefit or any deferred payment or benefit included in the Total Payments shall be determined by Sysco’s independent auditors in accordance with Sections 280G(d)(3) and (4) of the Code. Notwithstanding anything herein or otherwise to the contrary, the Compensation Committee, may, within its sole discretion and pursuant to an agreement approved by the Compensation Committee, waive application of this Section 7.5, when it determines that specific situations warrant such action.

7.6 Claims Procedure. Any person who believes that he or she is being denied a benefit to which he or she is entitled under this Plan (including the Program) (referred to hereinafter as a “Claimant”) must file a written request for such benefit with the Administrative Committee; *provided, however*, that any claim involving entitlement to, the amount of or the method or timing of payment of a benefit affected by a Change of Control shall

be governed by Section 7.6(e). Such written request must set forth the Claimant's claim and must be addressed to the Administrative Committee at the Company's principal office.

(a) Initial Claims Decision. The Administrative Committee shall generally provide written notice to the Claimant of its decision within ninety (90) days after the claim is filed with the Administrative Committee; *provided, however*, that the Administrative Committee may have up to an additional ninety (90) days to decide the claim, if the Administrative Committee determines that special circumstances require an extension of time to decide the claim, and the Administrative Committee advises the Claimant in writing of the need for an extension (including an explanation of the special circumstances requiring the extension) and the date on which it expects to decide the claim.

(b) Appeals. A Claimant may appeal the Administrative Committee's decision by submitting a written request for review to the Administrative Committee within sixty (60) days after the earlier of receiving the denial notice or after expiration of the initial review period. Such written request must be addressed to the Administrative Committee at the Company's principal office. In connection with such request, the Claimant (and his or her authorized representative, if any) may review any pertinent documents upon which the denial was based and may submit issues and comments in writing for consideration by the Administrative Committee. If the Claimant's request for review is not received within the earlier of sixty (60) days after receipt of the denial or after expiration of the initial review period, the denial shall be final, and the Claimant shall be barred and estopped from challenging the Administrative Committee's determination.

(c) Decision Following Appeal. The Administrative Committee shall generally make its decision on the Claimant's appeal in writing within sixty (60) days following its receipt of the Claimant's request for appeal; *provided, however*, that the Administrative Committee may have up to an additional sixty (60) days to decide the claim, if the Administrative Committee determines that special circumstances require an extension of time to decide the claim and the Administrative Committee advises the Claimant in writing of the need for an extension (including an explanation of the special circumstances requiring the extension) and the date on which it expects to decide the claim. The Administrative Committee shall notify the Claimant of its decision on the Claimant's appeal in writing, regardless of whether the decision is adverse.

(d) Decisions Final; Procedures Mandatory. A decision on appeal by the Administrative Committee shall be binding and conclusive upon all persons, and completion of the claims procedures described in this Section 7.6 shall be a mandatory precondition to commencement of any court proceeding brought in connection with this Plan (including the Program) by a person claiming rights under this Plan (including the Program) or by another person claiming rights through such a person. Notwithstanding the preceding sentence, the Administrative Committee may, in its sole discretion, waive the procedures described in Sections 7.6(a) through 7.6(c) as a mandatory precondition to such an action.

7.7 Compensation Committee Decisions. Notwithstanding anything in the Plan (including the Program) to the contrary, any determination made or to be made with respect to the benefits or rights of an Executive Officer under the Plan (including the Program) shall not be made by the Administrative Committee but shall instead be made by the Compensation Committee, and each provision of the Plan (including the Program)

otherwise governing such a determination shall be interpreted and construed to substitute the Compensation Committee for the Administrative Committee in such provision.

ARTICLE VIII

ADMINISTRATION

8.1 Administrative Committee Appointment. The Administrative Committee shall be appointed by the Compensation Committee. Each Administrative Committee member shall serve until his or her resignation or removal. The Compensation Committee shall have the sole discretion to remove any one or more Administrative Committee members and appoint one or more replacement or additional Administrative Committee members from time to time.

8.2 Administrative Committee Organization and Voting. The organizational structure and voting responsibilities of the Administrative Committee shall be as set forth in the bylaws of the Administrative Committee.

8.3 Powers of the Administrative Committee. Except as otherwise provided in Section 7.7, the Administrative Committee shall have the exclusive responsibility for the general administration of this Plan (including the Program) according to the terms and provisions of this Plan (including the Program) and shall have all powers necessary to accomplish those purposes, including but not by way of limitation the right, power and authority:

- (a) to make rules and regulations for the administration of this Plan (including the Program);
- (b) to construe, interpret and apply all terms, provisions, conditions and limitations of this Plan (including the Program);
- (c) to correct any defect, supply any omission or reconcile any inconsistency that may appear in this Plan (including the Program) in the manner and to the extent it deems expedient to carry this Plan (including the Program) into effect for the greatest benefit of all parties at interest;
- (d) subject to Section 7.3(d), to resolve all controversies relating to the administration of this Plan (including the Program), including but not limited to:
 - (i) differences of opinion arising between the Company and a Participant in accordance with Sections 7.6(a) through 7.6(c), except when the difference of opinion relates to the entitlement to, the amount of or the method or timing of payment of a benefit affected by a Change of Control, in which event, such difference of opinion shall be decided by judicial action; and
 - (ii) any question it deems advisable to determine in order to promote the uniform administration of this Plan (including the Program) for the benefit of all parties at interest; and
- (e) to delegate by written notice any plan administration duties of the Administrative Committee to such individual members of the Administrative Committee, individual employees of the Company, or

groups of employees of the Company, as the Administrative Committee determines to be necessary or advisable to properly administer this Plan (including the Program).

8.4 Committee Discretion. The Administrative Committee (or, as applicable, the Compensation Committee), in exercising any power or authority granted under this Plan (including the Program), or in making any determination under this Plan (including the Program), shall perform or refrain from performing those acts pursuant to such authority using its sole discretion and judgment. By way of amplification, and without limiting the foregoing, the Company specifically intends that the Administrative Committee (or, as applicable, the Compensation Committee) have the greatest possible discretionary authority to construe, interpret and apply the terms of this Plan (including the Program) and to determine all questions concerning eligibility, participation and benefits. Any decision made by the Administrative Committee (or, as applicable, the Compensation Committee) or any refraining to act or any act taken by the Administrative Committee (or, as applicable, the Compensation Committee) in good faith shall be final and binding on all parties, subject to the provisions of Sections 7.6(a) through 7.6(c). The Administrative Committee's (or, as applicable, the Compensation Committee's) decisions shall never be subject to de novo review. Notwithstanding the foregoing, the Administrative Committee's (or, as applicable, the Compensation Committee's) decisions, refraining to act or acting is to be subject to judicial review for those incidents occurring during the Change of Control Period.

8.5 Reimbursement of Expenses. The Administrative Committee shall serve without compensation for their services but shall be reimbursed by Sysco for all expenses properly and actually incurred in the performance of their duties under this Plan (including the Program).

8.6 Indemnification. To the extent permitted by law, members of the Board of Directors, members of the Compensation Committee, members of the Administrative Committee, employees of the Company, and all agents and representatives of the Company shall be indemnified by the Company, and saved harmless against any claims resulting from any action or conduct relating to the administration of the Plan (including the Program), except claims arising from gross negligence, willful neglect or willful misconduct.

ARTICLE IX

ADOPTION BY SUBSIDIARIES

9.1 Procedure for and Status after Adoption. Any Subsidiary may, with the approval of the Administrative Committee, adopt this Plan prior to June 29, 2013 by appropriate action of its board of directors. The terms of this Plan shall apply separately to each Subsidiary adopting this Plan and its Participants in the same manner as is expressly provided for Sysco and its Participants except that the powers of the Board of Directors, the Compensation Committee and the Administrative Committee under this Plan (including the Program) shall be exercised by the Board of Directors of Sysco, Compensation Committee of the Board of Directors of Sysco or the Administrative Committee of Sysco, as applicable. Sysco and each Subsidiary adopting this Plan shall bear the cost of providing Plan benefits for its own Participants. Sysco shall initially pay the costs of the Plan each Plan Year. However, each adopting Subsidiary shall then be billed back for the actuarially determined costs pertaining to it in accordance with the appropriate Financial Accounting Standards Board pronouncements. It is intended that the obligation of Sysco and each Subsidiary with respect to its Participants shall be the sole obligation of the Company that is employing the Participant and shall not bind any other Company.

9.2 Termination of Participation by Adopting Subsidiary. Any Subsidiary adopting this Plan may, by appropriate action of its board of directors, terminate its participation in this Plan. The Administrative Committee may, in its discretion, also terminate a Subsidiary's participation in this Plan at any time. The termination of the participation in this Plan by a Subsidiary shall not, however, affect the rights of any Participant who is working or has worked for the Subsidiary as to benefits previously accrued by the Participant under this Plan without his consent.

ARTICLE X

AMENDMENT AND/OR TERMINATION

10.1 Amendment or Termination of the Plan. The Compensation Committee may amend or terminate this Plan (including the Program) at any time by an instrument in writing without the consent of any adopting Company.

10.2 No Retroactive Effect on Awarded Benefits.

(a) General Rule. Absent a Participant's prior consent, no amendment shall affect the rights of such Participant to his Vested Accrued Benefit as of the date of such amendment (" Minimum Vested Accrued Benefit ") or shall change such Participant's rights under any provision relating to a Change of Control after a Change of Control has occurred. On and after the effective date of such amendment, for purposes of vesting under Article III, the Early Payment Criteria under Section 4.1(l), and the Early Retirement Factor under Section 4.1(m), a Participant shall continue to be awarded (i) Vesting Service and age credit until such Participant's termination of employment with Sysco and its Subsidiaries, and (ii) years of MIP Participation until such Participant is no longer a MIP participant.

(b) Benefits on or after the Amendment. Notwithstanding the provisions of this Section 10.2, the Compensation Committee retains the right at any time (1) to change in any manner or to discontinue the death benefit provided in Article VI, except for a period of four (4) years after a Change of Control for those persons who at that time were covered by the death benefit, and (2) to change in any manner the benefit under Article IV, provided such benefit is not less than the minimum benefit under Section 10.2(a).

10.3 Effect of Termination. Upon termination of the Plan, the following provisions shall apply:

(a) With respect to benefits that become payable as a result of a distribution event on or after the effective date of the Plan's termination, a Participant's Vested Accrued Benefit shall be determined as provided under Article IV.

(b) The Compensation Committee may, in its sole discretion, authorize distributions to Participants as a result of the Plan's termination, provided that:

(i) All deferred compensation arrangements sponsored by the Company that would be aggregated with this Plan (which may include the Program) under Section 1.409A-1(c) of the Treasury Regulations (or any corresponding provision of succeeding law) if the Participant participated in such arrangements are terminated;

(ii) No distributions other than distributions that would be payable under the terms of this Plan if the termination had not occurred are made within twelve (12) months of the termination of this Plan;

(iii) All distributions of benefits to be provided hereunder are paid within twenty-four (24) months of the termination of this Plan; and

(iv) The Company does not adopt a new deferred compensation arrangement at any time within three (3) years following the date of the termination of the Plan that would be aggregated with this Plan under Section 1.409A-1(c) of the Treasury Regulations (or any corresponding provision of succeeding law) if the Participant participated in this Plan and the new arrangement.

(c) Except as otherwise provided in Section 10.3(a) and 10.3(b), on and after the effective date of the Plan's termination, (i) the Plan shall continue to be administered as it was prior to the Plan's termination, (ii) all retirement benefits accrued prior to the date of termination shall be payable only under the conditions, at the time, and in the form then provided in this Plan, (iii) no Participant shall be entitled to Plan benefits solely as a result of the Plan's termination in accordance with the provisions of this Article X, and (iv) the forfeiture provisions of Sections 7.3 and 7.4, and the restrictions set forth in Section 7.5 shall continue in effect.

ARTICLE XII

FUNDING

11.1 Payments Under This Plan are the Obligation of the Company. The Company last employing a Participant shall pay the benefits due the Participant under this Plan (including the Program); however, should it fail to do so when a benefit is due, then, except as provided in Section 11.5, the benefit shall be paid by the Trust. In any event, if the Trust fails to pay for any reason, the Company still remains liable for the payment of all benefits provided by this Plan (including the Program).

11.2 Plan May Be Funded Through the Trust. It is specifically recognized by both the Company and the Participants that the Company may, but is not required to, purchase life insurance so as to accumulate assets to fund the obligations of the Company under this Plan (including the Program), and that the Company may, but is not required to, contribute any policy or policies it may purchase and any amounts or other assets it finds desirable to the Trust. However, under all circumstances, the Participants shall have no rights to any of those policies or any other assets contributed to the Trust; and, likewise, under all circumstances, the rights of the Participants to the assets held in the Trust shall be no greater than the rights expressed in this Plan (including the Program) and the Trust Agreement. Nothing contained in the Trust Agreement shall constitute a guarantee by any Company that assets of the Company transferred to the Trust shall be sufficient to pay any benefits under this Plan (including the Program) or would place the Participant in a secured position ahead of general creditors should the Company become insolvent or bankrupt. The Trust Agreement must specify that Participants in this Plan (including the Program) are only unsecured general creditors of the Company in relation to their benefits under this Plan (including the Program).

11.3 Reversion of Excess Assets. Sysco may, at any time, request the actuary for the Plan to determine the present value of the Vested Accrued Benefit assuming the Vested Accrued Benefit to be fully vested (whether it is or not), as of the end of this Plan (including the Program) Year coincident with or last preceding the request, of all Participants and Beneficiaries of deceased Participants for which all Companies are or will be obligated to make payments under this Plan (including the Program). For periods prior to a Change of Control, if the fair market value of the assets held in the Trust, as determined by the Trustee as of that same date, exceeds the total of the Vested Accrued Benefits of all Participants and Beneficiaries under this Plan (including the Program), Sysco may direct the Trustee to return to Sysco the assets which are in excess of the Vested Accrued Benefits under this Plan (including the Program). For periods following a Change of Control, if the fair market value of the assets held in the Trust, as determined by the Trustee as of that same date, exceeds the total of the Vested Accrued Benefits of all Participants and Beneficiaries under this Plan (including the Program) by 10%, Sysco may direct the Trustee to return to Sysco the assets which are in excess of 110% of the Vested Accrued Benefits under this Plan (including the Program). For this purpose, the present value of the Vested Accrued Benefits under this Plan (including the Program) shall be calculated using the data for the preceding Plan Year brought forward using the assumptions used to determine the actuarially determined costs according to the appropriate Financial Accounting Standards Board pronouncements. If there has been a Change of Control, to determine excess assets, all contributions made prior to the Change of

Control shall be subtracted from the fair market value of the assets held in the Trust as of the determination date but before the determination is made.

11.4 Participants Must Rely Only on General Credit of the Company. The Company and the Participants recognize that this Plan (including the Program) is only a general corporate commitment, and that each Participant is merely an unsecured general creditor of the Company with respect to any of the Company's obligations under this Plan (including the Program).

11.5 Funding of Benefits for Participants Subject to Canadian Income Tax Laws is Prohibited. No Company employing a Participant whose income is subject to the Canadian tax laws shall be permitted to fund its obligation to that person through any rabbi trust, fund, sinking fund, or other financial vehicle even though under applicable law the assets held to fund the obligation are still subject to the general creditors of the Company.

ARTICLE XII

MISCELLANEOUS

12.1 Responsibility for Distributions and Withholding of Taxes . The Administrative Committee shall furnish information, to the Company last employing the Participant, concerning the amount and form of distribution to any Participant entitled to a distribution so that the Company may make or cause the Rabbi Trust to make the distribution required. The Administrative Committee shall also calculate the deductions from the amount of the benefit paid under this Plan (including the Program) for any taxes required to be withheld by federal, state, local, or foreign government and shall cause them to be withheld.

12.2 Limitation of Rights . Nothing in this Plan (including the Program) shall be construed:

(a) to give a Participant any right with respect to any benefit except in accordance with the terms of this Plan (including the Program);

(b) to limit in any way the right of Sysco or a Subsidiary to terminate a Participant's employment;

(c) to evidence any agreement or understanding, expressed or implied, that Sysco or a Subsidiary shall employ a Participant in any particular position or for any particular remuneration; or

(d) to give a Participant or any other person claiming through him any interest or right under this Plan (including the Program) other than that of any unsecured general creditor of the Company.

12.3 Benefits Dependent upon Compliance with Certain Covenants . The benefits provided to a Participant under this Plan by the Company are dependent upon the Participant's full compliance with the covenants set forth in Section 7.4.

12.4 Distributions to Incompetents or Minors . Should a Participant become incompetent or should a Participant designate a Beneficiary who is a minor or incompetent, the Administrative Committee is authorized to pay the funds due to the parent of the minor or to the guardian of the minor or incompetent or directly to the minor or to apply those funds for the benefit of the minor or incompetent in any manner the Administrative Committee determines in its sole discretion.

12.5 Nonalienation of Benefits . No right or benefit provided under this Plan (including the Program) is subject to transfer, anticipation, alienation, sale, assignment, pledge, encumbrance or charge by the Participant, except upon his death to a named Beneficiary as provided in this Plan (including the Program). If any Participant or any Beneficiary becomes bankrupt or attempts to anticipate, alienate, sell, assign, pledge, encumber or charge any right or benefit under this Plan (including the Program), that right or benefit shall, in the discretion of the Administrative Committee, be forfeited. In that event, the Administrative Committee may have the Company hold or apply the right or benefit or any part of it to the benefit of the Participant or Beneficiary, his or her spouse,

children or other dependents or any of them in any manner and in any proportion the Administrative Committee believes to be proper in its sole and absolute discretion, but is not required to do so.

12.6 Reliance upon Information. The Administrative Committee shall not be liable for any decision or action taken in good faith in connection with the administration of this Plan (including the Program). Without limiting the generality of the foregoing, any decision or action taken by the Administrative Committee when it relies upon information supplied it by any officer of the Company, the Company's legal counsel, the Company's actuary, the Company's independent accountants or other advisors in connection with the administration of this Plan (including the Program) shall be deemed to have been taken in good faith.

12.7 Amendment Applicable to Participants Employed by Sysco or a Subsidiary Only Unless it Provides Otherwise. No benefit which has accrued to any Participant (including a Frozen Participant) who has died, retired, become disabled or Separated from Service prior to the later of (a) execution of an amendment or (b) the amendment effective date shall be changed in amount or subject to any adjustment provided in that amendment unless the amendment specifically provides that it shall apply to those persons and it does not have the effect of reducing those persons' Vested Accrued Benefits as then fixed without their consent.

12.8 Severability. If any term, provision, covenant or condition of this Plan (including the Program) is held to be invalid, void or otherwise unenforceable, the rest of this Plan (including the Program) shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

12.9 Notice. Any notice or filing required or permitted to be given to the Administrative Committee or a Participant shall be sufficient if in writing and hand delivered or sent by U.S. mail to the principal office of the Company or to the residential mailing address of the Participant. Notice shall be deemed to be given as of the date of hand delivery or if delivery is by mail, as of the date shown on the postmark.

12.10 Gender and Number. If the context requires it, words of one gender when used in this Plan (including the Program) shall include the other genders, and words used in the singular or plural shall include the other.

12.11 Governing Law. The Plan (including the Program) shall be governed by the laws of the State of Delaware except to the extent such laws are pre-empted by federal law. The Participant and the Company agree that subject to the provisions of Sections 7.6(a) through 7.6(c), the sole and exclusive jurisdiction for any dispute under this Plan (including the Program) shall lie in the United States District Court for the Southern District of Texas, and the parties hereby waive any jurisdictional or venue-related defense to litigating at this forum.

12.12 Effective Date. The Supplemental Executive Retirement Plan was originally effective as of July 3, 1988. This Amended and Restated Sysco Corporation Supplemental Executive Retirement Plan is effective as of June 29, 2013.

12.13 Compliance with Section 409A. This Plan (including the Program) is intended to comply with Section 409A of the Code in both form and operation, and any ambiguities herein shall be interpreted, to the extent possible, in a manner that complies with Section 409A.

IN WITNESS WHEREOF, Sysco has executed this document on this June 5, 2013.

SYSKO CORPORATION

By: /s/ Russell T. Libby

Name: Russell T. Libby

Title: Senior Vice President, General Counsel
and Secretary

**AMENDED AND RESTATED
SYSCO CORPORATION
MIP RETIREMENT PROGRAM**

WHEREAS , Sysco Corporation (“Sysco”) sponsors and maintains the Amended and Restated Sysco Corporation Supplemental Executive Retirement Plan (the “SERP”) to provide a select group of management or highly compensated employees within the meaning of Sections 201, 301 and 401 of ERISA (and therefore exempt from the requirements of Parts 2, 3 and 4 of Title I of ERISA as a “top hat” plan and eligible for the alternative method of compliance for reporting and disclosure which is available for such plans), a supplement to their retirement pay so as to retain their loyalty and to offer a further incentive to them to maintain and increase their standard of performance;

WHEREAS , Sysco adopted the Eleventh Amended and Restated Sysco Corporation Supplemental Executive Retirement Plan, effective June 29, 2013, which includes the Third Amended and Restated Sysco Corporation MIP Retirement Program (the “Current Program”), attached as Appendix I thereto) (the “Eleventh Amendment and Restatement”);

WHEREAS , pursuant to Section 10.1 of the Eleventh Amendment and Restatement , the Compensation Committee of the Board of Directors of Sysco (the “Compensation Committee”) may amend the Eleventh Amendment and Restatement (including the Current Program) by an instrument in writing; and

WHEREAS , the Compensation Committee has determined that it is in the best interests of Sysco and its stockholders to amend and restate the Eleventh Amendment and Restatement and amend and restate the Current Program, effective June 29, 2013, to provide that (i) a participant who is married on the participant’s Benefit Commencement Date (as defined herein) may elect the form of payment of the participant’s benefits under the program, to be paid either as an annuity or a joint and survivor annuity, which forms of payment shall be actuarially equivalent annuities as required under Section 409A of the Internal Revenue Code, (ii) in the absence of an election, and provided that on the date that the first monthly annuity payment is made a participant is married to the same spouse to whom the participant was married on the Benefit Commencement Date, benefits for the married participant will be paid in the form of joint and survivor annuity, (iii) if the married participant as of the participant’s Benefit Commencement Date is no longer married on the date that the first monthly annuity payment is made to the participant under the program or the married participant is married to a spouse other than the spouse to whom the participant was married on the participant’s Benefit Commencement Date, the benefit will be paid in the form of a single life annuity, (iv) benefits for participants who are not married on the Benefit Commencement Date will be paid in the form of a single life annuity, (v) the non-competition covenant shall be limited to the one (1) year period following a participant’s termination of employment and the period following the participant’s Benefit Commencement Date and (vi) the word “Third” shall be deleted from the title of the program.

NOW, THEREFORE , Sysco hereby adopts this Amended and Restated Sysco Corporation MIP Retirement Program (the “Program”), effective as of June 29, 2013, as follows:

DEFINITIONS

1.1 401(k) Plan. “401(k) Plan” means the Sysco Corporation Employees 401(k) Plan, a defined contribution plan qualified under Section 401(a) of the Code, any U.S. tax-qualified defined contribution plan successor thereto and any other such plan sponsored by Sysco or a Subsidiary.

1.2 Accrued Benefit. “Accrued Benefit” shall have the meaning set forth in Section 4.2 of this Program.

1.3 Active Participant. “Active Participant” means a Participant in the employ of the Company who as of December 31, 2012, was not a Frozen Participant. If after December 31, 2012, an Active Participant either (i) ceases to be a participant in the Management Incentive Plan; (ii) transfers to a Non-Participating Subsidiary; or (iii) becomes subject to foreign income tax laws, his status shall remain that of an Active Participant from and after the Effective Date until his Separation from Service.

1.4 Actuarial Equivalence or Actuarially Equivalent. “Actuarial Equivalence” shall be determined on the basis of the mortality and interest rate assumptions used in computing annuity benefits under the Pension Plan. If there is no Pension Plan in effect at the time any such determination is made, the actuarial assumptions to be used shall be selected by an actuarial firm chosen by the Administrative Committee. Such actuarial firm shall select such actuarial assumptions as would be appropriate for the Pension Plan if the Pension Plan had remained in existence with its last participant census. “Actuarially Equivalent” means equality in value of the aggregate amounts expected to be received under different forms of payment based on the mortality and interest rate assumptions specified for purposes of Actuarial Equivalence.

1.5 Administrative Committee. “Administrative Committee” means the committee administering the Plan (including this Program).

1.6 Affiliate. “Affiliate” means any entity with respect to which Sysco beneficially owns, directly or indirectly, at least 50% of the total voting power of the interests of such entity and at least 50% of the total value of the interests of such entity.

1.7 Annual Compensation Limit. “Annual Compensation Limit” shall have the meaning set forth in Section 4.1(a) of this Program.

1.8 Annuity. “Annuity” means a monthly annuity for the life of the Participant with a ten (10) year certain period. Except as provided in Section 4.5 of this Program, a Participant’s Vested Accrued Benefit and Retirement Benefit are expressed in the form of an Annuity.

1.9 Beneficiary. “Beneficiary” means a person or entity designated by the Participant under the terms of this Program to receive any amounts distributed under this Program upon the death of the Participant.

1.10 Benefit Commencement Date. “Benefit Commencement Date” means the first date the Participant’s benefits are payable under Section 4.1(d) of this Program, without regard to any delay under either Section 4.6 or Section 4.7 of this Program.

1.11 Board of Directors. “Board of Directors” means the Board of Directors of Sysco.

1.12 Change of Control. “Change of Control” means the occurrence of one or more of the following events:

(a) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Act) (a “Person”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Securities Act) of 20% or more of either (i) the then-outstanding shares of Sysco common stock (the “Outstanding Sysco Common Stock”) or (ii) the combined voting power of the then-outstanding voting securities of Sysco entitled to vote generally in the election of directors (the “Outstanding Sysco Voting Securities”); *provided, however*, that the following acquisitions shall not constitute a Change of Control: (1) any acquisition directly from Sysco, (2) any acquisition by Sysco, (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by Sysco or any Affiliate, or (4) any acquisition by any corporation pursuant to a transaction that complies with Sections (c)(i), (c)(ii) and (c)(iii), below;

(b) Individuals who, as of July 1, 2012, constitute the Board of Directors (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board of Directors; provided, however, that any individual becoming a director subsequent to July 1, 2012 whose election, or nomination for election by Sysco’s stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board of Directors;

(c) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar corporate transaction involving Sysco or any of its Affiliates, a sale or other disposition of all or substantially all of the assets of Sysco, or the acquisition of assets or stock of another entity by Sysco or any of its Affiliates (each, a “Business Combination”), in each case unless, following such Business Combination, (i) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Sysco Common Stock and the Outstanding Sysco Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of the then-outstanding shares of common stock and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation that, as a result of such transaction, owns Sysco or all or substantially all of Sysco’s assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Sysco Common Stock and the Outstanding Sysco Voting Securities, as the case may be, (ii) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of Sysco or such corporation resulting from such Business Combination) beneficially

owns, directly or indirectly, 20% or more of, respectively, the then-outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such corporation, except to the extent that such ownership existed prior to the Business Combination, and (iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board of Directors providing for such Business Combination; or

(d) Approval by the stockholders of Sysco of a complete liquidation or dissolution of Sysco.

1.13 Change of Control Period. “Change of Control Period” shall have the meaning set forth in Section 7.3(d) of this Program.

1.14 Code. “Code” means the Internal Revenue Code of 1986, as amended from time to time.

1.15 Company. “Company” means Sysco and any Subsidiary other than a Non-Participating Subsidiary.

1.16 Compensation. “Compensation” shall have the meaning set forth in Section 4.1(b) of this Program.

1.17 Compensation Committee. “Compensation Committee” means the Compensation Committee of the Board of Directors.

1.18 Death Benefit Eligible Earnings. “Death Benefit Eligible Earnings” shall have the meaning set forth in Section 6.1(a) of this Program.

1.19 Deferred Retirement Benefit. “Deferred Retirement Benefit” shall have the meaning set forth in Section 4.1(d) of this Program.

1.20 Determination Date. “Determination Date” means the date as of which a Participant’s Accrued Benefit and Vested Accrued Benefit are calculated. The Determination Date for determining a Participant’s Accrued Benefit under Article IV of this Program shall be December 31, 2012. The Determination Date for determining a Participant’s Vested Accrued Benefit shall be the date of the Participant’s death, Retirement or Vested Separation from Sysco and its Subsidiaries.

1.21 EDCP. “EDCP” means the Sysco Corporation Executive Deferred Compensation Plan, as it may be amended from time to time and any successor plan thereto.

1.22 Effective Date. “Effective Date” means December 31, 2012.

1.23 Eligible Earnings. “Eligible Earnings” shall have the meaning set forth in Section 4.1(c) of this Program.

1.24 ERISA. “ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

1.25 Executive Officer. “Executive Officer” means each of Sysco’s Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, President, Executive Vice Presidents, Senior Vice Presidents or any other officers designated as “officers” for purposes of Section 16 of the Securities Act.

1.26 Executive Retirement Plans. “Executive Retirement Plans” means, collectively, this Program, the Plan, the Management Savings Plan, the EDCP and the Canadian Executive Capital Accumulation Plan, and such other non-qualified deferred compensation arrangements sponsored by Sysco or a Subsidiary as determined by the Compensation Committee.

1.27 For Cause Event. “For Cause Event” shall have the meaning set forth in Section 7.3(a) of this Program.

1.28 Frozen Participant. “Frozen Participant” means a Participant in the employ of the Company as of December 31, 2012, whose participation in this Program was frozen on or before December 31, 2012 because (i) he ceased to be an MIP participant; (ii) he transferred to a Non-Participating Subsidiary; or (iii) his income became subject to foreign income tax laws. A Participant who was a Frozen Participant as of December 31, 2012, shall for all purposes of this Program be treated as a Frozen Participant from and after the Effective Date until his Separation from Service.

1.29 Joint and Survivor Annuity. “Joint and Survivor Annuity” means a joint and two-thirds survivor monthly annuity with a ten (10) year certain period that is the Actuarial Equivalent of an Annuity. This annuity is payable during the joint lives of the Participant and his spouse, and a monthly annuity shall continue for the life of the survivor in an amount equal to two-thirds of the monthly amount provided during their joint lives. Notwithstanding the above, during the ten (10) year certain period, there shall be no reduction in the amount of such payment regardless of the death of either or both the Participant and his spouse.

1.30 Management Incentive Plan or MIP. “Management Incentive Plan” or “MIP” means the Sysco Corporation 2005 Management Incentive Plan, as amended and restated, and the Sysco Corporation 2009 Management Incentive Plan, as each may be amended from time to time, and any successor plans thereto.

1.31 Management Savings Plan or MSP. “Management Savings Plan” or “MSP” means the Sysco Corporation Management Savings Plan as it may be amended from time to time and any successor plan thereto.

1.32 Minimum Vested Accrued Benefit. “Minimum Vested Accrued Benefit” shall have the meaning set forth in Section 10.2(a) of this Program.

1.33 MIP Bonus. “MIP Bonus” means all or a portion of the bonus payable to the Participant under the MIP, other than MIP Additional Bonuses (as defined in the MIP), or any amounts payable to the Participant as a substitute for or in lieu of such Participant’s MIP bonus for a fiscal year (but excluding any amounts paid as a substitute for or in lieu of such MIP bonus pursuant to a severance agreement or other arrangement providing for post-termination benefits, unless otherwise determined by the Compensation Committee).

1.34 Non-Participating Subsidiary. “Non-Participating Subsidiary” means a Subsidiary that has not adopted this Program pursuant to Article IX of this Program.

1.35 Normal Retirement Date. “Normal Retirement Date” shall have the meaning set forth in Section 4.1(e) of this Program.

1.36 Participant. “Participant” means an employee of a Company who is eligible for and is participating in this Program and any other current or former employee of Sysco and its Subsidiaries who is entitled to a benefit under this Program. Unless otherwise specified herein, references to a Participant or Participants shall include both Active Participants and Frozen Participants.

1.37 Pension Plan. “Pension Plan” means the Sysco Corporation Retirement Plan, a defined benefit plan qualified under Section 401(a) of the Code, and any U.S. tax-qualified defined benefit pension plan successor thereto.

1.38 Plan. “Plan” means the Amended and Restated Sysco Corporation Supplemental Executive Retirement Plan, as it may be amended from time to time. Unless otherwise specified herein, references herein to the Plan shall refer to the Amended and Restated Sysco Corporation Supplemental Executive Retirement Plan only and not this Program.

1.39 Plan Year. “Plan Year” means the period that coincides with the fiscal year of Sysco. Sysco has a 52/53 week fiscal year beginning on the Sunday next following the Saturday closest to June 30th of each calendar year.

1.40 Program. “Program” means this Amended and Restated Sysco Corporation MIP Retirement Program, which constitutes Appendix I to the Amended and Restated Sysco Corporation Supplemental Executive Retirement Plan, as it may be amended from time to time.

1.41 Retired Participant. “Retired Participant” shall have the meaning set forth in Section 6.1(b) of this Program.

1.42 Retirement. “Retirement” shall have the meaning set forth in Section 4.1(f) of this Program.

1.43 Retirement Benefit. “Retirement Benefit” shall have the meaning set forth in Section 4.1(g) of this Program.

1.44 Section 125 Cafeteria Plan. “Section 125 Cafeteria Plan” means the Sysco Corporation Pretax Premium and Reimbursement Account Plan, a “cafeteria plan” qualified under Section 125 of the Code, any successor plan thereto and any other such plan maintained by Sysco or a Subsidiary.

1.45 Section 409A. “Section 409A” means Section 409A of the Code. References herein to “Section 409A” shall also include any regulatory and other interpretive guidance promulgated by the U.S. Treasury

Department, including the U.S. Treasury Regulations, or the U.S. Internal Revenue Service under Section 409A of the Code.

1.46 Securities Act. “Securities Act” means the Securities Exchange Act of 1934, as amended from time to time.

1.47 Separation from Service. “Separation from Service” means a “separation from service” within the meaning of Section 409A. A Participant shall have experienced a “separation from service” as a result of a termination of employment if the level of bona fide services performed by the Participant for Sysco or a Subsidiary decreases to a level equal to twenty-five percent (25%) or less of the average level of services performed by the Participant during the immediately preceding thirty-six (36) month period, taking into account any periods of performance excluded by Section 409A.

1.48 Specified Employee. “Specified Employee” means a “specified employee” as defined in Section 409A (a)(2)(B) (i) of the Code. By way of clarification, a “specified employee” means a “key employee” (as defined in Section 416(i) of the Code, disregarding Section 416(i)(5) of the Code) of the Company. A Participant shall be treated as a key employee if he meets the requirements of Section 416(i)(1)(A)(i), (ii), or (iii) of the Code (applied in accordance with the Treasury Regulations thereunder and disregarding Section 416(i)(5) of the Code) at any time during the twelve (12) month period ending on an Identification Date (as defined below). If a Participant is a key employee as of an Identification Date, he shall be treated as a Specified Employee for the twelve (12) month period beginning on the first day of the fourth month following such Identification Date. For purposes of any “Specified Employee” determination hereunder, the “Identification Date” shall mean December 31. The Compensation Committee may in its discretion amend the Plan (including this Program) to change the Identification Date, provided that any change to the Plan’s (including this Program’s) Identification Date shall not take effect for at least twelve (12) months after the date of the Plan (including this Program) amendment authorizing such change.

1.49 Subsidiary. “Subsidiary” means (a) any corporation which is a member of a “controlled group of corporations” which includes Sysco, as defined in Section 414(b) of the Code, (b) any trade or business under “common control” with Sysco, as defined in Section 414(c) of the Code, (c) any organization which is a member of an “affiliated service group” which includes Sysco, as defined in Section 414(m) of the Code, (d) any other entity required to be aggregated with Sysco pursuant to Section 414(o) of the Code, and (e) any other organization or employment location designated as a “Subsidiary” by resolution of the Board of Directors.

1.50 Sysco. “Sysco” means Sysco Corporation, the sponsor of the Plan (including this Program).

1.51 Sysco Service. “Sysco Service” means service with Sysco and its Subsidiaries (including pre-acquisition service) for which a Participant is awarded “credited service” under the Pension Plan for vesting purposes or would have been awarded credited service under the Pension Plan for vesting purposes if the Participant were covered under the Pension Plan.

1.52 Three-Year Final Average Compensation. “Three-Year Final Average Compensation” shall have the meaning set forth in Section 6.1(c) of this Program.

1.53 Total Payments. “Total Payments” means all payments or benefits, including any accelerated vesting or payment of such benefits, received or to be received by a Participant in connection with a “change of control” (within the meaning of Section 280G of the Code) of Sysco under the terms of the Executive Retirement Plans or any other non-qualified deferred compensation arrangement sponsored by Sysco or any Subsidiary (or any company for which the Participant worked that was acquired by Sysco or a Subsidiary), and in connection with a change of control of Sysco under the terms of any stock incentive plan, mid-term or long-term incentive cash plan, or any other plan, arrangement or agreement with the Company, its successors, any person whose actions result in a change of control or any person affiliated with the Company or who as a result of the completion of transactions causing a change of control become affiliated with the Company within the meaning of Section 1504 of the Code, taken collectively.

1.54 Trust. “Trust” shall mean the trust established pursuant to the Trust Agreement.

1.55 Trust Agreement. “Trust Agreement” shall mean the Third Amended and Restated Grantor Trust under the Amended and Restated Sysco Corporation Supplemental Executive Retirement Plan, as may be further amended and/or restated from time to time.

1.56 Trustee. “Trustee” shall mean the trustee as defined in the Trust Agreement.

1.57 Vested Accrued Benefit. “Vested Accrued Benefit” shall have the meaning set forth in Section 4.3 of this Program.

1.58 Vested Percentage. “Vested Percentage” shall mean the Participant’s vested percentage determined in accordance with Article III of this Program.

1.59 Vested Separated Participant. “Vested Separated Participant” shall have the meaning set forth in Section 6.1(d) of this Program.

1.60 Vested Separation. “Vested Separation” shall have the meaning set forth in Section 4.1(h) of this Program.

ARTICLE II

ELIGIBILITY & CONTINUED PARTICIPATION

2.1 Eligibility. Those individuals who were Participants in the Current Program as of December 31, 2012, shall be eligible to participate in this Program.

2.2 Benefits upon Re-Employment. If a Retired or Vested Separated Participant is subsequently re-employed by Sysco or an Affiliate, the re-employed Participant's status shall remain that of a Retired or Vested Separated Participant for all purposes under this Program and distributions to such Participant shall commence as provided under Section 4.4 without regard to his re-employment or, in the case of a Retired or Vested Separated Participant who is receiving distributions from this Program as of his re-employment date, such payments shall continue unchanged during his period of re-employment.

ARTICLE III

VESTING

Subject to Section 7.5, effective as of December 31, 2012, all Active Participants and Frozen Participants shall be 100% vested in their Accrued Benefit. If a Participant's Vested Percentage is reduced by reason of Section 7.5, no additional vesting credit shall be awarded to such Participant under this Program.

ARTICLE IV

ACCRUED BENEFIT & RETIREMENT BENEFIT

4.1 Definitions. The following definitions are used in this Article IV:

(a) Annual Compensation Limit. “Annual Compensation Limit” means the annual compensation limit under Section 401(a)(17) of the Code and as described under Sections 1.06(d) and (e) of the Pension Plan.

(b) Compensation. “Compensation” means the following:

(i) For a calendar year prior to the calendar year in which a Participant first becomes a MIP participant, the Participant’s “eligible earnings,” as such term is defined in the Pension Plan without regard to the Annual Compensation Limit.

(ii) For a calendar year during which the Participant was, at any time, a MIP participant, the sum of the Participant’s:

(A) base salary actually paid to the Participant during such calendar year, and including any base salary deferred under any of the following: (x) the 401(k) Plan, (y) the Section 125 Cafeteria Plan, and (z) the EDCP; and

(B) the MIP Bonus earned by the Participant with respect to the fiscal year of Sysco ending in any such calendar year, without regard to whether or not such MIP Bonus was deferred under the EDCP; *provided, however*, the amount of the MIP Bonus included as Compensation for any calendar year shall not exceed 150% of the Participant’s rate of base salary in effect on the last day of the fiscal year for which such MIP Bonus was payable.

(iii) Notwithstanding the foregoing, Compensation shall be disregarded, as applicable, for periods:

(A) prior to July 2, 1989;

(B) after December 31, 2012;

(C) prior to the Participant’s first date of hire by Sysco or its Subsidiaries or, if later, the date of acquisition by Sysco of a Subsidiary for which the Participant then worked;

(D) during which a Participant was a Frozen Participant; and

(E) for which Sysco Service was forfeited under the Pension Plan following a period of severance.

(c) Eligible Earnings. “Eligible Earnings” means the aggregate of the excess of a Participant’s Compensation for each calendar year during the period such Participant was accruing benefits under this Program over the Annual Compensation Limit with respect to each such calendar year; *provided, however*, such Annual Compensation Limit shall be ignored for periods during which the Participant did not accrue benefits under the Pension Plan and *provided, further*, the Annual Compensation Limit shall be prorated for any short plan year under the Pension Plan.

(d) Benefit Commencement Date. “Benefit Commencement Date” means the first day of the month coinciding with or next following the date determined as follows: (i) if the Participant has at least ten (10) years of Sysco Service as of the Participant’s actual Retirement or Vested Separation date, the later of age fifty-five (55) or the Participant’s actual Retirement or Vested Separation date; or (ii) the later of age sixty-five (65) or the Participant’s actual Retirement or Vested Separation date. If a Participant’s Benefit Commencement Date is other than the first day of the month coinciding with or next following the Participant’s actual Retirement or Vested Separation date such Participant’s Retirement Benefit shall be referred to herein as a “Deferred Retirement Benefit.”

(e) Normal Retirement Date. “Normal Retirement Date” means the first day of the month coincident with or next following the Participant’s sixty-fifth (65th) birthday or actual Retirement date, whichever is later.

(f) Retirement. “Retirement” means the Participant’s Separation from Service from Sysco or its Subsidiaries other than for death, provided that at the time of such Separation from Service, the Participant is (i) at least age fifty-five (55) and has at least ten (10) years of Sysco Service; or (ii) at least age sixty-five (65).

(g) Retirement Benefit. “Retirement Benefit” means the benefit paid to a Participant, at the time(s) and in the amount determined under this Article IV, as a result of a Participant’s Retirement or Vested Separation.

(h) Vested Separation. “Vested Separation” means the Participant’s Separation from Service from Sysco or its Subsidiaries, other than upon Retirement or death, if, at the time of the Participant’s Separation from Service the Participant has a Vested Accrued Benefit.

4.2 Accrued Benefit. “Accrued Benefit” means, as of the Determination Date, a monthly benefit payable as of the Participant’s Normal Retirement Date equal to (a) one and one-half percent (1.5%) times the Participant’s Eligible Earnings, divided by (b) twelve (12).

4.3 Vested Accrued Benefit. “Vested Accrued Benefit” means, as of the Determination Date, the Participant’s Vested Percentage multiplied by his Accrued Benefit.

4.4 Retirement Benefit. Subject to Sections 4.6 and 4.7, a Participant shall be entitled to his Vested Accrued Benefit commencing on his Benefit Commencement Date; *provided, however*, the Vested Accrued Benefit will be reduced by 5/9ths of one percent (1%) for each of the first sixty (60) calendar months and 5/18ths of one percent (1%) for each of the next sixty (60) calendar months by which the Benefit Commencement Date precedes the Participant’s Normal Retirement Date.

4.5 Form of Payment. At the time and in the form prescribed by the Administrative Committee, but, in any event, prior to the date the first monthly annuity payment is to be made to the Participant under this Program, a married Participant may elect the form of payment of the Participant's Retirement Benefit, to be paid either as an Annuity or a Joint and Survivor Annuity, which forms of payment shall be actuarially equivalent annuities in accordance with the requirements of Section 409A of the Code. If the married Participant does not elect a form of payment in accordance with the procedures established by the Administrative Committee and as of the date that the first monthly annuity payment is made the Participant is married to the same spouse to whom the Participant was married on the Participant's Benefit Commencement Date, the form of payment of the Participant's Retirement Benefit will be a Joint and Survivor Annuity. If the married Participant as of the Participant's Benefit Commencement Date is no longer married on the date that the first monthly annuity payment is made to the Participant under this Program or the married Participant is married to a spouse other than the spouse to whom the Participant was married on the Participant's Benefit Commencement Date, then the form of payment of the Participant's Retirement Benefit will be an Annuity. If a Participant is not married as of the date of the Participant's Benefit Commencement Date, the form of payment of the Participant's Retirement Benefit will be an Annuity. Any election made by a married Participant pursuant to this Section 4.5 may be changed pursuant to the rules and procedures prescribed by the Administrative Committee, provided that no such change can be made following the date that the first monthly annuity payment is made to the Participant under this Program.

4.6 Administrative Delay. Except as required under Section 4.7, payment of the Participant's Retirement Benefit under Section 4.4 shall begin on the Benefit Commencement Date or the first day of the month as soon as administratively practicable thereafter but in no event later than the last day of the taxable year in which the Benefit Commencement Date occurs, or if later within two and one-half (2½) months of the Benefit Commencement Date, unless an exception under Section 409A applies. The aggregate amount of any delayed payments, without interest, shall be paid to the Participant on such delayed commencement date.

4.7 Delay of Payments under Section 409A of the Code. Notwithstanding anything to the contrary contained herein, the distribution of a Retirement Benefit under Section 4.4 to a Participant who is a Specified Employee shall not commence earlier than the date that is six (6) months after the date of such Participant's Retirement or Vested Separation if such earlier commencement would result in the imposition of the excise tax under Section 409A. If distributions to a Participant are so delayed, such distributions shall commence at the later of (a) the first day of the month coincident with or next following the date that is six (6) months after the Participant's Retirement or Vested Separation; or (b) the Participant's Benefit Commencement Date. If a Participant's distributions are delayed by reason of clause (a), above, the aggregate amount of any such delayed payments, together with interest on such delayed payments (calculated using the interest rate used for determining Actuarial Equivalence), shall be paid to the Participant on such delayed commencement date.

ARTICLE V

FROZEN PARTICIPATION

5.1 In General. This Article V provides special rules that apply to a Participant who is a Frozen Participant. To the extent that this Article V or other provisions of this Program do not otherwise specify, such Participant shall be treated as any other Participant to the extent necessary to implement this Article V.

5.2 Frozen Participation.

(a) Sysco Service and Age Credit. During the period of time during which his participation is frozen, a Frozen Participant shall continue to be awarded Sysco Service and age credit for purposes of the Benefit Commencement Date under Section 4.1(d).

(b) Eligible Earnings. A Participant's Compensation during the period that such Participant was a Frozen Participant shall not be included in the calculation of such Participant's Eligible Earnings.

ARTICLE VI
DEATH BENEFIT

6.1 Definitions. The following definitions are used in this Article VI:

(a) Death Benefit Eligible Earnings. “Death Benefit Eligible Earnings” for a Plan Year shall mean the sum of (i) the annual rate of the Participant’s base salary as of his last day of employment during the applicable Plan Year, and (ii) the cash bonus earned by the Participant under the MIP, other than MIP Additional Bonuses (as defined in the MIP), with respect to such Plan Year, without regard to whether or not such MIP bonus was deferred under the EDCP.

(b) Retired Participant. “Retired Participant” means a Participant (i) whose Benefit Commencement Date has occurred but who has not yet received his first benefit payment hereunder or (ii) who is receiving benefit payments hereunder.

(c) Three-Year Final Average Compensation. “Three-Year Final Average Compensation” means the annual average of the Participant’s Death Benefit Eligible Earnings for the three (3) Plan Years (excluding those Plan Years in which the Participant does not have any Death Benefit Eligible Earnings) ending immediately before June 30, 2013. Unless otherwise provided herein, the Plan Year in which the Participant was originally hired shall be disregarded if he was hired after the first business day of such Plan Year. Similarly, the Plan Year in which death occurs shall be disregarded if death occurs before the last business day of such Plan Year. If the Participant does not have three (3) Plan Years of Death Benefit Eligible Earnings, the Participant’s Three-Year Final Average Compensation shall be based on the annual average of Death Benefit Eligible Earnings for the available Plan Years ending immediately before June 30, 2013. If all Plan Years have been excluded (i.e. there are no “available” Plan Years), Three-Year Final Average Compensation shall mean the Participant’s Death Benefit Eligible Earnings in the Plan Year ending June 29, 2013.

(d) Vested Separated Participant. “Vested Separated Participant” means a Participant who is entitled to a Deferred Retirement Benefit and whose Benefit Commencement Date has not occurred.

6.2 Death of an Active Participant. If an Active Participant dies while in the employ of Sysco or a Subsidiary, such Participant’s spouse or other Beneficiary shall be entitled to a monthly annuity payable for life with a ten (10) year certain period commencing on the first day of the month coincident with or next following the Participant’s death, without regard to the Participant’s election, if any, pursuant to Section 4.5. Such monthly annuity shall be Actuarially Equivalent to the greater of the Actuarially Equivalent single-sum value of: (i) an annual payment equal to 25% of the Participant’s Three-Year Final Average Compensation payable for ten (10) years certain, or (ii) the Participant’s Vested Accrued Benefit as of his date of death, *reduced* for the period by which the first payment of the death benefit precedes the Participant’s Normal Retirement Date by 5/9ths of one percent (1%) for each of the first sixty (60) calendar months, 5/18ths of one percent (1%) for each of the next sixty (60) calendar months and actuarially thereafter (using the assumptions for Actuarial Equivalence).

6.3 Death of Frozen Participant. If a Frozen Participant dies while in the employ of Sysco or a Subsidiary, the Frozen Participant's spouse or other Beneficiary shall be entitled to a monthly annuity payable for life with a ten (10) year certain period commencing on the first day of the month coincident with or next following the Frozen Participant's death, without regard to the Participant's election, if any, pursuant to Section 4.5. Such monthly annuity shall be Actuarially Equivalent to the single sum value of the survivor's benefit that would have been payable to the Participant's spouse or other Beneficiary if the Participant had begun receiving a hypothetical retirement benefit on his date of death. The amount of such hypothetical retirement benefit shall equal the Participant's Vested Accrued Benefit as of his date of death, *reduced*, for the period by which the first payment of the death benefit precedes the Participant's Normal Retirement Date, by 5/9ths of one percent (1%) for each of the first sixty (60) calendar months, 5/18ths of one percent (1%) for each of the next sixty (60) calendar months and actuarially thereafter (using the assumptions for Actuarial Equivalence), adjusted, as applicable, to take into account the form of payment of such Participant's Retirement Benefit under Section 4.5 of this Program. For purposes of determining the amount of the survivor's benefit under this Section 6.3, if a Participant's Retirement Benefit was to be paid in the form of a Joint and Survivor Annuity, and the Participant designated a Beneficiary other than his spouse, his Beneficiary shall be substituted for the Participant's "spouse" for purposes of conversion to a Joint and Survivor Annuity.

6.4 Death of Vested Separated Participant. Upon the death of a Vested Separated Participant such Participant's spouse or other Beneficiary shall be entitled to a monthly annuity payable for life with a ten (10) year certain period commencing on the first day of the month coincident with or next following the Participant's death. Such monthly annuity shall be Actuarially Equivalent to the single sum value of the survivor's benefit that would have been payable to the Participant's spouse or other Beneficiary if the Participant had begun receiving a hypothetical retirement benefit on his date of death. The amount of such hypothetical retirement benefit shall equal the Participant's Vested Accrued Benefit as of his Retirement or Vested Separation date, *reduced*, for the period by which the first payment of the death benefit precedes the Participant's Normal Retirement Date, by 5/9ths of one percent (1%) for each of the first sixty (60) calendar months, 5/18ths of one percent (1%) for each of the next sixty (60) calendar months and actuarially thereafter (using the assumptions for Actuarial Equivalence), adjusted, as applicable, to take into account the form of payment of such Participant's Retirement Benefit under Section 4.5 of this Program. For purposes of determining the amount of the survivor's benefit under this Section 6.4, if a Participant's Retirement Benefit was to be paid in the form of a Joint and Survivor Annuity, and the Participant designated a Beneficiary other than his spouse, his Beneficiary shall be substituted for the Participant's "spouse" for purposes of conversion to a Joint and Survivor Annuity.

6.5 Death of Retired Participant before or after Commencement of Benefits. If a Retired Participant (a) dies before benefit payments begin or (b) dies after benefit payments begin, any death benefit that may be payable hereunder is a function of the form of payment applicable to such Retired Participant ("Joint and Survivor Annuity" or "Annuity" as provided under Section 4.5 of this Program), as described below:

(a) Joint and Survivor Annuity.

(i) Death of Participant or Spouse during Ten (10) Year Certain Period. If either the Participant or his spouse (but not both) dies before the first benefit payment or during the ten (10) year certain period following the Benefit Commencement Date, the benefit amount payable during their joint lives shall be paid to the survivor for the balance of the ten (10) year certain period and then two-thirds (2/3rds) of that amount shall be paid to the survivor for life.

(ii) Death of Both Participant and Spouse during Ten (10) Year Certain Period. If both the Participant and his spouse die before the first benefit payment or during the ten (10) year certain period following the Benefit Commencement Date, the benefit amount payable during their joint lives shall be paid to the Participant's Beneficiary for the balance of the ten (10) year certain period.

(iii) Cessation of Benefits. No further benefits are payable after the later of (A) the deaths of the Participant and his spouse or (B) the end of the ten (10) year certain period.

(iv) Spouse. For purposes of this Section 6.5(a), "spouse" refers to the Participant's spouse whose birth date was used in the calculation of the Joint and Survivor Annuity, even if the Participant is married to a different individual at the time of the Participant's death.

(b) Annuity.

(i) Death of Participant during Ten (10) Year Certain Period. If the Participant dies before the first benefit payment or during the ten (10) year certain period following the Benefit Commencement Date, the benefit amount shall be paid to the Participant's Beneficiary for the balance of the ten (10) year certain period.

(ii) Cessation of Benefits. No further benefits are payable after the later of (a) the death of the Participant or (b) the end of the ten (10) year certain period.

6.6 Administrative Delay. Death benefits shall commence as of the date set forth in this Article VI or the first day of the month as soon as administratively practicable thereafter but in any event within ninety (90) days of the Participant's death. The aggregate amount of any such delayed payments, without interest on such delayed payments, shall be paid to the Beneficiary on such delayed commencement date.

6.7 Beneficiary Designation for Ten (10) Year Certain Period. A Beneficiary designation shall be effective upon receipt by the Administrative Committee of a properly executed form which the Administrative Committee has approved for that purpose, and shall remain in force until revoked or changed by the Participant. The Participant may, prior to the commencement of benefits under the Plan, from time to time, revoke or change any designation of Beneficiary by filing another approved Beneficiary designation form with the Administrative Committee. Any Beneficiary designation by a married Participant who designates any person or entity other than the Participant's spouse shall be ineffective unless the Participant's spouse has indicated consent by completing and signing the applicable spousal consent section of the approved Beneficiary designation form.

(a) Upon entering the Plan, each Participant shall file with the Administrative Committee a designation of one or more Beneficiaries to whom the death benefit provided by Sections 6.2, 6.3, 6.4 and 6.5 of this Program shall be payable.

(b) Upon Retirement or Vested Separation and prior to commencement of benefits under Article IV of this Program, the Participant shall designate one or more Beneficiaries to receive the remaining period certain payments, which designation shall be made and modified in accordance with the procedures set forth in this Section 6.8. If the Participant does not designate one or more Beneficiaries to receive the remaining period certain payments, the Beneficiaries designated by the Participant upon entering the Plan shall be the Participant's Beneficiaries for purposes of the remaining period certain payments. A spouse of a Participant may not change the Beneficiaries designated by the Participant, including the Beneficiaries to whom the remaining period certain payments may be paid. Notwithstanding the preceding sentences of this Section 6.8(b), in the case of a Joint and Survivor Annuity, a Beneficiary designation shall have no effect unless (i) the Participant and the Participant's spouse both die during the ten (10) year certain period and (ii) if the Participant dies during the ten (10) year certain period and the Beneficiaries designated by the Participant have predeceased the Participant or, in the case of an entity, otherwise ceased to exist, the Participant's surviving spouse who is receiving the survivor benefit under the Joint and Survivor Annuity may designate the Beneficiaries to receive any remaining guaranteed payments if the spouse should die during the ten (10) year certain period.

(c) If there is no valid Beneficiary designation on file with the Administrative Committee at the time of the Participant's death, or if all of the Beneficiaries designated in the last Beneficiary designation have predeceased the Participant or, in the case of an entity, otherwise ceased to exist, the Beneficiary shall be the Participant's spouse, if the spouse survives the Participant, or otherwise the Participant's estate. A Beneficiary who is an individual shall be deemed to have predeceased the Participant if the Beneficiary dies within thirty (30) days of the date of the Participant's death. If any Beneficiary survives the Participant but dies or, in the case of an entity, otherwise ceases to exist, before receiving all payments due under this Article VI, the balance of the payments that would have been paid to that Beneficiary shall, unless the Participant's Beneficiary designation provides otherwise, be distributed to the deceased individual Beneficiary's estate or, in the case of an entity, to the Participant's spouse, if the spouse survives the Participant, or otherwise to the Participant's estate.

ARTICLE VII

PROVISIONS RELATING TO ALL BENEFITS

7.1 Effect of this Article. The provisions of this Article shall control over all other provisions of the Plan (including this Program).

7.2 Termination of Employment. A Participant's termination of employment for any reason prior to the Participant's vesting under Article III of this Program shall cause the Participant and all his Beneficiaries to forfeit all interests in and under this Program, other than any death benefit payable to such Participant's Beneficiaries under Article VI of this Program.

7.3 Forfeiture for Cause.

(a) Forfeiture on Account of Discharge. If the Administrative Committee finds, after full consideration of the facts presented on behalf of Sysco or a Subsidiary and a former Participant, that the Participant was discharged by Sysco or a Subsidiary for: (i) fraud, (ii) embezzlement, (iii) theft, (iv) commission of a felony, (v) proven dishonesty in the course of his employment by Sysco or a Subsidiary which damaged Sysco or a Subsidiary, or (vi) disclosing trade secrets of Sysco or a Subsidiary ((i) through (vi) individually and collectively referred to as a "For Cause Event"), the entire Vested Accrued Benefit of the Participant and/or his Beneficiaries shall be forfeited.

(b) Forfeiture after Commencement of Benefits. If the Administrative Committee finds, after full consideration of the facts presented on behalf of Sysco or a Subsidiary and the former Participant, that a former Participant who has begun receiving benefits under the Plan (including this Program) engaged in a For Cause Event during his employment with Sysco or a Subsidiary (even though the Participant was not discharged from Sysco or the Subsidiary for such a For Cause Event), the former Participant's and/or Beneficiaries' remaining benefit payments under the Plan (including this Program) shall be forfeited.

(c) Administrative Committee Discretion. The decision of the Administrative Committee as to the existence of a For Cause Event shall be final. No decision of the Administrative Committee shall affect the finality of the discharge of the Participant by Sysco or the Subsidiary in any manner.

(d) Special Rule for Change of Control. Notwithstanding the above, the forfeitures created by Sections 7.3(a) and 7.3(b) above shall not apply to a Participant or former Participant who: (i) is discharged during the Plan Year in which a Change of Control occurs, or during the next three (3) succeeding Plan Years following the Plan Year in which a Change of Controls occurs (the "Change of Control Period") or (ii) during the Change of Control Period is determined by the Administrative Committee to have engaged in a For Cause Event, unless a court reviewing the Administrative Committee's findings agrees with the Administrative Committee's determination to apply the forfeiture.

7.4 Forfeiture for Competition. If, at the time a distribution is being made or is to be made to a Participant, the Administrative Committee finds, after full consideration of the facts presented on behalf of Sysco or a Subsidiary and the Participant, that the Participant has engaged in any of the conduct set forth in this Section 7.4, the entire benefit remaining to be paid to the Participant and/or his Beneficiaries shall be forfeited, even though it

may have been previously vested under any portion of the Plan (including this Program); *provided, however*, that this Section 7.4 shall not apply to any Participant whose termination of employment from Sysco or a Subsidiary occurs during a Change of Control Period. A forfeiture shall occur if, at any time within one (1) year after his termination of employment from Sysco or a Subsidiary or at any time after the Participant's Benefit Commencement Date, in either case, while any remaining benefit is to be paid to the Participant and/or his Beneficiaries under the Plan (including this Program), and without written consent of Sysco's Chief Executive Officer or General Counsel, the Participant:

(a) either directly or indirectly owns, operates, manages, controls, or participates in the ownership, management, operation, or control of, or is employed by, or is paid as a consultant or other independent contractor by, a business which competes with any aspect of the business of Sysco or a Subsidiary by which he was formerly employed (as the scope of Sysco's or such Subsidiary's business is defined as of the date of Participant's termination of employment) in a trade area served by Sysco or the Subsidiary and in which the Participant directly or indirectly represented Sysco or the Subsidiary while employed by it; and the Participant continues to be so engaged ten (10) days after written notice has been given to him by or on behalf of Sysco or the Subsidiary;

(b) either directly or indirectly owns, operates, manages, controls, or participates in the ownership, management, operation, or control of, or is employed by, or is paid as a consultant or other independent contractor by, a customer or supplier of Sysco or a Subsidiary by which he was formerly employed and with whom the Participant dealt, either directly or indirectly through the supervision of others, on behalf of Sysco or a Subsidiary by which he was formerly employed; and the Participant continues to be so engaged ten (10) days after written notice has been given to him by or on behalf of Sysco or the Subsidiary;

(c) on behalf of a business which competes with Sysco or a Subsidiary by which he was formerly employed, directly or indirectly markets, solicits or sells to any actual or prospective customer of Sysco or a Subsidiary by which he was formerly employed and with whom the Participant dealt, either directly or indirectly through the supervision of others, on behalf of Sysco or the Subsidiary by which he was formerly employed;

(d) on behalf of a business which competes with Sysco or a Subsidiary by which he was formerly employed, directly or indirectly markets to, solicits or buys from any supplier of Sysco or a Subsidiary by which he was formerly employed and with whom the Participant dealt, either directly or indirectly through the supervision of others, on behalf of Sysco or the Subsidiary by which he was formerly employed;

(e) on behalf of a business which competes with Sysco or a Subsidiary by which he was formerly employed, directly or indirectly solicits, offers employment to, hires or otherwise enters into a consulting relationship with any employee of Sysco or any Subsidiary;

(f) either (i) fails to return to Sysco or the Subsidiary by which he was formerly employed, within ten (10) days of any request issued to the Participant, any and all trade secrets or confidential information or any portion thereof and all materials relating thereto in his possession, or (ii) fails to hold in confidence or reproduces, distributes, transmits, reverse engineers, decompiles, disassembles, or transfers, directly or indirectly, in

any form, by any means, or for any purpose, any Sysco or Subsidiary trade secrets or confidential information or any portion thereof or any materials relating thereto; or

(g) makes any disparaging comments or accusations detrimental to the reputation, business, or business relationships of Sysco (as reasonably determined by Sysco or a Subsidiary), and the Participant fails to retract such comments or accusations within sixty (60) days after written notice demanding such retraction has been provided to him by or on behalf of Sysco or the Subsidiary.

7.5 Restrictions on any Portion of Total Payments Determined to be Excess Parachute Payments. If any payment or benefit received or to be received by a Participant in connection with a “change of control” (as defined in Section 280G of the Code and the Treasury Regulations thereunder) of Sysco would either (i) result in such payment or benefit not being deductible, whether in whole or in part, by Sysco or any Subsidiary, as a result of Section 280G of the Code, and/or (ii) result in the Participant being subject to the excise tax imposed under Section 4999 of the Code, then the benefits payable under the Executive Retirement Plans shall be reduced until no portion of the Total Payments is not deductible as a result of Section 280G of the Code (and/or not subject to the excise tax imposed under Section 4999 of the Code) or the benefits payable under the Executive Retirement Plans have been reduced to zero. If a Participant is entitled to a benefit under more than one (1) of the Executive Retirement Plans, then the reduction shall be applied in the order determined by the Administrative Committee in its sole discretion. The reduction in benefits payable under this Program, if any, shall be determined by reducing the Vested Percentage of the Participant’s Vested Accrued Benefit. In determining the amount of the reduction, if any, under this Program: (a) no portion of the Total Payments which the Participant has waived in writing prior to the date of the payment of benefits under this Plan shall be taken into account, (b) no portion of the Total Payments which tax counsel, selected by Sysco’s independent auditors and reasonably acceptable to the Participant (“Tax Counsel”), determines not to constitute a “parachute payment” within the meaning of Section 280G(b)(2) of the Code shall be taken into account (including, without limitation, amounts not treated as a “parachute payment” as a result of the application of Section 280G (b)(4)(A)), (c) no portion of the Total Payments which Tax Counsel, determines to be reasonable compensation for services rendered within the meaning of Section 280G(b)(4)(B) of the Code will be treated as an “excess parachute payment” in the manner provided by Section 280G(b)(4)(B), and (d) the value of any non-cash benefit or any deferred payment or benefit included in the Total Payments shall be determined by Sysco’s independent auditors in accordance with Sections 280G(d)(3) and (4) of the Code. Notwithstanding anything herein or otherwise to the contrary, the Compensation Committee, may, within its sole discretion and pursuant to an agreement approved by the Compensation Committee, waive application of this Section 7.5, when it determines that specific situations warrant such action.

7.6 Claims Procedure. Any person who believes that he or she is being denied a benefit to which he or she is entitled under the Plan (including this Program) (referred to hereinafter as a “Claimant”) must file a written request for such benefit with the Administrative Committee; *provided, however*, that any claim involving entitlement to, the amount of or the method or timing of payment of a benefit affected by a Change of Control shall be governed by Section 8.3(d)(i) of this Program. Such written request must set forth the Claimant’s claim and must be addressed to the Administrative Committee at the Company’s principal office.

(a) Initial Claims Decision. The Administrative Committee shall generally provide written notice to the Claimant of its decision within ninety (90) days after the claim is filed with the Administrative Committee; *provided, however*, that the Administrative Committee may have up to an additional ninety (90) days to decide the claim, if the Administrative Committee determines that special circumstances require an extension of time to decide the claim, and the Administrative Committee advises the Claimant in writing of the need for an extension (including an explanation of the special circumstances requiring the extension) and the date on which it expects to decide the claim.

(b) Appeals. A Claimant may appeal the Administrative Committee’s decision by submitting a written request for review to the Administrative Committee within sixty (60) days after the earlier of receiving the denial notice or after expiration of the initial review period. Such written request must be addressed to the Administrative Committee at the Company’s principal office. In connection with such request, the Claimant (and his or her authorized representative, if any) may review any pertinent documents upon which the denial was based and may submit issues and comments in writing for consideration by the Administrative Committee. If the Claimant’s request for review is not received within the earlier of sixty (60) days after receipt of the denial or after expiration of the initial review period, the denial shall be final, and the Claimant shall be barred and estopped from challenging the Administrative Committee’s determination.

(c) Decision Following Appeal. The Administrative Committee shall generally make its decision on the Claimant’s appeal in writing within sixty (60) days following its receipt of the Claimant’s request for appeal; *provided, however*, that the Administrative Committee may have up to an additional sixty (60) days to decide the claim, if the Administrative Committee determines that special circumstances require an extension of time to decide the claim and the Administrative Committee advises the Claimant in writing of the need for an extension (including an explanation of the special circumstances requiring the extension) and the date on which it expects to decide the claim. The Administrative Committee shall notify the Claimant of its decision on the Claimant’s appeal in writing, regardless of whether the decision is adverse.

(d) Decisions Final; Procedures Mandatory. A decision on appeal by the Administrative Committee shall be binding and conclusive upon all persons, and completion of the claims procedures described in this Section 7.6 shall be a mandatory precondition to commencement of any court proceeding brought in connection with the Plan (including this Program) by a person claiming rights under the Plan (including this Program) or by another person claiming rights through such a person. Notwithstanding the preceding sentence, the Administrative Committee may, in its sole discretion, waive the procedures described in Sections 7.6(a) through 7.6(c) of this Program as a mandatory precondition to such an action.

7.7 Compensation Committee Decisions . Notwithstanding anything in the Plan (including this Program) to the contrary, any determination made, or to be made, with respect to the benefits or rights of an Executive Officer under this Program shall not be made by the Administrative Committee but shall instead be made by the Compensation Committee, and each provision of the Plan (including this Program) otherwise governing such a determination shall be interpreted and construed to substitute the Compensation Committee for the Administrative Committee in such provision.

ARTICLE VIII

ADMINISTRATION

8.1 Administrative Committee Appointment. The Administrative Committee shall be appointed by the Compensation Committee. Each Administrative Committee member shall serve until his or her resignation or removal. The Compensation Committee shall have the sole discretion to remove any one or more Administrative Committee members and appoint one or more replacement or additional Administrative Committee members from time to time.

8.2 Administrative Committee Organization and Voting. The organizational structure and voting responsibilities of the Administrative Committee shall be as set forth in the bylaws of the Administrative Committee.

8.3 Powers of the Administrative Committee. Except as otherwise provided in Section 7.7 of this Program and unless such power is otherwise reserved by the Compensation Committee herein, the Administrative Committee shall have the exclusive responsibility for the general administration of the Plan (including this Program) according to the terms and provisions of the Plan (including this Program) and shall have all powers necessary to accomplish those purposes, including but not by way of limitation the right, power and authority:

- (a) to make rules and regulations for the administration of the Plan (including this Program);
- (b) to construe, interpret and apply all terms, provisions, conditions and limitations of the Plan (including this Program);
- (c) to correct any defect, supply any omission or reconcile any inconsistency that may appear in the Plan (including this Program) in the manner and to the extent it deems expedient to carry the Plan (including this Program) into effect for the greatest benefit of all parties at interest;
- (d) subject to Section 7.3(d), to resolve all controversies relating to the administration of the Plan (including this Program), including but not limited to:
 - (i) differences of opinion arising between the Company and a Participant in accordance with Sections 7.6(a) through 7.6(c) of this Program, except when the difference of opinion relates to the entitlement to, the amount of or the method or timing of payment of a benefit affected by a Change of Control, in which event, such difference of opinion shall be decided by judicial action; and
 - (ii) any question it deems advisable to determine in order to promote the uniform administration of the Plan (including this Program) for the benefit of all parties at interest; and
- (e) to delegate by written notice any plan administration duties of the Administrative Committee to such individual members of the Administrative Committee, individual employees of the Company, or groups of employees of the Company, as the Administrative Committee determines to be necessary or advisable to properly administer the Plan (including this Program).

8.4 Committee Discretion. The Administrative Committee (or, as applicable, the Compensation Committee), in exercising any power or authority granted under this Plan (including the Program), or in making any determination under this Plan (including this Program), shall perform or refrain from performing those acts pursuant to such authority using its sole discretion and judgment. By way of amplification, and without limiting the foregoing, the Company specifically intends that the Administrative Committee (or, as applicable, the Compensation Committee) have the greatest possible discretionary authority to construe, interpret and apply the terms of the Plan (including this Program) and to determine all questions concerning eligibility, participation and benefits. Any decision made by the Administrative Committee (or, as applicable, the Compensation Committee) or any refraining to act or any act taken by the Administrative Committee (or, as applicable, the Compensation Committee) in good faith shall be final and binding on all parties, subject to the provisions of Sections 7.6(a) through 7.6(c) of this Program. The Administrative Committee's (or, as applicable, the Compensation Committee's) decisions shall never be subject to de novo review. Notwithstanding the foregoing, the Administrative Committee's (or, as applicable, the Compensation Committee's) decisions, refraining to act or acting is to be subject to judicial review for those incidents occurring during the Change of Control Period.

8.5 Reimbursement of Expenses. The Administrative Committee shall serve without compensation for their services but shall be reimbursed by Sysco for all expenses properly and actually incurred in the performance of their duties under the Plan (including this Program).

8.6 Indemnification. To the extent permitted by law, members of the Board of Directors, members of the Compensation Committee, members of the Administrative Committee, employees of the Company, and all agents and representatives of the Company shall be indemnified by the Company, and saved harmless against any claims resulting from any action or conduct relating to the administration of the Plan (including this Program), except claims arising from gross negligence, willful neglect or willful misconduct.

ARTICLE IX

ADOPTION BY SUBSIDIARIES

9.1 Procedure for and Status after Adoption. Any Subsidiary may, with the approval of the Administrative Committee, adopt this Program by appropriate action of its board of directors . The terms of this Program shall apply separately to each Subsidiary adopting this Program and its Participants in the same manner as is expressly provided for by Sysco and its Participants except that the powers of the Board of Directors, the Compensation Committee and the Administrative Committee under this Program shall be exercised by the Board of Directors, the Compensation Committee, or the Administrative Committee, as applicable. Sysco and each Subsidiary adopting this Program shall bear the cost of providing Program benefits for its own Participants. Sysco shall initially pay the costs of the Program each Plan Year. However, each adopting Subsidiary shall then be billed back for the actuarially determined costs pertaining to it in accordance with the appropriate Financial Accounting Standards Board pronouncements. It is intended that the obligation of Sysco and each Subsidiary with respect to its Participants shall be the sole obligation of the Company that is employing the Participant and shall not bind any other Company.

9.2 Termination of Participation by Adopting Subsidiary. Any Subsidiary adopting this Program may, by appropriate action of its board of directors, terminate its participation in this Program. The Administrative Committee may, in its sole discretion, also terminate a Subsidiary's participation in this Program at any time. The termination of the participation in this Program by a Subsidiary shall not, however, affect the rights of any Participant who is working or has worked for the Subsidiary as to benefits previously accrued by the Participant under this Program without his consent.

ARTICLE X

AMENDMENT AND/OR TERMINATION

10.1 Amendment or Termination of this Program. The Compensation Committee may amend or terminate this Program at any time by an instrument in writing without the consent of any adopting Company.

10.2 No Retroactive Effect on Awarded Benefits.

(a) General Rule. Absent a Participant's prior consent, no amendment shall affect the rights of such Participant to his Vested Accrued Benefit as of the date of such amendment (the "Minimum Vested Accrued Benefit") or shall change such Participant's rights under any provision relating to a Change of Control after a Change of Control has occurred. On and after the effective date of such amendment, (i) for purposes of the Benefit Commencement Date under Section 4.1(d) of this Program, a participant shall continue to be awarded years of Sysco Service and age credit until such Participant's Separation from Service with Sysco and its Subsidiaries; and (ii) the Vested Percentage shall be determined as of the date of the amendment.

(b) Benefits on or after the Amendment. Notwithstanding the provisions of this Section 10.2, the Compensation Committee retains the right at any time to (i) change in any manner or to discontinue the death benefit provided in Article VI of this Program, except during the four (4) year period following a Change of Control for those persons who at that time were covered by the death benefit, and (ii) to change in any manner the benefit under Article IV of this Program, provided such benefit is not less than the Minimum Vested Accrued Benefit as of the date of any such amendment.

10.3 Effect of Termination. Upon termination of this Program, the following provisions shall apply:

(a) The Compensation Committee may, in its sole discretion, authorize distributions to Participants as a result of this Program's termination, provided all of the following conditions are satisfied:

(i) All deferred compensation arrangements sponsored by the Company that would be aggregated with this Program (which may include the Plan) under Section 1.409A-1(c) of the Treasury Regulations (or any corresponding provision of succeeding law) if the Participant participated in such arrangements are terminated;

(ii) No distributions other than distributions that would be payable under the terms of this Program if the termination had not occurred are made within twelve (12) months of the termination of this Program;

(iii) All distributions of benefits provided hereunder are paid within twenty-four (24) months of the termination of this Program; and

(iv) The Company does not adopt a new deferred compensation arrangement at any time within three (3) years following the date of the termination of this Program that would be aggregated with this

Program under Section 1.409A-1(c) of the Treasury Regulations (or any corresponding provision of succeeding law) if the Participant participated in this Program and participates in the new arrangement.

(b) Except as otherwise provided in Section 10.3(a) above, on and after the effective date of this Program's termination, (i) this Program shall continue to be administered as it was prior to this Program's termination, (ii) all retirement benefits accrued prior to the date of termination shall be payable only under the conditions, at the time, and in the form then provided in this Program, (iii) no Participant shall be entitled to Program benefits solely as a result of this Program's termination in accordance with the provisions of this Article X, and (iv) the forfeiture provisions of Sections 7.3 and 7.4 of this Program, and the restrictions set forth in Section 7.5 of this Program shall continue in effect.

ARTICLE XI

FUNDING

11.1 Payments Under the Plan (including this Program) are the Obligation of the Company. The Company last employing a Participant shall pay the benefits due the Participant under the Plan (including this Program); however, should it fail to do so when a benefit is due, then, except as provided in Section 11.5, the benefit shall be paid by the Trust. In any event, if the Trust fails to pay for any reason, the Company still remains liable for the payment of all benefits provided by the Plan (including this Program).

11.2 The Plan (including this Program) May Be Funded Through the Trust. It is specifically recognized by both the Company and the Participants that the Company may, but is not required to, purchase life insurance so as to accumulate assets to fund the obligations of the Company under the Plan (including this Program), and that the Company may, but is not required to, contribute any policy or policies it may purchase and any amounts or other assets it finds desirable to the Trust. However, under all circumstances, the Participants shall have no rights to any of those policies or other assets contributed to the Trust; and, likewise, under all circumstances, the rights of the Participants to the assets held in the Trust shall be no greater than the rights expressed in the Plan (including this Program) and the Trust Agreement. Nothing contained in the Trust Agreement shall constitute a guarantee by any Company that assets of the Company transferred to the Trust shall be sufficient to pay any benefits under the Plan (including this Program) or would place the Participant in a secured position ahead of general creditors should the Company become insolvent or bankrupt. The Trust Agreement must specify that Participants in the Plan (including this Program) are only unsecured general creditors of the Company in relation to their benefits under the Plan (including this Program).

11.3 Reversion of Excess Assets. Sysco may, at any time, request the actuary for the Plan to determine the present value of the Vested Accrued Benefit as of the end of the Plan Year coincident with or last preceding the request, of all Participants and Beneficiaries of deceased Participants for which all Companies are or will be obligated to make payments under the Plan (including this Program). For periods prior to a Change of Control, if the fair market value of the assets held in the Trust, as determined by the Trustee as of that same date, exceeds the total of the Vested Accrued Benefits of all Participants and Beneficiaries under the Plan (including this Program), Sysco may direct the Trustee to return to Sysco the assets which are in excess of the Vested Accrued Benefits under the Plan (including this Program). For periods following a Change of Control, if the fair market value of the assets held in the Trust, as determined by the Trustee as of that same date, exceeds the total of the Vested Accrued Benefits of all Participants and Beneficiaries under the Plan (including this Program) by 10%, Sysco may direct the Trustee to return to Sysco the assets which are in excess of 110% of the Vested Accrued Benefits under the Plan (including this Program). For this purpose, the present value of the Vested Accrued Benefits under the Plan (including this Program) shall be calculated using the data for the preceding Plan Year brought forward using the assumptions used to determine the actuarially determined costs according to the appropriate Financial Accounting Standards Board pronouncements. If there has been a Change of Control, to determine excess assets, all contributions made prior to the Change of Control shall be subtracted from the fair market value of the assets held in the Trust as of the determination date but before the determination is made.

11.4 Participants Must Rely Only on General Credit of the Company. The Company and the Participants recognize that the Plan (including this Program) is only a general corporate commitment, and that each Participant is merely an unsecured general creditor of the Company with respect to any of the Company's obligations under the Plan (including this Program).

11.5 Funding of Benefits for Participants Subject to Canadian Income Tax Laws is Prohibited. No Company employing a Participant whose income is subject to the Canadian tax laws shall be permitted to fund its obligation to that person through any rabbi trust, fund, sinking fund, or other financial vehicle even though under applicable law the assets held to fund the obligation are still subject to the general creditors of the Company.

ARTICLE XII

MISCELLANEOUS

12.1 Responsibility for Distributions and Withholding of Taxes. The Administrative Committee shall furnish information to the Company last employing the Participant concerning the amount and form of distribution to any Participant entitled to a distribution so that the Company may make or cause the Rabbi Trust to make the distribution required. The Administrative Committee shall also calculate the deductions from the amount of the benefit paid under the Plan (including this Program) for any taxes required to be withheld by federal, state, local, or foreign government and shall cause them to be withheld.

12.2 Limitation of Rights. Nothing in the Plan (including this Program) shall be construed:

(a) to give a Participant any right with respect to any benefit except in accordance with the terms of the Plan (including this Program);

(b) to limit in any way the right of Sysco or a Subsidiary to terminate a Participant's employment;

(c) to evidence any agreement or understanding, expressed or implied, that Sysco or a Subsidiary shall employ a Participant in any particular position or for any particular remuneration; or

(d) to give a Participant or any other person claiming through him any interest or right under the Plan (including this Program) other than that of any unsecured general creditor of the Company.

12.3 Benefits Dependent Upon Compliance with Certain Covenants. The benefits provided to a Participant under this Program by the Company are dependent upon the Participant's full compliance with the covenants set forth in Section 7.4 of this Program.

12.4 Distributions to Incompetents or Minors. Should a Participant become incompetent or should a Participant designate a Beneficiary who is a minor or incompetent, the Administrative Committee is authorized to pay the funds due to the parent of the minor or to the guardian of the minor or incompetent or directly to the minor or to apply those funds for the benefit of the minor or incompetent in any manner the Administrative Committee determines in its sole discretion.

12.5 Non-alienation of Benefits. No right or benefit provided under the Plan (including this Program) is subject to transfer, anticipation, alienation, sale, assignment, pledge, encumbrance or charge by the Participant, except upon his death to a named Beneficiary as provided in the Plan (including this Program). If any Participant or any Beneficiary becomes bankrupt or attempts to anticipate, alienate, sell, assign, pledge, encumber or charge any right or benefit under the Plan (including this Program), that right or benefit shall, in the discretion of the Administrative Committee, be forfeited. In that event, the Administrative Committee may have the Company hold or apply the right or benefit or any part of it to the benefit of the Participant or Beneficiary, his or her spouse, children or other dependents or any of them in any manner and in any proportion the Administrative Committee believes to be proper in its sole and absolute discretion, but is not required to do so.

12.6 Reliance upon Information. The Administrative Committee shall not be liable for any decision or action taken in good faith in connection with the administration of the Plan (including this Program). Without limiting the generality of the foregoing, any decision or action taken by the Administrative Committee when it relies upon information supplied it by any officer of the Company, the Company's legal counsel, the Company's actuary, the Company's independent accountants or other advisors in connection with the administration of the Plan (including this Program) shall be deemed to have been taken in good faith.

12.7 Amendment Applicable to Participants in the Employ of Sysco or a Subsidiary unless it Provides Otherwise. No benefit which has accrued to any Participant (including a Frozen Participant) who has died, retired, become disabled or Separated from Service prior to the later of (a) execution of an amendment or (b) the amendment effective date shall be changed in amount or subject to any adjustment provided in that amendment unless the amendment specifically provides that it shall apply to those persons and it does not have the effect of reducing those persons' Vested Accrued Benefits as then fixed without their consent.

12.8 Severability. If any term, provision, covenant or condition of the Plan (including this Program) is held to be invalid, void or otherwise unenforceable, the rest of the Plan (including this Program) shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

12.9 Notice. Any notice or filing required or permitted to be given to the Administrative Committee or a Participant shall be sufficient if in writing and hand delivered or sent by U.S. mail to the principal office of the Company or to the residential mailing address of the Participant. Notice shall be deemed to be given as of the date of hand delivery or if delivery is by mail, as of the date shown on the postmark.

12.10 Gender and Number. If the context requires it, words of one gender when used in the Plan (including this Program) shall include the other genders, and words used in the singular or plural shall include the other.

12.11 Governing Law. The Plan (including this Program) shall be governed by the laws of the State of Delaware except to the extent such laws are pre-empted by federal law. The Participant and the Company agree that subject to the provisions of Sections 7.6(a) through 7.6(c) of this Program, the sole and exclusive jurisdiction for any dispute under this Program shall lie in the United States District Court for the Southern District of Texas, and the parties hereby waive any jurisdictional or venue-related defense to litigating at this forum.

12.12 Effective Date. This Program is effective as of June 29, 2013.

12.13 Compliance with Section 409A. The Plan (including this Program) is intended to comply with Section 409A of the Code in both form and operation, and any ambiguities herein shall be interpreted, to the extent possible, in a manner that complies with Section 409A.

IN WITNESS WHEREOF , Sysco has executed this document on this June 5 , 2013, effective as of June 29, 2013.

SYSCO CORPORATION

By: /s/ Russell T. Libby

Name: Russell T. Libby

Title: Senior Vice President, General Counsel
and Secretary

**AMENDED AND RESTATED
SYSCO CORPORATION
MANAGEMENT SAVINGS PLAN**

WHEREAS , effective November 14, 2012, Sysco Corporation (“ Sysco ”) adopted the Sysco Corporation Management Savings Plan (the “ Current Plan ”), an unfunded plan of deferred compensation for eligible employees who are part of a select group of management or highly compensated employees within the meaning of Sections 201, 301 and 401 of ERISA (and therefore exempt from the requirements of Parts 2, 3 and 4 of Title I of ERISA as a “top hat” plan and eligible for the alternative method of compliance for reporting and disclosure which is available for such plans) , to provide certain highly compensated management personnel a supplement to their retirement pay so as to retain their loyalty and to offer them a further incentive to maintain and increase their standard of performance;

WHEREAS , Section 10.1 of the Current Plan provides that the Compensation Committee of the Board of Directors of Sysco (the “ Compensation Committee ”) may amend the Current Plan at any time by an instrument in writing; and

WHEREAS , the Compensation Committee has determined that it is in the best interests of Sysco and its stockholders to amend the Current Plan to (i) limit the application of the non-competition provision in Section 7.8 of the Plan to (x) the one-year period following termination of a participant’s employment and (y) the period of time following termination of a participant’s employment and the commencement of distributions under the Plan or receipt of all distributions such participant is entitled to receive under this Plan and (ii) rename the Plan, the “Amended and Restated Sysco Corporation Management Savings Plan.”

NOW, THEREFORE, Sysco hereby adopts the Amended and Restated Sysco Corporation Management Savings Plan, effective as of June 29, 2013 (the “ Plan ”), as follows:

ARTICLE I

DEFINITIONS

401(k) Match. “401(k) Match” shall have the meaning set forth in Section 4.1(a).

401(k) Nonelective Contribution. “401(k) Nonelective Contribution” shall have the meaning set forth in Section 4.1(b).

401(k) Pension Transition Contribution. “401(k) Pension Transition Contribution” shall have the meaning set forth in Section 4.1(c).

401(k) Plan. “401(k) Plan” means the Sysco Corporation Employees’ 401(k) Plan, as it may be amended from time to time, any successor plan, and, at the discretion of the Compensation Committee, any other similar plan of Sysco.

401(k) Plan Deferrals. “401(k) Plan Deferrals” shall have the meaning set forth in Section 4.1(d).

Account. “Account” means a Participant’s account in the Deferred Compensation Ledger maintained by the Administrative Committee which reflects the entire interest of the Participant in the Plan, as adjusted herein for deemed Investment earnings and losses. A Participant’s Account shall be comprised of, if applicable, such Participant’s Termination/Retirement Account and In-Service Account(s).

Active Participant. “Active Participant” means a Participant in the employ of the Company who is not a Frozen Participant.

Administrative Committee. “Administrative Committee” means the persons who are from time to time serving as members of the committee administering this Plan.

Affiliate. “Affiliate” means any entity with respect to which Sysco beneficially owns, directly or indirectly, at least 50% of the total voting power of the interests of such entity and at least 50% of the total value of the interests of such entity.

Beneficiary. “Beneficiary” means a person or entity designated by the Participant under the terms of this Plan to receive any amounts distributed under the Plan upon the death of the Participant.

Board of Directors. “Board of Directors” means the Board of Directors of Sysco.

Bonus. “Bonus” means a bonus awarded or to be awarded to the Participant under the Management Incentive Plan, or any bonus awarded or to be awarded to a Participant as a substitute for or in lieu of such bonus for a Fiscal Year (including any amounts paid as a substitute for or in lieu of such bonus pursuant to a severance

agreement or other arrangement providing for post-retirement benefits), or such other annual incentive bonus determined by the Compensation Committee in its sole discretion. Notwithstanding the foregoing, any portion of the Bonus awarded or to be awarded to a Participant with respect to services performed in those foreign jurisdiction(s) determined by the Administrative Committee and set forth on Exhibit "B", attached hereto, shall, to the extent determined by the Administrative Committee, be excluded from the definition of Bonus (any such exclusion shall be determined on the basis of the number of days such Participant performed services in such foreign jurisdiction); *provided that*, for purposes of determining the portion of the Bonus that is subject to a Bonus Deferral Election, only compensation with respect to services performed in those foreign jurisdictions set forth on Exhibit "B", attached hereto, prior to the time such Bonus Deferral Election becomes irrevocable, shall be excluded.

Bonus Deferral. "Bonus Deferral" shall have the meaning set forth in Section 3.2.

Bonus Deferral Election. "Bonus Deferral Election" shall have the meaning set forth in Section 3.2.

Business Day. "Business Day" means during regular business hours of any day on which the New York Stock Exchange is open for trading.

Change of Control. "Change of Control" means the occurrence of one or more of the following events:

(a) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Act) (a "Person") of beneficial ownership (within the meaning of Rule 13d -3 promulgated under the Securities Act) of 20% or more of either (i) the then-outstanding shares of Sysco common stock (the "Outstanding Sysco Common Stock") or (ii) the combined voting power of the then-outstanding voting securities of Sysco entitled to vote generally in the election of directors (the "Outstanding Sysco Voting Securities"); provided, however, that the following acquisitions shall not constitute a Change of Control: (1) any acquisition directly from Sysco, (2) any acquisition by Sysco, (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by Sysco or any Affiliate, or (4) any acquisition by any corporation; pursuant to a transaction that complies with subparagraphs (c)(i), (c)(ii) and (c)(iii) of this definition;

(b) Individuals who, as of July 1, 2012, constitute the Board of Directors (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board of Directors; provided, however, that any individual becoming a director subsequent to July 1, 2012 whose election, or nomination for election by Sysco's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board of Directors;

(c) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar corporate transaction involving Sysco or any of its Affiliates, a sale or other disposition of all or substantially

all of the assets of Sysco, or the acquisition of assets or stock of another entity by Sysco or any of its Affiliates (each, a “Business Combination”), in each case unless, following such Business Combination, (i) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Sysco Common Stock and the Outstanding Sysco Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of the then-outstanding shares of common stock and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation that, as a result of such transaction, owns Sysco or all or substantially all of Sysco’s assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Sysco Common Stock and the Outstanding Sysco Voting Securities, as the case may be, (ii) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of Sysco or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of, respectively, the then-outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such corporation, except to the extent that such ownership existed prior to the Business Combination, and (iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board of Directors providing for such Business Combination; or

(d) Approval by the stockholders of Sysco of a complete liquidation or dissolution of Sysco.

Change of Control Period. “Change of Control Period” shall have the meaning set forth in Section 7.7(d).

Claimant. “Claimant” shall have the meaning set forth in Section 8.7.

Code. “Code” means the Internal Revenue Code of 1986, as amended from time to time.

Combined Deferral Percentage. “Combined Deferral Percentage” shall have the meaning set forth in Section 4.1(e).

Company. “Company” means Sysco and any Subsidiary that has adopted the Plan with the approval of the Administrative Committee, pursuant to Section 9.1.

Company Contributions. “Company Contributions” shall mean the Company Match, the Nonelective Contribution, the Pension Transition Contribution, the SERP Transition Contribution, and the MIPRP Transition Contribution.

Company Match. “Company Match” shall have the meaning set forth in Section 4.2.

Compensation Committee. “Compensation Committee” means the Compensation Committee of the Board of Directors of Sysco.

Default Distribution Option. “Default Distribution Option” shall have the meaning set forth in Section 7.6(c)(iv).

Default Investment. “Default Investment” means Moody’s, or such other Investment as may be designated by the Administrative Committee as the “Default Investment” on Exhibit “A”, attached hereto.

Deferral. “Deferral” shall mean a Bonus Deferral, a Salary Deferral, or both.

Deferral Election. “Deferral Election” shall mean a Bonus Deferral Election, a Salary Deferral Election or both.

Deferred Compensation Ledger. “Deferred Compensation Ledger” means the ledger maintained by the Administrative Committee for each Participant which reflects the amount of the Participant’s Deferrals, Company Contributions, credits and debits for deemed Investment earnings and losses credited pursuant to Article V, and amounts distributed to the Participant or the Participant’s Beneficiaries pursuant to Article VII.

Disability. “Disability” means that a Participant has been determined by the Social Security Administration to be totally disabled.

EDCP. “EDCP” means the Amended and Restated Sysco Corporation Executive Deferred Compensation Plan, as it may be amended from time to time, any successor plan, and, at the discretion of the Compensation Committee, any other similar plan of Sysco.

Eligibility Date. “Eligibility Date” means the date as of which an employee of a Company is first eligible to participate in the Plan. An employee shall be notified of the employee’s Eligibility Date by the Administrative Committee or its designee.

Eligible Pay. “Eligible Pay” shall have the meaning set forth in Section 4.1(f).

Executive Officer. “Executive Officer” means each of Sysco’s Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, President, Executive Vice Presidents, Senior Vice Presidents or any other officers designated as “officers” for purposes of Section 16 of the Securities Act.

Executive Retirement Plans. “Executive Retirement Plans” means, collectively, this Plan, the SERP, the MIPRP, the EDCP and the Sysco Corporation Canadian Executive Capital Accumulation Plan, and such other non-qualified deferred compensation arrangements sponsored by Sysco or a Subsidiary as determined by the Compensation Committee.

Fair Market Value. “Fair Market Value” means, with respect to any Investment, the closing price on the date of reference, or if there were no sales on such date, then the closing price on the nearest preceding day on which there were such sales, and in the case of an unlisted security, the mean between the bid and asked prices on the date of reference, or if no such prices are available for such date, then the mean between the bid and asked prices on the nearest preceding day for which such prices are available. With respect to any Investment which reports “net asset values” or similar measures of the value of an ownership interest in the Investment, Fair Market Value shall mean such closing net asset value on the date of reference, or if no net asset value was reported on such date, then the net asset value on the nearest preceding day on which such net asset value was reported. For any Investment not described in the preceding sentences, Fair Market Value shall mean the value of the Investment as determined by the Administrative Committee in its reasonable judgment on a consistent basis, based upon such available and relevant information as the Administrative Committee determines to be appropriate.

Fiscal Year. “Fiscal Year” means the fiscal year of Sysco. Sysco has a 52/53 week fiscal year beginning on the Sunday next following the Saturday closest to June 30th of each calendar year.

Frozen Participant. “Frozen Participant” shall have the meaning set forth in Section 2.2.

In-Service Account. “In-Service Account” means a separate recordkeeping account under a Participant’s Account that is created when a Participant elects an In-Service Distribution Date with respect to amounts deferred hereunder.

In-Service Distribution. “In-Service Distribution” means a payment to the Participant following the occurrence of an In-Service Distribution Date of the amount represented by the balance in the In-Service Account with respect to such In-Service Distribution Date.

In-Service Distribution Date. “In-Service Distribution Date” means March 1st of the calendar year selected by the Participant during which the Participant’s applicable In-Service Account shall be paid.

In-Service Distribution Election. “In-Service Distribution Election” shall have the meaning set forth in Section 7.6(a)(ii).

Installment Distribution Option. “Installment Distribution Option” shall have the meaning set forth in Section 7.6(c)(i).

Investment. “Investment” means the options set forth in Exhibit “A” attached hereto, as the same may be amended from time to time by the Administrative Committee in its sole and absolute discretion.

Lump Sum Distribution Option. “Lump Sum Distribution Option” shall have the meaning set forth in Section 7.6(c)(ii).

Management Incentive Plan. “Management Incentive Plan” means the Sysco Corporation 2009 Management Incentive Plan, as it may be amended from time to time, any successor plan, and, at the discretion of the Compensation Committee, any other management incentive plan of Sysco.

MIP Participation. “MIP Participation” shall have the meaning set forth in Section 4.1(g).

MIPRP. “MIPRP” means the Amended and Restated Sysco Corporation MIP Retirement Program set forth in Appendix I to the Amended and Restated Sysco Corporation Supplemental Executive Retirement Plan, as it may be amended from time to time.

MIPRP Transition Contribution. “MIPRP Transition Contribution” shall have the meaning set forth in Section 4.6(a).

Moody’s. “Moody’s” means a hypothetical investment with a *per annum* investment return, for a Plan Year, equal to the monthly average of the Moody’s Average Corporate Bond Yield (determined by dividing the sum of the Corporate Bond Yield Averages for each month, as published in Moody’s Bond Survey, by the number of months in the applicable calculation period) for either the (i) six-month period ending on October 31st of the calendar year preceding the Plan Year or (ii) the twelve-month period ending on October 31st of the calendar year preceding the Plan Year, whichever produces the higher rate. Moody’s shall be re-determined annually as of November 1st of the calendar year prior to the Plan Year for which such rate shall be effective. Moody’s shall be effective as of January 1st of the Plan Year and shall remain in effect for the entire Plan Year. Earnings on the portion of a Participant’s Account invested in Moody’s shall be compounded annually, but credited on a daily basis.

Nonelective Contribution. “Nonelective Contribution” shall have the meaning set forth in Section 4.3.

Participant. “Participant” means an employee of a Company who becomes eligible for or is participating in the Plan, and any other current or former employee of Sysco or a Subsidiary who has an Account in the Deferred Compensation Ledger.

Pension Plan. “Pension Plan” means the Sysco Corporation Retirement Plan, a defined benefit plan qualified under Section 401(a) of the Code, as it may be amended from time to time, any successor plan, and, at the discretion of the Compensation Committee, any other similar plan of Sysco.

Pension Transition Contribution. “Pension Transition Contribution” shall have the meaning set forth in Section 4.4.

Performance Based Compensation. “Performance Based Compensation” means compensation that is based on services performed over a period of at least twelve (12) months to the extent it is contingent on satisfaction of pre-established performance criteria and not readily ascertainable at the time of the Participant’s deferral election, as determined by the Administrative Committee in accordance with Section 409A.

Plan. “Plan” means the Amended and Restated Sysco Corporation Management Savings Plan, as set forth in this document as it may be amended from time to time.

Plan Year. “Plan Year” means the calendar year.

Retirement. “Retirement” means a Separation from Service by a Participant from Sysco and its Subsidiaries for any reason other than death or Disability on or after the earlier of (A) the date the Participant attains age sixty-five (65), or (B) the date that the Participant has attained age fifty-five (55) and has at least ten (10) years of Sysco Service.

Salary Compensation. “Salary Compensation” means any base salary which is otherwise payable to a Participant in cash by the Company in any Plan Year or deferred by the Participant under any of the following: (i) the 401(k) Plan, (ii) the Section 125 Cafeteria Plan, (iii) this Plan; and (iv) the EDCP. Notwithstanding the foregoing, any base salary paid or payable to a Participant with respect to services performed in those foreign jurisdiction(s) determined by the Administrative Committee and set forth on Exhibit “B”, attached hereto, shall, to the extent determined by the Administrative Committee, be excluded from the definition of Salary Compensation (any such exclusion shall be determined on the basis of the number of days such Participant performed services in such foreign jurisdiction, including Canada); *provided that*, for purposes of determining the amount of Salary Compensation that is subject to a Salary Deferral Election, only compensation with respect to services performed in those foreign jurisdictions set forth on Exhibit “B”, attached hereto, prior to the time such Salary Deferral Election becomes irrevocable shall be excluded.

Salary Deferral. “Salary Deferral” shall have the meaning set forth in Section 3.1.

Salary Deferral Election. “Salary Deferral Election” shall have the meaning set forth in Section 3.1.

Section 125 Cafeteria Plan. “Section 125 Cafeteria Plan” means the Sysco Corporation Pretax Premium and Reimbursement Account Plan, a “cafeteria plan” qualified under Section 125 of the Code, any successor plan thereto and any other such plan maintained by Sysco or a Subsidiary.

Section 409A. “Section 409A” means Section 409A of the Code. References herein to “Section 409A” shall also include any regulatory and other interpretive guidance promulgated by the Treasury Department, including the Treasury Regulations, or the Internal Revenue Service under Section 409A of the Code.

Securities Act. “Securities Act” means the Securities Exchange Act of 1934, as amended from time to time.

Separation from Service. “Separation from Service” means a “separation from service” within the meaning of Section 409A. A Participant shall be presumed to have experienced a “separation from service” as a result of a termination of employment if the level of bona fide services performed by the Participant for Sysco or a Subsidiary decreases to a level equal to twenty-five percent (25%) or less of the average level of services performed by the

Participant during the immediately preceding thirty-six (36) month period, taking into account any periods of performance excluded by the Treasury Regulations.

SERP. “SERP” means the Amended and Restated Sysco Corporation Supplemental Executive Retirement Plan, as it may be amended from time to time, any successor plan, and, at the discretion of the Compensation Committee, any other similar plan of Sysco.

SERP Transition Contribution. “SERP Transition Contribution” shall have the meaning set forth in Section 4.5.

Specified Employee. “Specified Employee” means a “specified employee” as defined in Section 409A(a)(2)(B)(i) of the Code. By way of clarification, “specified employee” means a “key employee” (as defined in Section 416(i) of the Code, disregarding Section 416(i)(5) of the Code) of the Company. A Participant shall be treated as a key employee if the Participant meets the requirements of Section 416(i)(1)(A)(i), (ii), or (iii) (applied in accordance with the Treasury Regulations thereunder and disregarding Section 416(i)(5) of the Code) at any time during the twelve (12) month period ending on an Identification Date. If a Participant is a key employee as of an Identification Date, the Participant shall be treated as a Specified Employee for the twelve (12) month period beginning on the first day of the fourth month following such Identification Date. For purposes of any “Specified Employee” determination hereunder, the “Identification Date” shall mean the last day of the Plan Year. The Administrative Committee may in its discretion amend the Plan to change the Identification Date, provided that any change to the Plan’s Identification Date shall not take effect for at least twelve (12) months after the date of the Plan amendment authorizing such change.

Subsidiary. “Subsidiary” means (a) any corporation which is a member of a “controlled group of corporations” which includes Sysco, as defined in Code Section 414(b), (b) any trade or business under “common control” with Sysco, as defined in Code Section 414(c), (c) any organization which is a member of an “affiliated service group” which includes Sysco, as defined in Code Section 414(m), (d) any other entity required to be aggregated with Sysco pursuant to Code Section 414(o), and (e) any other organization or employment location designated as a “Subsidiary” by resolution of the Board of Directors or by the Administrative Committee for purposes of this Plan.

Sysco. “Sysco” means Sysco Corporation, the sponsor of this Plan.

Sysco Service. “Sysco Service” means service with Sysco or a Subsidiary for which the Participant is awarded “Active Service” for vesting purposes under the 401(k) Plan or would be awarded “Active Service” for vesting purposes under the 401(k) Plan if the Participant participated in the 401(k) Plan. For ease of reference, “Active Service” under the 401(k) Plan generally includes pre-acquisition service.

Termination. “Termination” means a Separation from Service from Sysco and its Subsidiaries, voluntarily or involuntarily, for any reason other than Retirement, death or Disability.

Termination/Retirement Account . “Termination/Retirement Account” means that portion of a Participant’s Account that has not been allocated to In-Service Accounts.

Treasury Regulations . “Treasury Regulations” means the Federal Income Tax Regulations, and to the extent applicable any Temporary or Proposed Regulations, promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

Trust . “Trust” means the trust established pursuant to the Trust Agreement.

Trust Agreement . “Trust Agreement” means the Third Amended and Restated Grantor Trust under the Sysco Corporation Executive Deferred Compensation Plan, as it may be further amended and/or restated from time to time.

Trustee . “Trustee” means the trustee as defined in the Trust Agreement.

Total Payments . “Total Payments” means all payments or benefits, including any accelerated vesting or payment of such benefits, received or to be received by a Participant in connection with a “change of control” (within the meaning of Section 280G of the Code) of Sysco under the terms of the Executive Retirement Plans or any other non-qualified deferred compensation arrangement sponsored by Sysco or any Subsidiary (or any company for which the Participant worked that was acquired by Sysco or a Subsidiary) and in connection with a change of control of Sysco under the terms of any stock incentive plan, mid-term or long-term incentive cash plan, or any other plan, arrangement or agreement with the Company, its successors, any person whose actions result in a change of control or any person affiliated with the Company or who, as a result of the completion of transactions causing a change of control, become affiliated with the Company within the meaning of Section 1504 of the Code, taken collectively.

Unforeseeable Emergency . “Unforeseeable Emergency” shall have the meaning set forth in Section 7.9.

ARTICLE II

ELIGIBILITY AND FROZEN PARTICIPANTS

2.1 Eligibility. All participants in the Management Incentive Plan other than those participants in the Management Incentive Plan who are employed by a Subsidiary with operations primarily in those foreign jurisdiction(s) determined by the Administrative Committee and set forth in Exhibit "B", attached hereto, shall be eligible to participate in this Plan. The Compensation Committee, Sysco's Chief Executive Officer, or Sysco's Chief Operating Officer also shall have the discretion to designate any employee of Sysco or a Subsidiary, other than an employee of a Subsidiary with operations primarily in those foreign jurisdiction(s) determined by the Administrative Committee and set forth in Exhibit "B", attached hereto, who is part of "a select group of management or highly compensated employees" within the meaning of Sections 201, 301, and 401 of ERISA, as eligible to participate in this Plan. However, the Compensation Committee, Sysco's Chief Executive Officer, or Sysco's Chief Operating Officer, retains the right to establish such additional eligibility requirements for participation in this Plan as it/he may determine is appropriate or necessary from time to time and has the right to determine, in its/his sole discretion, that any one or more persons who meet the eligibility requirements shall not be eligible to participate for one or more Plan Years beginning after the date they are notified of this decision by the Administrative Committee.

2.2 Frozen Participants. An Active Participant shall have his participation frozen (a "Frozen Participant") as of the earliest of the date (i) he ceases to be a participant in the Management Incentive Plan or otherwise fails to meet the eligibility requirements established by the Compensation Committee, Sysco's Chief Executive Officer, or Sysco's Chief Operating Officer under the second sentence of Section 2.1, (ii) he transfers from the Company to a non-participating Subsidiary, including a Subsidiary with operations primarily in those foreign jurisdiction(s) determined by the Administrative Committee and set forth in Exhibit "B", attached hereto, or otherwise becomes employed by a non-participating Subsidiary by reason of Section 9.2, or (iii) the Compensation Committee, Sysco's Chief Executive Officer, or Sysco's Chief Operating Officer exercises its/his discretion under the last sentence of Section 2.1 to exclude such Participant from participating in the Plan. A Frozen Participant's Deferral Elections for the Fiscal Year (for Bonus Deferrals) or the Plan Year (for Salary Deferrals) shall remain in effect until the end of the Fiscal Year or Plan Year, as applicable, in which such Participant becomes a Frozen Participant. A Frozen Participant shall not be eligible to make Deferral Elections until such time as he again becomes eligible to participate in the Plan, at which time any subsequent Deferral Elections shall be subject to the rules of Sections 3.1 or 3.2, as applicable.

2.3 Benefits Upon Re-employment. If a Participant, who as a result of his Disability, Retirement or Termination is receiving or is eligible to receive a distribution of his Account pursuant to Sections 7.2, 7.3, or 7.4, is subsequently re-employed by the Company, distributions shall commence as provided in Sections 7.2, 7.3, or 7.4 without regard to his re-employment, or in the case of a Participant receiving installment payments pursuant to Sections 7.2 or 7.3 as of his re-employment date, such payments shall continue unchanged. A separate Account

shall be established by the Administrative Committee to account for Deferrals and Company Contributions credited on behalf of the Participant, if any, following such Participant's re-employment.

ARTICLE III

PARTICIPANT DEFERRALS

3.1 Salary Deferral Election. For calendar years commencing on or after January 1, 2013, a Participant may elect to defer under this Plan up to fifty percent (50%) of the Salary Compensation otherwise payable to the Participant by the Company for a Plan Year (each such election, a “Salary Deferral Election”), which percentage shall be designated by the Participant pursuant to such form (which may be electronic) as approved by the Administrative Committee for this purpose (any such amount so deferred, a “Salary Deferral”). To make a Salary Deferral Election, a Participant must complete, execute and file with the Administrative Committee a Salary Deferral Election form within the applicable deadlines set forth below. A Salary Deferral Election shall apply only with respect to the Plan Year, or portion thereof, specified in the Salary Deferral Election form, and, except as provided in Section 3.4 hereof, shall be irrevocable after the applicable deadline for making a Salary Deferral Election for such Plan Year.

(a) In General. To be effective, a Salary Deferral Election form must be received by the Administrative Committee within the period established by the Administrative Committee for a given Plan Year; provided that such period ends on or before December 31st of the calendar year prior to the Plan Year for which the Salary Deferral Election is to be effective. If the Administrative Committee fails to receive a Salary Deferral Election form from a Participant during the period established by the Administrative Committee for such Plan Year, the Participant shall be deemed to have elected not to make a Salary Deferral Election for that Plan Year. Notwithstanding the foregoing, if a Participant is frozen on or before the date a Salary Deferral Election becomes irrevocable for the applicable Plan Year, such Participant shall be deemed to have elected not to make a Salary Deferral Election for that Plan Year.

(b) Election for First Year as Participant. Notwithstanding the provisions of Section 3.1(a), and unless otherwise determined by the Administrative Committee, in the Plan Year in which a Participant first becomes eligible to participate in the Plan, the Participant may make a Salary Deferral Election with respect to as much as fifty percent (50%) of such Participant’s Salary Compensation beginning with the payroll period next following the receipt by the Administrative Committee of the Participant’s Salary Deferral Election form; provided that such Salary Deferral Election form is received by the Administrative Committee prior to the 31st day following the Participant’s Eligibility Date. If the Administrative Committee does not receive such Participant’s Salary Deferral Election prior to the 31st day following the Participant’s Eligibility Date, the Participant shall be deemed to have elected not to make a Salary Deferral Election for such Plan Year. Salary Deferral Elections by such a Participant for succeeding Plan Years shall otherwise be made in accordance with the provisions of Section 3.1(a).

3.2 Bonus Deferral Election. For Bonuses awarded for Fiscal Years commencing on or after June 30, 2013, a Participant may elect to defer what percentage, if any, of his Bonus otherwise payable to the Participant by the Company for a Fiscal Year (each such election, a “Bonus Deferral Election”), which percentage shall be designated by the Participant pursuant to such form (which may be electronic) as approved by the Administrative

Committee for this purpose (any such amount so deferred, a “ Bonus Deferral ”). To be eligible to make a Bonus Deferral Election for a given Fiscal Year, a Participant must be a participant in the Management Incentive Plan on the first day of the Fiscal Year to which such Bonus Deferral Election relates. To make a Bonus Deferral Election, a Participant must complete, execute and file with the Administrative Committee a Bonus Deferral Election form within the applicable deadlines set forth below. A Bonus Deferral Election shall apply only with respect to the Fiscal Year specified in the Bonus Deferral Election form, and except as provided in Section 3.4 hereof, shall be irrevocable after the applicable deadline for making a Bonus Deferral Election for such Fiscal Year.

(a) In General. To be effective, a Participant’s Bonus Deferral Election form must be received by the Administrative Committee within the period established by the Administrative Committee for a given Fiscal Year, provided that such period ends no later than the following times: (i) with respect to the portion of the Bonus, if any, that qualifies as Performance Based Compensation (as applied on a Participant-by-Participant basis), the date that is six (6) months before the end of the Fiscal Year with respect to which such Bonus is payable; or (ii) with respect to the portion of the Bonus, if any, that does not qualify as Performance Based Compensation, the last day of the Fiscal Year immediately preceding the Fiscal Year with respect to which such Bonus is payable. If the Administrative Committee does not receive a Participant’s Bonus Deferral Election form within the period established for such purpose by the Administrative Committee for such Fiscal Year, the Participant shall be deemed to have elected not to make a Bonus Deferral Election with respect to all or a portion of such Bonus for that Fiscal Year.

(b) Performance Based Compensation. If Bonus Deferral Elections are made during the period described in Section 3.2(a)(i), only that portion of the Bonus that the Administrative Committee determines is Performance Based Compensation (on a participant by participant basis) shall be eligible for deferral under this Plan.

3.3 Additional Rules and Procedures. The Administrative Committee shall have the discretion to adopt such additional rules and procedures applicable to Salary Deferral Elections and/or Bonus Deferral Elections that the Administrative Committee determines are necessary. By way of amplification and not limitation, the Administrative Committee may require a Participant to pay or provide for payment of cash to the Company, and/or take such other actions determined to be necessary where, as a result of a Participant’s Salary Deferral Election and/or Bonus Deferral Election, the compensation payable to a Participant currently is less than such Participant’s regular payroll withholding amounts and other obligations. In addition, the Administrative Committee may establish such rules and procedures applicable to those otherwise eligible employees who transfer to a U.S. Subsidiary from a Subsidiary with operations primarily in those foreign jurisdiction(s) set forth on Exhibit “B”, attached hereto. Notwithstanding the foregoing, only the Compensation Committee shall have the authority to limit the amount of Salary Compensation and/or Bonus deferred by a Participant under this Plan for any Plan Year (for Salary Deferral Elections) or Fiscal Year (for Bonus Deferral Elections).

3.4 Cancellation of Deferral Elections upon the Occurrence of an Unforeseeable Emergency. Notwithstanding anything to the contrary contained herein, if a Participant requests a hardship withdrawal pursuant to Section 7.9, and the Administrative Committee determines that such Participant has suffered an Unforeseeable Emergency, the Participant may elect to cancel such Participant's Deferral Elections in effect for such Plan Year or Fiscal Year. Such election shall be made in writing by the Participant in such form as the Administrative Committee determines from time to time. In addition, if a Participant receives a hardship distribution under the 401(k) Plan, all Deferral Elections in effect for the Plan Year or Fiscal Year, as the case may be, in which such hardship distribution is made shall be cancelled, and such Participant may not make additional Deferral Elections for at least six (6) months following the receipt of such hardship distribution. Any subsequent Deferral Elections shall be subject to the rules of Sections 3.1 or 3.2, as applicable.

ARTICLE IV

COMPANY CONTRIBUTIONS

4.1 Definitions. The following definitions are used in this Article IV:

(a) 401(k) Match. “401(k) Match” means the amount contributed as an “Employer Matching Contribution” to the Participant’s “Employer Matching Contribution Account” under the 401(k) Plan for the Plan Year.

(b) 401(k) Nonelective Contribution. “401(k) Nonelective Contribution” means the amount contributed as an “Employer Nonelective Contribution” to the Participant’s “Employer Nonelective Contribution Account” under the 401(k) Plan for the Plan Year.

(c) 401(k) Pension Transition Contribution. “401(k) Pension Transition Contribution” means the amount contributed as an “Employer Transition Contribution” to the Participant’s “Employer Transition Contribution Account” under the 401(k) Plan for the Plan Year.

(d) 401(k) Plan Deferrals. “401(k) Plan Deferrals” means the amount contributed under the 401(k) Plan pursuant to a participant’s salary deferral agreement under the 401(k) Plan for a Plan Year, if any.

(e) “ Combined Deferral Percentage ” means, for each Plan Year, the lesser of (i) five percent (5%), or (ii) the percentage determined as follows :

(i) the sum of (A) the Deferrals credited to a Participant’s Account for the Plan Year, (B) the Participant’s 401(k) Plan Deferrals for the Plan Year, and (C) with respect to the Plan Year commencing on January 1, 2013, the “Deferrals” (as such term is defined in the EDCP) credited to the Participant account in the EDCP for such Plan Year, if any, divided by

(ii) the Participant’s Eligible Pay for the Plan Year.

(f) “ Eligible Pay ” means the following:

(i) With respect to any Plan Year commencing on or after January 1, 2013, the sum of the Participant’s

(A) Salary Compensation for the applicable Plan Year; and

(B) Bonus earned by the Participant with respect to services performed during the Fiscal Year ending in such Plan Year, without regard to whether or not such Bonus was deferred under this Plan or any other plan sponsored by Sysco or a Subsidiary.

(ii) Notwithstanding the foregoing, Eligible Pay shall be disregarded, as applicable, for periods of service during which the Participant was a Frozen Participant.

(g) “MIP Participation” means a Participant’s “MIP Participation” (as defined in the SERP) under the SERP as of June 29, 2013, unless otherwise specified herein .

4.2 Company Match . For each Plan Year commencing on or after January 1, 2013, the Company shall award to each Participant who is either (i) employed by the Company on the last day of the applicable Plan Year, or (ii) terminates employment with the Company during the applicable Plan Year by reason of death, Disability, or Retirement, a match (the “Company Match”) equal to the excess, if any, of:

(i) the product of (A) fifty percent (50%) of the Participant’s Combined Deferral Percentage for the Plan Year, and (B) the Participant’s Eligible Pay for the Plan Year, over

(ii) the sum of (A) the Participant’s 401(k) Match for the Plan Year, and (B) with respect to the Plan Year commencing on January 1, 2013, the “Company Match” (as such term is defined in the EDCP) credited to the Participant’s account in the EDCP, if any.

4.3 Nonelective Contribution . For each Plan Year commencing on or after January 1, 2013, the Company shall award each Participant who is employed by the Company at any time during the applicable Plan Year with a contribution (the “Nonelective Contribution”) equal to the excess, if any, of:

(i) three percent (3%) of the Participant’s Eligible Pay for the Plan Year, over

(ii) the Participant’s 401(k) Nonelective Contribution for the Plan Year.

4.4 Pension Transition Contribution .

(a) Subject to Section 4.4(c), for each Plan Year during the period commencing on January 1, 2013 and ending December 31, 2022, the Company shall award each eligible Participant (as determined under Section 4.4(b)) who is either (i) employed by the Company on the last day of the applicable Plan Year, or (ii) terminates employment with the Company during the applicable Plan Year by reason of death, Disability, or Retirement, with a contribution (the “Pension Transition Contribution”) equal to the excess, if any, of:

(i) three percent (3%) of the Participant’s Eligible Pay for the Plan Year, over

(ii) the Participant’s 401(k) Pension Transition Contribution for the Plan Year.

(b) A Participant shall be eligible to receive a Pension Transition Contribution pursuant to this Section 3.5 if as of December 31, 2012, the Participant was (i) accruing benefits under the Pension Plan, and (ii) at least age fifty (50) with fifteen (15) or more years of Sysco Service.

(c) Notwithstanding the foregoing, if an otherwise eligible Participant terminates employment with the Company and is subsequently re-employed by the Company, such Participant shall not be eligible to receive a Pension Transition Contribution for any Plan Year (or portion thereof) following such Participant's re-employment.

4.5 SERP Transition Contribution.

(a) Subject to Section 4.5(d), for each Plan Year during the applicable SERP Transition Period (as defined in Section 4.5(c)), the Company shall award an eligible Participant (as determined under Section 4.5(b)) who is either (i) employed by the Company on the last day of the applicable Plan Year, or (ii) terminates employment with the Company during the applicable Plan Year by reason of death, Disability, or Retirement, with a contribution (the "SERP Transition Contribution") equal to the product of (i) the Participant's Eligible Pay for the Plan Year; and (ii) the SERP Transition Contribution Percentage determined, as of June 29, 2013, as follows:

Years of MIP Participation	Age plus Years of MIP Participation	Years of Sysco Service	SERP Transition Contribution Percentage
	≥ 70		0.0%
> 10	≥ 60 but < 70	> 20	2.5%
≤ 10	≥ 60 but < 70	> 20	5.0%
> 10	< 60	> 20	5.0%
> 10	≥ 60 but < 70	≤ 20	7.5%
≤ 10	< 60	> 20	7.5%
Any	< 60	≤ 20	10.0%
≤ 10	≥ 60 but < 70	≤ 20	10.0%

(b) A Participant shall be eligible to receive a SERP Transition Contribution if the Participant was an "Active Participant" (as such term is defined in the SERP) under the SERP as of June 29, 2013.

(c) A Participant's SERP transition period shall be the period commencing January 1, 2013 and ending on earlier of (i) December 31, 2022, or (ii) December 31 of the first Plan Year in which the Participant would satisfy one of the following conditions (the "SERP Transition Period"), based on an assumption of continued MIP Participation and Sysco Service (excluding pre-acquisition service):

- (A) the Plan Year in which the Participant is at least age 65 and has at least 10 years of Sysco Service (excluding pre-acquisition service);
- (B) the Plan Year in which the Participant is at least age 62 and has (x) at least 15 years of MIP Participation, and (y) at least 25 years of Sysco Service (excluding pre-acquisition service); or

(C)the Plan Year in which the Participant (x) is at least age 55, (y) has at least 15 years of MIP Participation, and
(z) the Participant's full years of age plus full years of MIP Participation is at least 80.

(d) Notwithstanding the foregoing, if an otherwise eligible Participant terminates employment with the Company and is subsequently re-employed by the Company, such Participant shall not be eligible to receive a SERP Transition Contribution for any Plan Year (or portion thereof) following such Participant's re-employment.

4.6 MIPRP Transition Contribution.

(a) Subject to Section 4.6(c), for each Plan Year during the period commencing on January 1, 2013 and ending on December 31, 2017, the Company shall award each eligible Participant (as determined under Section 4.6(b)) who is either (i) employed by the Company on the last day of the applicable Plan Year, or
(ii) terminates employment with the Company during the applicable Plan Year by reason of death, Disability, or Retirement, a contribution (the "MIPRP Transition Contribution") equal to five percent (5%) of the Participant's Eligible Pay for the Plan Year.

(b) A Participant shall be eligible to receive a MIPRP Transition Contribution if the Participant was an "Active Participant" (as such term is defined in the MIPRP) under the MIPRP as of December 31, 2012.

(c) Notwithstanding the foregoing, if an otherwise eligible Participant terminates employment with the Company and is subsequently re-employed by the Company, such Participant shall not be eligible to receive a MIPRP Transition Contribution for any Plan Year (or portion thereof) following such Participant's re-employment.

4.7 Discretionary Company Contributions. Notwithstanding anything to the contrary contained herein, the Company, may, pursuant to a written agreement approved by the Compensation Committee, cause the Company to credit additional contributions to a Participant's Account. Any discretionary Company contributions made pursuant to this Section 4.7 shall be credited to a Participant's Termination/Retirement Account and shall be paid at the earliest to occur of a Participant's death, Disability, Retirement or Termination. The written agreement shall expressly provide the vesting schedule for such discretionary contributions.

ARTICLE V

ACCOUNT

5.1 Establishing a Participant's Account. The Administrative Committee shall establish and maintain an Account for each Participant in a Deferred Compensation Ledger. Each Account shall reflect the entire interest of the Participant in the Plan.

5.2 Credit of the Participant's Deferrals. The Participant's Account shall be credited with Deferrals, on the same day on which cash compensation would otherwise have been paid to a Participant, with a dollar amount equal to the total amount by which the Participant's cash compensation was reduced in accordance with the Participant's Deferral Election.

5.3 Credit of the Company Contributions. The Administrative Committee shall determine the amount of the Company Contributions for each Participant as soon as administratively practicable after the end of the applicable Plan Year, and shall credit these amounts to the Participant's Termination/Retirement Account as of January 31st of the calendar year following the Plan Year to which such Company Contributions relate.

5.4 Deemed Investment of Deferrals and Company Contributions. The credit balance of the Deferrals and Company Contributions in the Participant's Account shall be deemed invested and reinvested from time to time in such Investments as shall be designated by the Participant in accordance with this Section 5.4; *provided, however*, the designation of investment provisions set forth in this Section 5.4 shall not be available for Company Contributions (or, if applicable, any portion thereof) until the January 1st following the date the Company Contribution vests (or, if applicable, any portion thereof) pursuant to Section 6.2 or 6.3. Until such time, Company Contributions shall be deemed to be invested in the Default Investment, and, after such time, shall continue to be deemed invested in the Default Investment until such time as the Participant changes his Investments with respect to such Company Contributions pursuant to this Section 5.4.

(a) Upon commencement of participation in the Plan, each Participant shall make a designation of the Investments in which the Deferrals in such Participant's Account will be deemed invested. The Investments designated by a Participant shall be deemed to have been purchased on the date on which the Deferrals are credited to the Participant's Account, or if such day is not a Business Day, on the first Business Day following such date. The Investments designated with respect to Company Contributions shall be deemed to have been purchased on the date on which the Participant affirmatively designates the Investments in which the Company Contributions will be deemed invested or if such day is not a Business Day, on the first Business Day following such date. If a Participant has not made a designation of Investments in which such Participant's Deferrals and Company Contributions will be deemed invested, the credit balance of the Deferrals and Company Contributions in the Participant's Account shall be deemed to be invested in the Default Investment.

(b) At such times and under such procedures as the Administrative Committee shall designate, and subject to the first sentence of Section 5.4, each Participant shall have the right to (i) change the existing Investments in which the Deferrals and Company Contributions in such Participant's Account are deemed invested by treating a portion of such Investments as having been sold and the new Investments purchased (i.e., an Investment transfer), and (ii) change the Investments which are deemed purchased with future Deferrals and Company Contributions credited to the Participant's Account.

(c) In the case of any deemed purchase of an Investment, the Participant's Account shall be decreased by a dollar amount equal to the number of units of such Investment treated as purchased multiplied by the per unit net asset value of such Investment as of such date or, if such date is not a Business Day, on the first Business Day following such date, and shall be increased by the number of units of such Investment treated as purchased. In the case of any deemed sale of an Investment, the Participant's Account shall be decreased by the number of units of such Investment treated as sold, and shall be increased by a dollar amount equal to the number of units of such Investment treated as sold multiplied by the net asset value of such Investment as of such date or, if such date is not a Business Day, on the first Business Day following such date.

(d) In no event shall the Company be under any obligation, as a result of any designation of Investments made by Participants, to acquire any Investment assets, it being intended that the designation of any Investment shall only affect the determination of the amounts ultimately paid to a Participant.

(e) In determining the amounts of all debits and credits to the Participant's Account, the Administrative Committee shall exercise its reasonable best judgment, and all such determinations (in the absence of bad faith) shall be binding upon all Participants and their Beneficiaries. If an error is discovered in the Participant's Account, the Administrative Committee, in its sole and absolute discretion, shall cause appropriate, equitable adjustments to be made as soon as administratively practicable following the discovery of such error or omission.

(f) Earnings will be credited on the portion of the Participant's Account attributable to Deferrals and Company Contributions invested (or deemed invested) by a Participant in the Default Investment at the per annum investment return of Moody's.

5.5 Procedure to Credit Earnings Upon Death of a Participant. Upon the death of the Participant, the deemed Investments, other than amounts invested in the Default Investment, shall be treated as sold and the Participant's Account credited with a dollar value in accordance with Section 5.4(c) and invested in the Default Investment. The Participant's Account shall continue to be deemed invested in the Default Investment until the final distribution has been made to the Participant's Beneficiary.

ARTICLE VI

VESTING

6.1 Deferrals. The amount credited to a Participant's Account attributable to Deferrals, adjusted for deemed Investment earnings and losses pursuant to Section 5.4, shall be 100% vested at all times, except that deemed Investment earnings attributable to Deferrals shall be subject to forfeiture under Sections 7.7 and 7.8, and any applicable reduction caused by the restriction set forth in Section 7.11.

6.2 Company Match.

(a) Each Company Match, adjusted for deemed Investment earnings and losses pursuant to Section 5.4, shall vest in accordance with the following schedule:

<u>Completed Years of Sysco Service</u>	<u>Vested Percentage</u>
Less than 2 years	0%
2 years but less than 3 years	25%
3 years but less than 4 years	50%
4 years but less than 5 years	75%
5 or more years	100%

(b) Notwithstanding the foregoing, each Company Match, adjusted for deemed Investment earnings and losses pursuant to Section 5.4, shall automatically vest on the earliest to occur of (i) the Participant attaining age 65, (ii) the Participant's death, (iii) the Participant's Disability, or (iv) a Change of Control.

(c) Notwithstanding anything to the contrary contained herein, the Compensation Committee may, within its sole discretion, accelerate vesting under this Section 6.2 when it determines that specific situations warrant such action.

6.3 Nonelective Contribution, Pension Transition Contribution, SERP Transition Contribution, and MIPRP Transition Contribution. The amount credited to a Participant's Account attributable to Nonelective Contributions, Pension Transition Contributions, SERP Transition Contributions, and MIPRP Transition Contributions, adjusted for deemed Investment earnings and losses pursuant to Section 5.4, shall be 100% vested at all times.

6.4 Forfeiture of Vested Company Contributions. Notwithstanding the vesting provisions set forth in this Article VI, to the extent applicable, vested Company Contributions, adjusted for deemed Investment earnings attributable to Company Contributions, shall be subject to forfeiture under Sections 7.7 and 7.8, and any applicable reduction caused by the restriction set forth in Section 7.11.

ARTICLE VII

DISTRIBUTIONS

7.1 Death. Upon the death of a Participant, the Participant's Beneficiary or Beneficiaries shall be paid the balance of the Participant's Account pursuant to the distribution option selected by the Participant under Section 7.6(c).

Each Participant, upon making his initial deferral election, shall file with the Administrative Committee a designation of one or more Beneficiaries to whom distributions otherwise due the Participant shall be made in the event of the Participant's death prior to the complete distribution of the amount credited to his Account. The designation shall be effective upon receipt by the Administrative Committee of a properly executed form approved by the Administrative Committee for that purpose. The Participant may from time to time revoke or change any designation of Beneficiary by filing another approved Beneficiary designation form with the Administrative Committee. If there is no valid designation of Beneficiary on file with the Administrative Committee at the time of the Participant's death, or if all of the Beneficiaries designated in the last Beneficiary designation have predeceased the Participant or, in the case of an entity, otherwise ceased to exist, the Beneficiary shall be the Participant's spouse, if the spouse survives the Participant, or otherwise the Participant's estate. A Beneficiary who is an individual shall be deemed to have predeceased the Participant if the Beneficiary dies within thirty (30) days of the date of the Participant's death. If any Beneficiary survives the Participant but dies or, in the case of an entity, otherwise ceases to exist before receiving all amounts due the Beneficiary from the Participant's Account, the balance of the amount which would have been paid to that Beneficiary shall, unless the Participant's designation provides otherwise, be distributed to the individual deceased Beneficiary's estate or, in the case of an entity, to the Participant's spouse, if the spouse survives the Participant, or otherwise to the Participant's estate. Any Beneficiary designation which designates any person or entity other than the Participant's spouse must be consented to in writing by the Participant's spouse in a form acceptable to the Administrative Committee in order to be effective.

7.2 Disability. Upon the Disability of a Participant, the Participant shall be paid the balance of the Participant's Account pursuant to the distribution option selected by the Participant under Section 7.6(c).

7.3 Retirement. Upon the Retirement of a Participant, the Participant shall be paid the balance of the Participant's Account pursuant to the Distribution option selected by the Participant under Section 7.6(c).

7.4 Distributions Upon Termination. Upon a Participant's Termination, the Participant shall be paid the vested portion of the Participant's Account pursuant to the Lump Sum Distribution Option. Any amounts not vested at the date of the Participant's Termination shall be forfeited as of the date of Termination, or the date such amounts are credited to the Participant's Account, if later.

7.5 In-Service Distributions. Each In-Service Distribution shall be paid in a lump sum on the In-Service Distribution Date, or as soon as administratively practicable thereafter. Notwithstanding a Participant's

election to receive an In-Service Distribution of some or all of the Participant's Account, if the Participant's Retirement, Disability, death or Termination, as applicable, occurs prior to any In-Service Distribution Date(s), the Participant's remaining In-Service Account balance(s) (after making any In-Service Distributions with respect to In-Service Distribution Date(s) occurring prior to such Participant's Retirement, death, Disability or Termination but not otherwise paid) shall be distributed pursuant to the Plan's provisions regarding distributions upon Retirement, Disability, death or Termination, as applicable.

7.6 Distribution Elections. Each Participant shall have the right to elect, to revoke, or to change any prior election of the timing of payment or the form of distribution at the time and under the rules established by the Administrative Committee, which rules shall include and shall be limited by the provisions of this Section 7.6.

(a) Initial Distribution Elections.

(i) Death/Disability/Retirement Distribution Elections. A Participant may elect different forms of distribution, as specified in Section 7.6(c), with respect to the distribution events described in Sections 7.1 (upon death), 7.2 (upon Disability) and 7.3 (upon Retirement) (a "Distribution Election"). The initial Distribution Election with respect to a particular distribution event shall be effective upon receipt, and shall become irrevocable at such time, if received by the Administrative Committee in proper form prior to or concurrent with the earlier to occur of (A) the time a Participant first makes an affirmative Deferral Election under this Plan, or (B) the last day of the first applicable election period that applies to the Participant when the Participant first becomes eligible to make an affirmative Deferral Election under this Plan, if the Participant does not then make an affirmative Deferral Election. If the Participant fails to make an effective Distribution Election within the deadline established in this Section 7.6(a)(i), the Participant shall be conclusively deemed to have elected to receive his Account pursuant to the Default Distribution Option. All elections of form of distribution, with respect to such distribution events, made after the deadline established in this Section 7.6(a)(i) must comply with the rules of Section 7.6(b).

(ii) In-Service Distribution Elections. In connection with each Salary Deferral Election and/or Bonus Deferral Election made for a given Plan Year and/or Fiscal Year, a Participant may elect to receive such Deferrals, or a specified whole percentage of such Deferrals, in a lump sum distribution at an In-Service Distribution Date that is at least two (2) years after the end of the Plan Year in which such Salary Compensation or Bonus would otherwise have been paid (an "In-Service Distribution Election"). Except as otherwise required by the Administrative Committee, an In-Service Distribution Election may be made separately with respect to each Plan Year's Salary Deferral and Fiscal Year's Bonus Deferral, and In-Service Accounts shall be established accordingly. Any portion of a Deferral that is not credited to an In-Service Account shall be credited to the Participant's Termination/Retirement Account, which credited amounts shall remain credited to the Participant's Termination/Retirement Account until such amounts have been distributed to the Participant or the Participant's Beneficiary and may not be later credited or reallocated to an In-Service Account.

(b) Subsequent Elections. Any election, revocation, or change of election of form of distribution with respect to distributions upon death, Disability and Retirement that a Participant makes after he first makes an affirmative Distribution Election under this Plan (or is deemed to make a Distribution Election under Section 7.6(a)(i)), or change of election of time of payment with respect to In-Service Distributions (each such election, revocation and change are referred to collectively herein as a “Subsequent Election”) shall be effective only if the requirements of this Section 7.6(b) are met. A Subsequent Election may be submitted to the Administrative Committee from time to time in the form determined by the Administrative Committee and shall be effective on the date that is twelve (12) months after the date on which such Subsequent Election is received by the Administrative Committee. If an event giving rise to a distribution occurs during the one-year period after a Subsequent Election is made, or if such Subsequent Election does not meet the requirements of this Section 7.6(b), distributions under this Plan shall be made pursuant to the Participant’s last effective election (or deemed election), revocation, or change with respect to the event giving rise to the distribution. With respect to payments upon Retirement or upon the occurrence of an In-Service Distribution Date, (i) the Subsequent Election must be received by the Administrative Committee in proper form at least one year prior to such Participant’s Retirement or the occurrence of an In-Service Distribution Date; and (ii) the first payment pursuant to such Subsequent Election may not be made within the five-year period commencing on the date such payment would have been made or commenced under the last effective election, revocation, or change made by the Participant.

(c) Distribution Options. The distribution options that may be selected by Participants pursuant to this Section 7.6 are as follows:

(i) Installment Distribution Option. If a Participant selects the “Installment Distribution Option”, the Participant or the Participant’s Beneficiaries shall be distributed the amount of the Participant’s Account in annual installments for a period of up to twenty (20) years (as selected by the Participant). Amounts distributed pursuant to the Installment Distribution Option shall be treated as a single payment for purposes of the Subsequent Election rules set forth in Section 7.6(b). Installment payments distributed pursuant to the Installment Distribution Option shall be distributed based on the declining balance of the Participant’s Account during the applicable payout period. The first installment payment shall commence as provided under Section 7.6(d), and subsequent installments shall be paid (and deducted from the Participant’s Account) on April 30th of each subsequent calendar year. The amount of the first installment payment shall be the amount of the Participant’s Account as of the date distributions commence under Section 7.6(d), multiplied by a fraction, the numerator of which is one (1) and the denominator of which is the total number of remaining installments, including the current installment, to be paid. The amount of each subsequent installment payment shall be the amount of the Participant’s Account as of April 15th of the calendar year in which the installment distribution is being made multiplied by a fraction, the numerator of which is one (1) and the denominator of which is the total number of remaining installments, including the current installment, to be paid, with the final installment payment amount being the remaining balance of the Participant’s Account as of April 15th of the calendar year in which the final installment distribution is being made.

(ii) Lump Sum Distribution Option . If the Participant selects the “ Lump Sum Distribution Option ”, the Participant or the Participant’s Beneficiaries shall be distributed a lump sum at the time provided under Section 7.6(d) equal to the amount of the Participant’s Account. Deferrals and Company Contributions credited to the Participant’s Account after such time, adjusted for deemed Investment earnings and losses pursuant to Section 5.4 through April 15th of the calendar year in which they are credited, shall be distributed on April 30th of the calendar year in which they are credited under Section 5.2 or 5.3.

(iii) Combination Lump Sum and Installment Distribution Option . If the Participant selects the “ Combination Lump Sum and Installment Distribution Option ”, the Participant’s Account shall be distributed in part to the Participant or the Participant’s Beneficiaries in a lump sum of a specified dollar amount (as specified by the Participant), with the balance distributed in annual installments for a period of up to twenty (20) years (as selected by the Participant). Amounts distributed pursuant to the Combination Lump Sum and Installment Distribution Option shall be treated as a single payment for purposes of the Subsequent Election rules set forth in Section 7.6(b). If a Participant elects to have his Account distributed pursuant to this Section 7.6(c)(iii), the lump sum payment shall equal the lesser of (i) the amount specified by the Participant, or (ii) the amount of the Participant’s Account, and shall be distributed at the time provided under Section 7.6(d). Installment payments shall be distributed based on the declining balance of the Participant’s Account during the applicable installment payout period. Installment payments shall commence (and be deducted from the Participant’s Account) on April 30th of the calendar year following the calendar year in which the lump sum is distributed pursuant to Section 7.6(d), and shall be paid (and deducted from the Participant’s Account) on April 30th of each subsequent year. The amount of each installment payment shall be the amount of the Participant’s Account as of April 15th of the calendar year in which the installment distribution is being made multiplied by a fraction, the numerator of which is one (1) and the denominator of which is the total number of remaining installments, including the current installment, to be paid, with the final installment payment amount being the remainder of the Participant’s Account as of April 15th of the calendar year in which the final installment distribution is being made.

(iv) Default Distribution Option . If the Participant fails to make an affirmative Distribution Election under Section 7.6(a)(i), the Participant shall be conclusively deemed to have elected to receive the vested balance of such Participant’s Account pursuant to the Installment Distribution Option over a period of fifteen (15) years (the “ Default Distribution Option ”).

(d) Commencement of Distributions . Distributions pursuant to this Section 7.6 shall commence on the last day of the month as soon as administratively practicable after the event giving rise to the distribution, but not later than ninety (90) days after the event giving rise to the distribution; *provided, however* , that in the case of the death of the Participant, distributions shall not commence within the thirty (30) day period following the Participant’s death; *provided further* , that, in the case of a Participant who has made a Subsequent Election with respect to distributions upon Retirement or the occurrence of an In-Service Distribution Date, distributions upon Retirement or the occurrence of an In-Service Distribution Date shall not commence earlier than

the time prescribed by Section 7.6(b); *provided further* , that distributions to a Specified Employee that result from such Participant's Retirement or Termination shall not commence earlier than the date that is six (6) months after such Specified Employee's Retirement or Termination from the Company if such earlier commencement would result in the imposition of tax under Section 409A. If distributions to a Participant are delayed because of the six-month distribution delay described in the immediately preceding sentence, such distributions shall commence on the last day of the month as soon as administratively practicable following the end of such six-month period, but not later than thirty (30) days after the end of such six-month period.

7.7 Forfeiture For Cause.

Forfeiture on Account of Discharge. If the Administrative Committee finds, after full consideration of the facts presented on behalf of both Sysco (or as applicable, a Subsidiary) and a Participant, that the Participant was discharged by Sysco (or as applicable, a Subsidiary) for: (i) fraud, (ii) embezzlement, (iii) theft, (iv) commission of a felony, (v) proven dishonesty in the course of his employment by Sysco (or as applicable, a Subsidiary) which damaged Sysco and/or any of its Subsidiaries, or (vi) disclosing trade secrets of Sysco and/or any of its Subsidiaries ((i) through (vi) individually and collectively referred to as a "Forfeiture Event"), the entire amount credited to the Participant's Account as of the date of discharge, exclusive of the lesser of (a) the credit balance of the Participant's Account attributable to Deferrals of the Participant, without any adjustments for deemed Investment earnings and losses pursuant to Section 5.4, or (b) the credit balance of the Participant's Account attributable to Deferrals, taking into account the adjustments for deemed Investment earnings and losses pursuant to Section 5.4, shall be forfeited even though it may have been previously vested under Article VI.

Forfeiture after Commencement of Distributions. If the Administrative Committee finds, after full consideration of the facts presented on behalf of both Sysco (or as applicable, a Subsidiary) and the Participant, that a Participant who has begun receiving distributions under this Plan (other than In-Service Distributions) or has received all distributions such Participant is entitled to receive under this Plan engaged in a Forfeiture Event during his employment with Sysco (or as applicable, a Subsidiary) (even though the Participant was not discharged from Sysco or a Subsidiary for such a Forfeiture Event), the Participant and/or Participant's Beneficiaries shall, to the extent determined by the Administrative Committee, in its sole discretion, (i) forfeit the entire amount credited to the Participant's Account exclusive of the lesser of (A) the credit balance of the Participant's Account attributable to Deferrals of the Participant, without any adjustments for deemed Investment earnings and losses pursuant to Section 5.4, or (B) the credit balance of the Participant's Account attributable to Deferrals, taking into account the adjustments for deemed Investment earnings and losses pursuant to Section 5.4, and/or (ii) repay to the Company (at such times as determined by the Administrative Committee) amounts previously distributed to the Participant under this Plan exclusive of amounts attributable to Deferrals (without any adjustments for deemed Investment earnings and losses pursuant to Section 5.4) under this Plan, even though such amounts may have been previously vested under Article VI. For purposes of determining the portion of the Participant's Account attributable to Deferrals, any distributions made to a Participant before the date of

determination (including any In Service Distributions) shall be applied first to reduce the credit balance of the Participant's Account attributable to Deferrals (exclusive of any associated Investment earnings).

Administrative Committee Discretion. The decision of the Administrative Committee as to the existence of a Forfeiture Event shall be final. No decision of the Administrative Committee shall affect the finality of the discharge of the Participant by Sysco or a Subsidiary in any manner.

Special Rule for Change of Control. Notwithstanding the above, the forfeiture and/or repayment obligations created by Sections 7.7(a) and 7.7(b), respectively, shall not apply to a Participant who: (i) is discharged during the Fiscal Year in which a Change of Control occurs, or during the next three (3) succeeding Fiscal Years following the Fiscal Year in which a Change of Control occurs (the "Change of Control Period") or (ii) during the Change of Control Period is determined by the Administrative Committee to have engaged in a Forfeiture Event, unless a court reviewing the Administrative Committee's findings agrees with the Administrative Committee's determination to apply the forfeiture.

7.8 Forfeiture for Competition.

(a) Participant hereby recognizes that the Company would not be providing the valuable benefits conferred by this Plan but for Participant's willingness to provide certain post-employment covenants designed to protect Sysco and its Subsidiaries' valuable confidential information, trade secrets and goodwill, including, without limitation, its valuable customer and supplier relationships. By accepting the benefits provided by this Plan, Participant acknowledges that Participant is engaging in an arms-length transaction of parties with equal bargaining power, recognizing that Participant may refuse to accept the benefits provided by this Plan and accordingly refuse to provide the covenants contained in this Section 7.8 without any impact on Participant's continued employment with Sysco (or, as applicable, any Subsidiary).

(b) To the extent determined by the Administrative Committee, in its sole discretion, Participant and/or Participant's Beneficiaries shall (i) forfeit the entire amount credited to the Participant's Account exclusive of the lesser of (A) the credit balance of the Participant's Account attributable to Deferrals of the Participant, without any adjustments for deemed Investment earnings and losses pursuant to Section 5.4, or (B) the credit balance of the Participant's Account attributable to Deferrals, taking into account the adjustments for deemed Investment earnings and losses pursuant to Section 5.4, and/or (ii) repay to the Company (at such times as determined by the Administrative Committee) amounts previously distributed to the Participant under this Plan exclusive of amounts attributable to Deferrals (without any adjustments for deemed Investment earnings and losses pursuant to Section 5.4) under this Plan, if the Administrative Committee finds, after full consideration of the facts, that Participant, at any time (I) (x) within one (1) year following the Participant's last day of employment or (y) following the Participant's last day of employment and after the date that a Participant has begun receiving distributions under this Plan or has received all distributions such Participant is entitled to receive under this Plan, and (y) and without written consent of Sysco's Chief Executive Officer or General Counsel, directly or indirectly

engages in any of the following acts: (1) provides services (regardless of whether as a director, officer, employee, consultant or independent contractor) that are substantially the same as provided to Sysco (or as applicable, any Subsidiary) to any business that competes with the business of Sysco (or, if applicable, any Subsidiary if Participant worked for a Subsidiary as of Participant's last day of employment) in any county where Sysco (or as applicable, any Subsidiary) that employed Participant sold product as of the date of this Plan, *provided that* Participant also worked in or had responsibility over such county or counties at any time during the last twenty-four (24) months of Participant's employment with Sysco (or, as applicable, any Subsidiary); (2) solicits, entices or recruits for any business that competes with the business of Sysco (or, if applicable, any Subsidiary if Participant worked for a Subsidiary as of Participant's last day of employment) any actual or prospective customer of Sysco (or as applicable, any Subsidiary) with whom Participant had contact at any time during Participant's employment; (3) solicits, entices or recruits any employee of Sysco or any Subsidiary to leave such employment to join a competing business; or (4) discloses any trade secret or item of confidential information of Sysco and/or any Subsidiary to a competing business. For purposes of determining the portion of the Participant's Account attributable to Deferrals, any distributions made to a Participant before the date of determination shall be applied first to reduce the credit balance of the Participant's Account attributable to Deferrals (exclusive of any associated Investment earnings).

(c) Notwithstanding the foregoing, the forfeiture or repayment obligations created by this Section 7.8 shall not apply to any Participant whose termination of employment from Sysco or a Subsidiary occurs during the Change of Control Period.

7.9 Hardship Withdrawals. Any Participant may request a hardship withdrawal to satisfy an "Unforeseeable Emergency." No hardship withdrawal can exceed the lesser of (i) the amount of Deferrals credited to the Participant's Account, or (ii) the amount reasonably necessary to satisfy the Unforeseeable Emergency. Whether an Unforeseeable Emergency exists and the amount reasonably needed to satisfy such need shall be determined by the Administrative Committee based upon the evidence presented by the Participant and the rules established in this Section 7.9. If a hardship withdrawal under this Section 7.9 is approved by the Administrative Committee, it shall be paid within ten (10) days of the Administrative Committee's determination. For purposes of this Plan, an "Unforeseeable Emergency" means either: (i) a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant's spouse or of a dependent (as defined in Section 152(a) of the Code) of the Participant, (ii) loss of the Participant's property due to casualty, or (iii) other similar extraordinary and unforeseeable circumstance arising as a result of events beyond the control of the Participant, provided that in each case the circumstances qualify as an "unforeseeable emergency" for purposes of Section 409A. The circumstances that constitute a hardship shall depend upon the facts of each case, but, in any case, amounts distributed with respect to an Unforeseeable Emergency shall not exceed the amount necessary to satisfy such need plus amounts necessary to pay taxes reasonably anticipated as a result of the distribution, after taking into account the extent to which such need is or may be relieved: (a) through reimbursement or compensation by insurance or otherwise (other than compensation that would otherwise be available to the Participant from either a tax-qualified plan or another non-qualified deferred compensation plan (irrespective of whether such non-qualified deferred

compensation plan is subject to Section 409A of the Code)), (b) by liquidation of the Participant's assets, to the extent the liquidation of such assets will not itself cause severe financial hardship, or (c) additional compensation that may be available to such Participant by reason of a cancellation of deferrals under Section 3.4 of this Plan. Foreseeable needs for funds, such as the need to send a Participant's child to college or the desire to purchase a home, shall not be considered to be an Unforeseeable Emergency.

7.10 Payments Upon Income Inclusion Under Section 409A. It is intended that the provisions of this Plan shall comply fully with the requirements of Section 409A. In the event that it is determined that some or all of the provisions of this Plan do not comply with the requirements of Section 409A and a Participant is required to include in income amounts otherwise deferred under this Plan as a result of non-compliance with Section 409A, the Participant shall be entitled, upon request, to receive a distribution from such Participant's Account not to exceed the lesser of (i) the vested portion of the Participant's Account, or (ii) the amount required to be included in income as a result of the failure of the Plan to comply with the requirements of Section 409A. Amounts distributable pursuant to this Section 7.10 shall be distributed as soon as administratively practicable but no later than ninety (90) days after the date of the determination that such provisions of the Plan do not comply with the requirements of Section 409A.

7.11 Restrictions on any Portion of Total Payments Determined to be Excess Parachute Payments. If any payment or benefit received or to be received by a Participant in connection with a "change of control" (as defined in Section 280G of the Code and the Treasury Regulations thereunder) of Sysco would either (i) result in such payment or benefit not being deductible, whether in whole or in part, by Sysco or any Subsidiary, as a result of Section 280G of the Code, and/or (ii) result in the Participant being subject to the excise tax imposed under Section 4999 of the Code, then the benefits payable to the Participant under the Executive Retirement Plans shall be reduced until no portion of the Total Payments is not deductible as a result of Section 280G of the Code (and/or not subject to the excise tax imposed under Section 4999 of the Code) or the benefits payable under the Executive Retirement Plans that are treated as "parachute payments" (within the meaning of Section 280G(b)(2) of the Code) have been reduced to zero. If a Participant is entitled to a benefit under more than one (1) of the Executive Retirement Plans, then the reduction shall be applied in the order determined by the Administrative Committee in its sole discretion. In determining the amount of the reduction, if any, under this Plan: (a) no portion of the Total Payments which the Participant has waived in writing prior to the date of the payment of benefits under this Plan will be taken into account, (b) no portion of the Total Payments which tax counsel, selected by Sysco's independent auditors and acceptable to the Participant and reasonably acceptable to Sysco ("Tax Counsel"), determines not to constitute a "parachute payment" within the meaning of Section 280G(b)(2) of the Code will be taken into account (including, without limitation, amounts not treated as a "parachute payment" as a result of the application of Section 280G(d)(4)(A)), (c) no portion of the Total Payments which Tax Counsel, determines to be reasonable compensation for services rendered within the meaning of Section 280G(d)(4)(B) of the Code will be treated as an "excess parachute payment" in the manner provided by Section 280G(d)(4)(B), and (d) the value of any non-cash benefit or any deferred payment or benefit included in the Total Payments will be determined by Sysco's independent auditors in accordance with Sections 280G(b)(3) and (4) of the Code. Notwithstanding anything herein or otherwise to the

contrary, the Compensation Committee, may, within its sole discretion and pursuant to an agreement approved by the Compensation Committee, waive application of this Section 7.11, when it determines that specific situations warrant such action.

7.12 Responsibility for Distributions and Withholding of Taxes . The Administrative Committee shall furnish information to Sysco concerning the amount and form of distribution to any Participant entitled to a distribution so that Sysco may make the distribution required. Sysco shall also calculate the deductions from the amount of the benefit paid under the Plan for any taxes required to be withheld by federal, state or local government and will cause them to be withheld.

ARTICLE VIII

ADMINISTRATION

8.1 Administrative Committee Appointment . The Administrative Committee shall be appointed by the Compensation Committee. Each Administrative Committee member shall serve until his or her resignation or removal. The Compensation Committee or its designee shall have the sole discretion to remove any one or more Administrative Committee members and to appoint one or more replacement or additional Administrative Committee members from time to time.

8.2 Administrative Committee Organization and Voting . The organizational structure and voting responsibilities of the Administrative Committee shall be as set forth in the bylaws of the Administrative Committee.

8.3 Powers of the Administrative Committee . Except as provided under Section 8.7 or unless otherwise reserved to the Compensation Committee (or, as applicable, Sysco's Chief Executive Officer and/or Chief Operating Officer), the Administrative Committee shall have the exclusive responsibility for the general administration of the Plan according to the terms and provisions of the Plan and shall have all powers necessary to accomplish those purposes, including but not by way of limitation the right, power and authority:

- (a) to make rules and regulations for the administration of the Plan;
- (b) to construe, interpret and apply all terms, provisions, conditions and limitations of the Plan;
- (c) to correct any defect, supply any omission or reconcile any inconsistency that may appear in the Plan in the manner and to the extent it deems expedient to carry the Plan into effect for the greatest benefit of all parties at interest;
- (d) to designate the persons eligible to become Participants and to establish the maximum and minimum amounts that may be elected to be deferred;
- (e) to determine all controversies relating to the administration of the Plan, including but not limited to:
 - (i) differences of opinion arising between the Company and a Participant in accordance with Section 8.7, except when the difference of opinion relates to the entitlement to, the amount of or the method or timing of payment of a benefit affected by a Change of Control, in which event, such difference of opinion shall be decided by judicial action; and

(ii) any question it deems advisable to determine in order to promote the uniform administration of the Plan for the benefits of all parties at interest;

(f) to delegate by written notice any plan administration duties of the Administrative Committee to such individual members of the Administrative Committee, individual employees of the Company, or groups of employees of the Company, as the Administrative Committee determines to be necessary or advisable to properly administer the Plan; and

(g) to designate the investment options treated as Investments for purposes of this Plan.

8.4 Committee Discretion. The Administrative Committee (or, as applicable, the Compensation Committee, Sysco's Chief Executive Officer and/or Chief Operating Officer), in exercising any power or authority granted under this Plan, or in making any determination under this Plan, shall perform or refrain from performing those acts pursuant to such authority using its sole discretion and judgment. By way of amplification and without limiting the foregoing, the Company specifically intends that the Administrative Committee (or, as applicable, the Compensation Committee, Sysco's Chief Executive Officer and/or Chief Operating Officer) have the greatest possible discretionary authority to construe, interpret and apply the terms of the Plan and to determine all questions concerning eligibility, participation and benefits. Any decision made by the Administrative Committee (or, as applicable, the Compensation Committee, Sysco's Chief Executive Officer and/or Chief Operating Officer) or any refraining to act or any act taken by the Administrative Committee (or, as applicable, the Compensation Committee, Sysco's Chief Executive Officer and/or Chief Operating Officer) in good faith shall be final and binding on all parties. The Administrative Committee's (or, as applicable, the Compensation Committee's, Sysco's Chief Executive Officer's and/or Chief Operating Officer's) decisions shall never be subject to de novo review. Notwithstanding the foregoing, the Administrative Committee's (or, as applicable, the Compensation Committee's, Sysco's Chief Executive Officer's and/or Chief Operating Officer's) decisions, refraining to act or acting is to be subject to judicial review for those incidents occurring during the Fiscal Year in which a Change of Control occurs and during the next three (3) succeeding Fiscal Years.

8.5 Reimbursement of Expenses. The Administrative Committee shall serve without compensation for its services but shall be reimbursed by Sysco for all expenses properly and actually incurred in the performance of its duties under the Plan.

8.6 Indemnification. To the extent permitted by law, members of the Board of Directors, members of the Compensation Committee, members of the Administrative Committee, employees of the Company, and all agents and representatives of the Company shall be indemnified by the Company, and saved harmless against any claims resulting from any action or conduct relating to the administration of the Plan, except claims arising from gross negligence, willful neglect or willful misconduct.

8.7 Claims Procedure. Any person who believes that he or she is being denied a benefit to which he or she is entitled under the Plan (referred to hereinafter as a “Claimant”) must file a written request for such benefit with the Administrative Committee; *provided, however*, that any claim involving entitlement to, the amount of or the method of or timing of payment of a benefit affected by a Change of Control shall be governed by Section 8.3(e)(i). Such written request must set forth the Claimant’s claim and must be addressed to the Administrative Committee at Sysco’s principal office.

(a) Initial Claims Decision. The Administrative Committee shall generally provide written notice to the Claimant of its decision within ninety (90) days (or forty-five (45) days for a Disability-based claim) after the claim is filed with the Administrative Committee; *provided, however*, that the Administrative Committee may have up to an additional ninety (90) days (or up to two (2) thirty (30) day periods for a Disability-based claim), to decide the claim, if the Administrative Committee determines that special circumstances require an extension of time to decide the claim, and the Administrative Committee advises the Claimant in writing of the need for an extension (including an explanation of the special circumstances requiring the extension) and the date on which it expects to decide the claim.

(b) Appeals. A Claimant may appeal the Administrative Committee’s decision by submitting a written request for review to the Administrative Committee within sixty (60) days (or one hundred eighty (180) days for a Disability-based claim) after the earlier of receiving the denial notice or after expiration of the initial review period. Such written request must be addressed to the Administrative Committee at Sysco’s principal office. In connection with such request, the Claimant (and his or her authorized representative, if any) may review any pertinent documents upon which the denial was based and may submit issues and comments in writing for consideration by the Administrative Committee. If the Claimant’s request for review is not received within the earlier of sixty (60) days (or one hundred eighty (180) days for a Disability-based claim) after receipt of the denial or after expiration of the initial review period, the denial shall be final, and the Claimant shall be barred and estopped from challenging the Administrative Committee’s determination.

(c) Decision Following Appeal. The Administrative Committee shall generally make its decision on the Claimant’s appeal in writing within sixty (60) days (or forty-five (45) days for a Disability-based claim) following its receipt of the Claimant’s request for appeal; *provided, however*, that the Administrative Committee may have up to an additional sixty (60) days (or forty-five (45) days for a Disability-based claim) to decide the claim, if the Administrative Committee determines that special circumstances require an extension of time to decide the claim and the Administrative Committee advises the Claimant in writing of the need for an extension (including an explanation of the special circumstances requiring the extension) and the date on which it expects to decide the claim. The Administrative Committee shall notify the Claimant of its decision on the Claimant’s appeal in writing, regardless of whether the decision is adverse.

(d) Decisions Final; Procedures Mandatory. A decision on appeal by the Administrative Committee shall be binding and conclusive upon all persons, and completion of the claims procedures described in

this Section 8.7 shall be a mandatory precondition to commencement of any court proceeding brought in connection with the Plan by a person claiming rights under the Plan or by another person claiming rights through such a person. The Administrative Committee may, in its sole discretion, waive the procedures described in this Section 8.7 as a mandatory precondition to such an action.

8.8 Delegation of Authority by the Compensation Committee. The Compensation Committee hereby expressly delegates to the Chief Executive Officer and/or Chief Operating Officer of Sysco the Compensation Committee's discretionary authority with respect to the following: (i) designating employees as participants in the Plan (subject to the limitations set forth in the second sentence of Section 2.1); (ii) establishing additional eligibility requirements for participation in the Plan; and (iii) excluding an otherwise eligible employee from participating in the Plan; provided, however, that the Chief Executive Officer's and/or Chief Operating Officer's discretionary authority under this Plan shall not apply to the extent such decision is with respect to an Executive Officer.

8.9 Compensation Committee Decisions. Notwithstanding anything in the Plan to the contrary, any determination made with respect to the benefits or rights of an Executive Officer under this Plan shall not be made by the Administrative Committee (or, as applicable, Sysco's Chief Executive Officer and/or Chief Operating Officer) but shall instead be made by the Compensation Committee, and each provision of the Plan otherwise governing such a determination shall be interpreted and construed to substitute the Compensation Committee for the Administrative Committee (or, as applicable, Sysco's Chief Executive Officer and/or Chief Operating Officer) in such provision.

ARTICLE IX

ADOPTION BY SUBSIDIARIES

9.1 Procedure for and Status After Adoption. Any Subsidiary (other than a Subsidiary with operations primarily in Canada or such other foreign jurisdiction determined by the Administrative Committee and set forth on Exhibit B, attached hereto) may, with the approval of the Administrative Committee, adopt this Plan by appropriate action of its board of directors. The terms of this Plan shall apply separately to each Subsidiary adopting this Plan and its Participants in the same manner as is expressly provided for by Sysco and its Participants except that the powers of the Board of Directors, the Compensation Committee, the Administrative Committee and the Chief Executive Officer and/or Chief Operating Officer under the Plan shall be exercised by the Board of Directors of Sysco, the Compensation Committee of the Board of Directors of Sysco, the Administrative Committee of Sysco or the Chief Executive Officer and/or Chief Operating Officer of Sysco, as applicable. Sysco and each Subsidiary adopting this Plan shall bear the cost of providing plan benefits for its own Participants. It is intended that the obligation of Sysco and each Subsidiary with respect to its Participants shall be the sole obligation of the Company that is employing the Participant and shall not bind any other Company.

9.2 Termination of Participation By Adopting Subsidiary. Any Subsidiary adopting this Plan may, by appropriate action of its board of directors, terminate its participation in this Plan. The Administrative Committee may, in its discretion, also terminate a Subsidiary's participation in this Plan at any time. The termination of the participation in this Plan by any Subsidiary shall not, however, affect the rights of any Participant who is working or has worked for the Subsidiary as to (i) amounts previously standing to his credit in his Account in the Deferred Compensation Ledger, (ii) any Deferrals not yet credited to the Participant's Account prior to the termination of the Subsidiary's participation in this Plan, and (iii) any Company Contributions not yet credited to the Participant's Account attributable to the portion of the Plan Year prior to the termination of the Subsidiary's participation in this Plan, including, without limitation, all of the Participant's rights pursuant to Section 5.4 with respect to amounts deferred by him and contributed by the Company and credited to his Account, prior to the distribution of those funds to the Participant, without his consent.

ARTICLE X

AMENDMENT AND/OR TERMINATION

10.1 Amendment or Termination of the Plan. The Compensation Committee may amend or terminate this Plan at any time by an instrument in writing without the consent of any adopting Subsidiary.

10.2 No Retroactive Effect on Awarded Benefits. Absent a Participant's prior consent, no amendment shall:

- (a) affect the amounts then standing to his credit in his Account;
- (b) affect the determination of any Company Contributions not yet credited to the Participant's Account that are attributable to the portion of the Plan Year or Fiscal Year, as applicable, prior to the effective date of such amendment; or
- (c) change a Participant's rights under any provision relating to a Change of Control after a Change of Control has occurred.

However, the Compensation Committee shall retain the right at any time to change in any manner the method of calculating Investment earnings and losses effective from and after the date of the amendment on the Participant's Deferrals or Company Contributions if the amendment has been announced to the Participants .

10.3 Effect of Termination. Upon termination of the Plan, the following provisions of this Section 10.3 shall apply:

(a) No additional amounts shall be credited to any Participant's Account, to the extent such amounts relate to salaries or bonuses earned on or after the effective date of the Plan's termination.

(b) The Compensation Committee may, in its sole discretion, authorize distributions of the vested balance of the Participants' Accounts in the Deferred Compensation Ledger to Participants as a result of the Plan's termination; provided that:

(i) All deferred compensation arrangements sponsored by the Company that would be aggregated with this Plan under Section 1.409A-1(c) of the Treasury Regulations, if the Participant participated in such arrangements are terminated;

(ii) No distributions other than distributions that would be payable under the terms of the Plan if the termination had not occurred are made within twelve (12) months of the termination of the Plan;

(iii) All distributions of amounts deferred under the Plan and any other vested amounts are paid within twenty-four (24) months of the termination of the Plan; and

(iv) The Company does not adopt a new deferred compensation arrangement at any time within three (3) years following the date of termination of the Plan that would be aggregated with this Plan under Section 1.409A-1(c) of the Treasury Regulations if the Participant participated in this Plan and is participating in the new arrangement.

(c) Except as otherwise provided in Sections 10.3(a) and (b), on and after the effective date of the Plan's termination, (i) the Plan shall continue to be administered as it was prior to the Plan's termination until all Participant Account balances have been distributed pursuant to the terms of the Plan; (ii) a Participant shall continue to be entitled to a distribution of his Account only if he meets the distribution requirements set forth in Article VII hereof; (iii) the forfeiture provisions of Sections 7.7 and 7.8, and the restrictions set out in Section 7.11 shall continue to apply; and (iv) no Participant shall be entitled to a distribution of the Participant's Account solely as a result of the Plan's termination in accordance with the terms of this Article X.

ARTICLE XI

FUNDING

11.1 Payments Under This Plan are the Obligation of the Company. The Company last employing a Participant shall pay the benefits due the Participant under this Plan; however, should it fail to do so when a benefit is due, then the benefit shall be paid by the Trust. In any event, if the Trust fails to pay the benefit for any reason, the Company shall remain liable for the payment of all benefits provided by this Plan.

11.2 Plan May Be Funded Through the Trust. It is specifically recognized by both the Company and the Participants that the Company may, but is not required to, purchase life insurance so as to accumulate assets to fund the obligations of the Company under this Plan, and that the Company may, but is not required to contribute any policy or policies it may purchase and any amounts or other assets it finds desirable to the Trust. However, under all circumstances, the Participants shall have no rights to any of those policies or any other assets contributed to the Trust; and, likewise, under all circumstances, the rights of the Participants to the assets held in the Trust shall be no greater than the rights expressed in this Plan and the Trust Agreement. Nothing contained in the Trust Agreement shall constitute a guarantee by the Company that assets of the Company transferred to the Trust shall be sufficient to pay any benefits under this Plan or would place the Participant in a secured position ahead of general creditors should the Company become insolvent or bankrupt. The Trust Agreement must specify that Participants in this Plan are only unsecured general creditors of the Company in relation to their benefits under this Plan.

11.3 Reversion of Excess Assets. Sysco may, at any time, request the record keeper for the Plan to determine the present Account balances, assuming the Account balances to be fully vested and taking into account credits and debits arising from deemed Investment earnings and losses credited pursuant to Article V, as of the month end coincident with or next preceding the request, of all Participants and Beneficiaries of deceased Participants for which the Company is or will be obligated to make payments under this Plan and the EDCP. For periods prior to a Change of Control, if the fair market value of the assets held in the Trust, as determined by the Trustee as of that same date, exceeds the combined total of the Account balances of all Participants and Beneficiaries under this Plan and the EDCP, Sysco may direct the Trustee to return to Sysco the assets which are in excess of the combined Account balances under this Plan and the EDCP. For periods following a Change of Control, if the fair market value of the assets held in the Trust, as determined by the Trustee as of that same date, exceeds the total of the combined Account balances of all Participants and Beneficiaries under this Plan and the EDCP by 10%, Sysco may direct the Trustee to return to Sysco the assets which are in excess of 110% of the combined Account balances under this Plan and the EDCP. If there has been a Change of Control, to determine excess assets, all contributions made prior to the Change of Control shall be subtracted from the fair market value of the assets held in the Trust as of the determination date but before the determination is made.

11.4 Participants Must Rely Only on General Credit of the Company. The Company and the Participants recognize that this Plan is only a general corporate commitment, and that each Participant is merely an unsecured general creditor of the Company with respect to any of the Company's obligations under this Plan.

ARTICLE XII

MISCELLANEOUS

12.1 Limitation of Rights. Nothing in this Plan shall be construed:

- (a) to give any employee of the Company any right to be designated a Participant in the Plan;
- (b) to give a Participant any rights with respect to the compensation deferred, any Company Contributions, or any deemed Investment earnings and losses credited to the Participant's Account in the Deferred Compensation Ledger except in accordance with the terms of this Plan;
- (c) to limit in any way the right of the Company to terminate a Participant's employment with the Company at any time;
- (d) to evidence any agreement or understanding, expressed or implied, that the Company shall employ a Participant in any particular position or for any particular remuneration; or
- (e) to give a Participant or any other person claiming through him any interest or right under this Plan other than that of any unsecured general creditor of the Company.

12.2 Distributions to Incompetents or Minors. Should a Participant become incompetent or should a Participant designate a Beneficiary who is a minor or incompetent, the Administrative Committee is authorized to pay the funds due to the parent of the minor or to the guardian of the minor or incompetent or directly to the minor or to apply those funds for the benefit of the minor or incompetent in any manner the Administrative Committee determines in its sole discretion.

12.3 Non-alienation of Benefits. No right or benefit provided in this Plan shall be transferable by the Participant except, upon his death, to a named Beneficiary as provided in this Plan. No right or benefit under this Plan shall be subject to anticipation, alienation, sale, assignment, pledge, encumbrance or charge, and any attempt to anticipate, alienate, sell, assign, pledge, encumber, or charge the same will be void. No right or benefit under this Plan shall in any manner be liable for or subject to any debts, contracts, liabilities or torts of the person entitled to such benefits. If any Participant or any Beneficiary becomes bankrupt or attempts to anticipate, alienate, sell, assign, pledge, encumber or charge any right or benefit under this Plan, that right or benefit shall, in the discretion of the Administrative Committee, cease. In that event, the Administrative Committee may have the Company hold or apply the right or benefit or any part of it to the benefit of the Participant or Beneficiary, his or her spouse, children or other dependents or any of them in any manner and in any proportion the Administrative Committee believes to be proper in its sole and absolute discretion, but is not required to do so.

12.4 Reliance Upon Information. No member of any of the Administrative Committee, the Compensation Committee or Sysco's Chief Executive Officer and/or Chief Operating Officer shall be liable for any decision or action taken (or not taken) in good faith in connection with the administration of this Plan. Without limiting the generality of the foregoing, any decision or action taken (or not taken) by the Administrative Committee, the Compensation Committee or Sysco's Chief Executive Officer and/or Chief Operating Officer when it relies upon information supplied to it/he by any officer of the Company, the Company's legal counsel, the Company's independent accountants or other advisors in connection with the administration of this Plan shall be deemed to have been taken in good faith.

12.5 Severability. If any term, provision, covenant or condition of the Plan is held to be invalid, void or otherwise unenforceable, the rest of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

12.6 Notice. Any notice or filing required or permitted to be given to the Administrative Committee or a Participant shall be sufficient if submitted in writing and hand-delivered or sent by U.S. mail to the principal office of the Company or to the residential mailing address of the Participant. Notice shall be deemed to be given as of the date of hand-delivery or if delivery is by mail, as of the date shown on the postmark.

12.7 Gender and Number. If the context requires it, words of one gender when used in this Plan will include the other genders, and words used in the singular or plural will include the other.

12.8 Governing Law and Exclusive Jurisdiction. The Plan shall be governed by the laws of the State of Delaware, except to the extent such laws are preempted by federal law. Participant and the Company agree that the sole and exclusive jurisdiction for any dispute under this Plan shall lie in the U.S. District Court for the Southern District of Texas and the parties hereby waive any jurisdictional or venue-related defense to litigating at this forum.

12.9 Effective Date. This Plan will be operative and effective on June 29, 2013.

12.10 Compliance with Section 409A. The Plan (i) is intended to comply with, (ii) shall be interpreted and its provisions shall be applied in a manner that is consistent with, and (iii) shall have any ambiguities therein interpreted, to the extent possible, in a manner that complies with Section 409A.

IN WITNESS WHEREOF , the Company has executed this document as of June 5 , 2013.

SYSCO CORPORATION

By: /s/ Russell T. Libby
Name: Russell T. Libby
Title: Senior Vice President, General Counsel
and Secretary

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EXHIBIT "A"

**AMENDED AND RESTATED
SYSCO CORPORATION
MANAGEMENT SAVINGS PLAN**

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INVESTMENT OPTIONS

The following are the "Investments" that are available under the Amended and Restated Sysco Corporation Management Savings Plan:

Option

Equity Income Trust
500 Index B Trust
Mid-Value Trust
JHT International Value
Small Cap Value Trust
Brandes International Equity Fund
Frontier Capital Appreciation
Bond Index B Trust
Moody's

Sub-Advisor/Manager

T. Rowe Price Associates, Inc.
MFC Global Investment Management USA Ltd.
T. Rowe Price Associates, Inc.
Templeton Global Advisors Limited
Wellington Management Company LLC
Brandes Investment Partners, LP
Frontier Capital Management, LLC
Declaration Management & Research LLC
N/A

Default Investment

Moody's

EXHIBIT "B"

AMENDED AND RESTATED
SYSCO CORPORATION
MANAGEMENT SAVINGS PLAN

FOREIGN JURISDICTIONS

Canada
Republic of Ireland

**Summary of Current Compensation Arrangements with Named Executive Officers
(As of August 23, 2013)**

The following summarizes, as of August 23, 2013, the compensation and benefits arrangements with the Company's President and Chief Executive Officer and the other officers who will be named in the Summary Compensation Table in the proxy statement for the Company's upcoming Annual Meeting of Stockholders (collectively, the "Named Executive Officers"). The following is a summary of existing at-will arrangements, and does not provide any additional rights.

The executive officers of the Company serve at the discretion of the Board of Directors. The Compensation Committee of the Board (the "Committee") reviews and determines the compensation and benefits that are paid to the Company's executive officers, including the Named Executive Officers.

On July 18, 2013, the Committee approved adjustments to the base salaries of each of the Named Executive Officers that will be effective September 1, 2013. The following table provides the base salaries for each of the Named Executive Officers as of August 23, 2013 and the base salaries that will be in effect as of September 1, 2013.

Named Executive Officers	August 23, 2013	September 1, 2013
William J. DeLaney <i>President and Chief Executive Officer</i>	\$ 1,175,000	\$ 1,198,500
Robert C. Kreidler <i>Executive Vice President and Chief Financial Officer</i>	\$ 700,000	\$ 715,000
Michael W. Green <i>Executive Vice President and Group President</i>	\$ 700,000	\$ 715,000
Wayne Shurts <i>Executive Vice President and Chief Technology Officer</i>	\$ 575,000	\$ 587,000
James D. Hope ⁽¹⁾ <i>Executive Vice President, Business Transformation</i>	--	--
William B. Day <i>Executive Vice President, Merchandising and Supply Chain</i>	\$ 510,000	\$ 520,000

(1) Mr. Hope resigned effective June 30, 2013.

The Named Executive Officers are also eligible to participate in the Company's executive and regular benefit plans and programs, as described below. More detailed information regarding our compensation plans and agreements with the Named Executive Officers, as well as compensation paid or earned during fiscal 2013, will be included in the Company's 2013 Proxy Statement.

Stock Options, Restricted Stock and Restricted Stock Units

The Named Executive Officers are eligible to receive options under Sysco's stock option plans, including the 2007 Stock Incentive Plan, in such amounts and with such terms and conditions as determined by the Committee at the time of grant. The 2007 Stock Incentive Plan also allows for the issuance of restricted stock grants and restricted stock units.

Management Incentive Plan

Each of the Named Executive Officers is eligible to receive an annual incentive bonus under the Sysco Corporation Management Incentive Plan (the "MIP").

Deferred Compensation Election

Prior to December 31, 2012, MIP participants, including certain of the Named Executive Officers, were able to defer up to 40% of their annual incentive bonus under the Executive Deferred Compensation Plan ("EDCP"). They were also able to elect to defer all or a portion of their salary under the EDCP. For deferrals of up to 20% of the annual incentive bonus, the EDCP provides for Sysco to credit the participant's deferred compensation account in an amount equal to 15% of the amount deferred. The EDCP was frozen effective December 31, 2012, and participants were 100% vested in their company matching funds as of that date. No salary deferrals were allowed after the freeze date and fiscal year 2013 was the last year participants were allowed to make bonus deferrals.

Cash Performance Unit Plan

Each of the Named Executive Officers is eligible to participate in the Sysco Corporation 2008 Cash Performance Unit Plan.

Supplemental Executive Retirement Plan

Each of the Named Executive Officers, other than Mr. Shurts, was also eligible to participate in a Supplemental Executive Retirement Plan (the "SERP"). The SERP was frozen to new participants in 2011 and future benefit accruals under this plan were frozen as of June 29, 2013. Participants were vested in their accounts as of the freeze date. Access to their funds will continue to be predicated on the benefit commencement provisions that existed prior to the freeze. However, for those participants who retire in good standing, after June 29, 2013, and are otherwise not eligible for payment under the prior conditions, payment will be made at age 65.

Management Savings Plan (MSP)

Effective January 1, 2013, Sysco introduced a new MIP restoration plan, the MSP, to replace the former SERP and MIP retirement programs. The MSP allows eligible MIP participants, including the Named Executive Officers, to defer up to 50% of their salary (for calendar years 2013 and thereafter) and up to 100% of their eligible bonus for fiscal years 2014 and thereafter. In addition, in conjunction with freezing of the SERP, eligible participants (who would otherwise have incurred a sizable loss of future benefits) are eligible for transition contributions of between 2.5% - 10% of their eligible pay for a period not to exceed 10 years or the date of their departure from the Company.

Other Benefits

The Named Executive Officers also participate in Sysco's regular employee benefit programs, which include a 401(k) plan with Company match, group medical and dental coverage, group life insurance and other group benefit plans. They are also provided with additional life insurance benefits, as well as long-term disability coverage and certain perquisites and personal benefits. The Named Executive Officers are also participants in a defined benefit retirement program; however, future benefit accruals under this plan were frozen as of December 31, 2012.

**Summary of Current Compensation Arrangements with Non-Employee Directors and the
Executive Chairman
(As of August 23, 2013)**

The following summarizes, as of August 23, 2013, the current cash compensation and benefits received by the Company's non-employee directors. The following is a summary of existing arrangements, and does not provide any additional rights.

Retainer Fees

The Company pays each non-employee director a base retainer of \$100,000 per year (the "Base Retainer"). Non-employee directors who serve as committee chairpersons receive annual additional amounts as follows:

Audit Committee Chair	\$25,000
Compensation Committee Chair	\$20,000
Corporate Governance and Nominating Committee Chair	\$20,000
Finance Committee Chair	\$20,000
Sustainability Committee Chair	\$15,000

In May 2012, the Board selected Jackie M. Ward as its Lead Director. In addition to the compensation received by all non-employee directors, Ms. Ward receives an additional annual retainer of \$40,000, paid quarterly, for her service as Lead Director.

Executive Chairman Salary

Manuel A. Fernandez, Sysco's Executive Chairman beginning in April 2012, currently receives an annual salary of \$900,000. Because he is an employee of the Company, he does not receive any non-employee director retainer fees.

Directors Deferred Compensation Plan

Non-employee directors may defer all or a portion of their annual retainer, including additional fees paid to committee chairpersons and any additional retainer fee paid to the non-executive Chairman of the Board and/or Lead Director, under the Directors Deferred Compensation Plan. With respect to amounts deferred, non-employee directors may choose from a variety of investment options, including Moody's Average Corporate Bond Yield plus 1% for amounts deferred or matched prior to July 2, 2008 and Moody's Average Corporate Bond Yield without the additional 1% for amounts deferred or matched on or after July 2, 2008. Such deferred amounts will be credited with investment gains or losses until the non-employee director's retirement from the Board or until the occurrence of certain other events.

Non-Employee Directors Stock Plan

The 2009 Non-Employee Directors Stock Plan authorizes grants of stock options, restricted stock, restricted stock units and elected shares in lieu of all or a portion of the Base Retainer and any additional retainer fee paid to the non-executive Chairman of the Board and/or Lead Director for his or her service in such capacity and any fees paid to a committee chairman for his or her service in such capacity .

Restricted Stock . Under the Plan, the Board is authorized to issue restricted stock and restricted stock units to non-employee directors on terms set forth in the Plan.

Elected Shares . The Plan permits each non-employee director to elect to receive all or a portion of his or her annual retainer (including any additional retainer fee paid to the non-executive Chairman of the Board and/or Lead Director for his or her service in such capacity and any fees paid to a committee chairman for his or her service in such capacity) in Common Stock. The Company will provide a matching grant with respect to up to 50% of the Base Retainer which a non-employee director elects to receive in Common Stock (the “Match Eligible Shares”). The matching grant shall be equal to 50% of the Match Eligible Shares that a non-employee director receives. With respect to the remaining portion of the Base Retainer and any additional retainer fee paid to the non-executive Chairman of the Board and/or Lead Director for his or her service in such capacity and any fees paid to a committee chairman for his or her service in such capacity , a non-employee director may elect to receive Common Stock, but it is not eligible for the matching grant described in this paragraph.

The Board does not currently grant annual stock option or restricted stock unit awards under this Plan.

2009 Board of Directors Stock Deferral Plan

A non-employee director may elect to defer receipt of all or any portion of any shares of common stock issued under the Non-Employee Directors Stock Plan, whether such shares are to be issued as a grant of restricted stock, elected shares or matching grants, or upon the vesting of a restricted stock unit grant. Generally, the receipt of stock may be deferred until the earliest to occur of the death of the non-employee director, the date on which the non-employee director ceases to be a director of Sysco, or a change of control of Sysco .

Reimbursement for Expenses

All non-employee directors are entitled to receive reimbursements of expenses for all services as a director, including committee participation or special assignments. This includes reimbursement for non-commercial air travel in connection with Sysco business, subject to specified maximums, provided that amounts related to the purchase price of an aircraft or fractional interest in an aircraft are not reimbursable and any portion of the reimbursement that relates to insurance, maintenance and other non-incremental costs is limited to a maximum annual amount.

The Directors Deferred Compensation Plan, the 2009 Non-Employee Directors Stock Plan and the 2009 Board of Directors Stock Deferral Plan, have been filed as exhibits to the Company's Exchange Act filings. Additional information regarding these plans is included in the Company's 2012 Proxy Statement .

Personal & Confidential

April 1, 2013

Jim Hope
[address]
[address]

Re: Employment with Sysco Corporation

Dear Jim :

We wanted to take this opportunity to thank you for your many contributions to Sysco Corporation ("Sysco " or the " Company") and to summarize the benefits you will be eligible for upon your anticipated departure from the Company , subject to the terms of this letter agreement (the "Agreement").

Timing of Your Departure : You will remain an employee for the period between April 8, 2013 and June 29, 2013 (the "Termination Date"), although you will not be required to report to the office on a regular basis . During this period, you will be responsible for transitioning your responsibilities and you may be called upon by the Company for other matters at the discretion of the Company. The period between April 8 , 2013 and June 29, 2013 shall be referred to as the "Transition Period" for purposes of this Agreement.

Special Severance Benefits : Contingent upon your compliance with the terms of this Agreement , you will be eligible for the Severance Payment and Company-Subsidized Health Care Coverage described below (collectively referred to as the "Special Severance Benefits").

Severance Payment : Upon your departure from the Company, you will be eligible for a lump-sum payment in the gross total amount of \$ 1, 575,000.00 , less applicable withholding taxes (the "Severance Payment") . The Severance Payment will not be considered compensation under any compensation or benefit plans sponsored or maintained by Sysco and will be in lieu of any severance payment to which you otherwise would have been entitled under any plan or program maintained by, or any agreement with, Sysco or any related or affiliated entity . The Severance Payment will be paid as soon as practicable but no later than thirty (30) days following the effective date of an executed Separation Agreement .

Company-Subsidized Health Coverage : Provided that you and your eligible dependents, if any, are participating in Sysco 's group health, dental and vision plans on the Termination Date and elect on a timely basis to continue that

participation in some or all of the offered plans through the federal law commonly known as "COBRA," Sysco pay for the entire premium cost of your continued participation in the Company's group benefit plans (the "Company-Subsidized Health Coverage"). You shall continue to be eligible for the Company-Subsidized Health Coverage until the earlier to occur of (1) the date twelve (12) months after your Termination Date or (2) the date you are eligible to enroll in the health, dental and/or vision plans of another employer; provided, however, that your participation is dependent on you and your dependents continuing to be eligible to participate in Sysco 's offered plans through COBRA and you paying any applicable co-payments or other fees . You agree to notify Sysco promptly if you are eligible to enroll in the plans of another employer or if you or any of your dependents cease to be eligible to continue participation in Company plans through COBRA. You will receive information under separate cover regarding your COBRA benefits .

In order to receive the Special Severance Benefits, you must execute a General Release on a timely basis. The General Release will be provided to you at the time of your separation from employment and you will be provided at least twenty-one (21) days to consider whether to sign the Release. As described more fully in the General Release, you have seven days following the date you execute the General Release to revoke your signature by delivering a written revocation to Eve McFadden, Assistant General Counsel-Employment & Litigation , Sysco Corporation (fax number (281) 584-2510). The Release will not become effective until you sign it and the seven-day revocation period has passed without you having exercised your right to revoke your signature. You are advised to consult an attorney prior to executing the General Release. Please also note that the General Release contains provisions regarding non-disparagement of the Company and its officers, employees, directors, products and services and your ongoing cooperation with transition efforts and other important matters related to your employment.

Moreover, should you voluntarily leave employment during the Transition Period or be involuntarily terminated by the Company before the Termination Date , you will no longer be eligible for the Special Severance Benefits. In order to continue in employment during the Transition Period, you must comply with Company policy through your Termination Date and with all ongoing obligations to the Company your employment, including those regarding the use and protection of confidential information, restrictions on solicitation of employees and customers, assignment of inventions and intellectual property, and restrictions on competitive activities.

- **Career Transition Services :** During the Transition Period and thereafter , y ou will be eligible for executive outplacement services using a vendor of Sysco's choice .

Continued Employment with Sysco : If you accept another position within Sysco during the Transition Period, the Special Severance Benefits outlined above will no longer be available to you.

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Post-Employment Restrictions : Your receipt of the Special Severance Benefits is also contingent upon your adherence to your ongoing obligations to the Company regarding intellectual property, confidential information to which you had access by virtue of your employment, restrictions on competitive activities, and non-solicitation of employees and customers, including, but not limited to the restrictions contained in the attached 2011 Stock Option Agreement . Failure to comply with restrictions on your post-employment activities entitles Sysco to cease any remaining benefits owed to you under this Agreement. Moreover, should you fail to comply with restrictions on your post-employment activities, you agree and acknowledge that Sysco will be entitled to cease any remaining benefits owed to you under this Agreement and shall be entitled to recoupment of the Severance Payment paid to you as well as any attorneys' fees associated with such recoupment .

Other Compensation and Benefits : If you remain employed through the Transition Period, a Management Incentive Plan ("MIP") bonus earned for the 2011 fiscal year as a result of your participation in the 2011 Annual Incentive Program under the MIP (the "2011 Program") will be determined under the terms and conditions of the 2011 Program. Such bonus, if any, will be paid to you at the same time that all other participants in the 2011 Program receive their MIP bonuses for the 2011 fiscal year. In addition, any elections you made with respect to the MIP bonus you earn under the 2011 Program, if any, including any deferral elections under the Sysco Corporation Executive Deferred Compensation Plan (the "EDCP"), will remain in effect.

Amounts, if any, payable to you with respect to outstanding, vested "Cash Performance Units" ("CPUs") granted to you shall be paid after the end of the relevant performance period based on actual company performance and shall be paid at such time as other participants receive payment for CPUs .

Please note that vesting of all stock options and restricted stock units (RSUs) will cease upon your Termination Date and any unvested options or RSUs are canceled immediately. Vested stock options granted in 2004 or later must be exercised prior to the close of the NYSE on the ninetieth (90th) day following your Termination Date.

All other compensation and benefits will be governed by the terms of the applicable plans and programs. You will be paid for any earned but unused vacation at the time of your separation from employment, and you also will be reimbursed for eligible business expenses that you incurred during the course of your employment per Company policy. Please feel free to contact Mark Wisnoski at 281.584.2782 should you have questions regarding the status of your benefits.

I hope these arrangements are helpful as you plan your future. Please sign below and return an executed original of this Agreement to me by April 10 , 2013 to acknowledge your understanding of the terms and conditions above .

Sincerely,

/s/ Paul Moskowitz

Paul Moskowitz
Senior Vice President, Human Resources
Enclosure

Acknowledgement:

I have read, understand, and agree to the terms and conditions set forth in the letter agreement from Paul Moskowitz dated April 1, 2013 (the "Agreement").

/s/ Jim Hope

Jim Hope

4/10/13

Date

PERSONAL AND CONFIDENTIAL

September 13, 2012

Mr. Wayne Shurts
[address]
[address]

Dear Wayne :

It is my pleasure to offer you employment with Sysco Corporation, serving as Executive Vice President, Chief Technology Officer, based in Houston, TX, reporting to me. I am confident that you will help lead our company with integrity and assist in the growth and prosperity required to sustain our distinct position as the industry leader. Outlined below you will find the details of our offer:

- Your annual base salary will be \$ 575 ,000 or \$ 23 , 958.33 semi-monthly.
 - Effective on your hire date, you will become a participant in the Sysco Management Incentive Plan (MIP).
 - You will receive a one-time sign-on bonus of \$ 1 5 0,000, less applicable withholding for taxes, within 30 days of your hire date. In the event you voluntarily resign or are terminated for cause within the first year after your hire date, you agree to repay the full amount of the bonus within thirty (30) days of your termination date.
 - You will receive an additional sign-on bonus of \$ 15 0,000, less applicable withholding for taxes, on your first anniversary of employment with Sysco. In the event you voluntarily resign or are terminated for cause within the following year after payment, you agree to repay the full amount of the bonus within thirty (30) days of your termination date.
 - In November 2012, Sysco's executive management team will recommend that the Compensation Committee of the Board grant you a one-time sign-on Restricted Stock Unit grant (3 year annual vesting) with a value of \$500,000.
 - You will be eligible for a bonus as an MIP Participant with actual payment based on your annual base salary, the Company's financial performance and your individual performance. Your target bonus will be 100 % of your base pay. Eligibility for the bonus is contingent upon your continued employment with Sysco through the end of the fiscal year. For FY2013, your bonus, if earned, will be prorated for the number of weeks during the fiscal year that you were employed by Sysco.

 - In November 2012 in conjunction with our long-term incentive compensation program, Sysco's executive management team will recommend that the Compensation Committee of the Board grant you long term incentive awards representing 32.5% of your annual base salary as follows:
 - 50% Stock Options – 5 year annual vesting
 - 25% Cash Performance Units (CPUs) – based on 3 year performance
-

- 25% Restricted Stock Units (RSUs) – 3 year annual vesting
- As an MIP participant, you will also be eligible to participate in the following significant executive benefit programs:
 - A Disability Income Plan that will provide you with benefits in case of personal disability.
 - Additional group life and accidental death and dismemberment benefits that will be in effect for you as a member of the Plan.
- Our Sysco retirement programs are currently under confidential review. We are committed to providing competitive retirement benefits. As a corporate Executive Vice President, you will participate in the company's ERISA-qualified and executive retirement savings programs.
- You will be eligible for full benefits with medical, dental and vision insurance effective the first day of the month following two full months of employment with Sysco.
- Sysco will reimburse you for temporary housing and certain other expenses incurred in moving in accordance with the terms and conditions of Sysco's Executive Vice President Relocation policy. A summary of this program is attached hereto.
- As an Executive Vice President of Sysco Corporate, you will be required to comply with the Stock Ownership Requirements as set forth in the Corporate Governance Guidelines. Assuming that your hire date is effective as of October 15, 2012, you will be required to own no less than 60,000 shares of Sysco Corporation stock by October 15, 2017. During that five year period, you will be expected to retain 25% of the net shares acquired upon exercise of stock options and 25% of net shares acquired pursuant to vested RSU grants until your holdings meet or exceed the ownership requirements.
- Notwithstanding the foregoing, if your employment with Sysco is terminated for any reason other than death, disability, a change of control of Sysco, an involuntary termination without cause, or a voluntary termination with good reason, within one year following the reimbursement of any such moving or rental expenses, then you will be required to pay back to Sysco the amount of any such reimbursement (plus the amount of any tax gross up paid on such amounts). For this purpose "good reason" means (1) your demotion to a lesser position than the position in which you are serving prior to such demotion, (2) the assignment to you of duties materially inconsistent with your position or a material reduction of your duties, responsibilities or authority, in either case without your prior written consent, or (3) any reduction in your annual base salary without your prior consent unless other vice presidents suffer a proportionate reduction in their base salaries.

This offer is contingent upon final Board of Directors approval and successful completion of the pre-employment drug and background check process. Please be advised that this letter is not intended to create or imply any contract or contractual rights between you and Sysco Corporation. Any employee may terminate his/her employment at any time, with or without reason, and the company retains the same right.

Wayne, we are very pleased to extend this offer to become a part of the Sysco family. Your start date is to be determined. Please confirm your acceptance of this offer by signing in the designated space provided below.

Welcome to Sysco!

Sincerely,

/s/ Manuel A. Fernandez
Manuel A. Fernandez
Executive Chairman

Agreed and Accepted:

/s/ Wayne Shurts

Attachment: Sysco Corporation Executive Vice President US Domestic Relocation Policy

c: Connie Brooks, Director of Executive Benefits
Bill DeLaney, Chief Executive Officer and President
Russell T. Libby, Senior Vice President, General Counsel and Corporate Secretary
Paul T. Moskowitz, Senior Vice President, Human Resources
Gene Sims, Director, Executive Compensation
Mark Wisnoski, Vice President, Total Rewards

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

(dollars in thousands)	Fiscal Year				
	<u>June 29, 2013</u>	<u>June 30, 2012</u>	<u>July 2, 2011</u>	<u>July 3, 2010 (2)</u>	<u>June 27, 2009</u>
Earnings before income taxes	\$ 1,547,455	\$ 1,784,002	\$ 1,827,454	\$ 1,849,589	\$ 1,770,834
Add: Fixed charges	153,840	154,965	151,990	155,644	140,772
Subtract: Capitalized interest	4,242	20,816	13,887	9,997	3,531
Total	<u>\$ 1,697,053</u>	<u>\$ 1,918,151</u>	<u>\$ 1,965,557</u>	<u>\$ 1,995,236</u>	<u>\$ 1,908,075</u>
Fixed Charges:					
Interest expense	\$ 128,495	\$ 113,396	\$ 118,267	\$ 125,477	\$ 116,322
Capitalized interest	4,242	20,816	13,887	9,997	3,531
Rent expense interest factor	21,103	20,753	19,836	20,170	20,919
Total	<u>\$ 153,840</u>	<u>\$ 154,965</u>	<u>\$ 151,990</u>	<u>\$ 155,644</u>	<u>\$ 140,772</u>
Ratio of earnings to fixed charges (1)	11.0	12.4	12.9	12.8	13.6

(1) For the purpose of calculating this ratio, "earnings" consist of earnings before income taxes and fixed charges (exclusive of interest capitalized). "Fixed charges" consist of interest expense, capitalized interest and the estimated interest portion of rents.

(2) The fiscal year ended July 3, 2010 was a 53-week year.

SYSCO CORPORATION
DIRECT AND INDIRECT SUBSIDIARIES, DIVISIONS AND DBA's
As of August 22, 2013

<u>SUBSIDIARY NAME</u>	<u>JURISDICTION OF INCORPORATION</u>
A La Carte, LLC	Delaware
A.M. Briggs, Inc.	Delaware
Arnotts (Fruit) Limited	Northern Ireland
Bahamas Food Holdings Limited	Bahamas
Bahamas Food Services Limited	Bahamas
Baugh North Central Cooperative, Inc.	Delaware
Buckhead Beef Company	Delaware
Conan Foods Inc.	Canada
Contract Administrative Services, Inc.	Delaware
Crossgar Foodservice Limited	Ireland
Dan O'Sullivan (Turners Cross) Cork	Ireland
Dust Bowl City, LLC	Texas
Economy Foods, Inc.	California
Enclave Properties, LLC	Delaware
European Imports, Inc.	Delaware
Focus Foodservice, LLC	Michigan
Freedman Food Service of Dallas, Inc.	Texas
Freedman Food Service of Denver, Inc.	Delaware
Freedman Food Service of San Antonio, LP	Texas
Freedman Food Service, Inc.	Texas
Freedman Meats, Inc.	Delaware
Freedman-KB, Inc.	Delaware
FreshPoint Arizona, Inc.	Delaware
FreshPoint Atlanta, Inc.	Georgia
FreshPoint California, Inc.	Delaware
FreshPoint Central California, Inc.	Delaware
FreshPoint Central Florida, Inc.	Florida
FreshPoint Connecticut, LLC	Delaware
FreshPoint Dallas, Inc.	Delaware
FreshPoint Denver, Inc.	Colorado
FreshPoint Las Vegas, Inc.	Delaware
FreshPoint North Carolina, Inc.	Tennessee
FreshPoint North Florida, Inc.	Florida
FreshPoint Oklahoma City, LLC	Delaware
FreshPoint Pompano Real Estate, LLC	Delaware

SUBSIDIARY NAME**JURISDICTION OF INCORPORATION**

FreshPoint Puerto Rico, LLC	Puerto Rico
FreshPoint San Francisco, Inc.	California
FreshPoint South Florida, Inc.	Florida
FreshPoint South Texas, LP	Delaware
FreshPoint Southern California, Inc.	California
FreshPoint Tomato, LLC	Delaware
FreshPoint Vancouver, Ltd.	Canada
FreshPoint, Inc.	Delaware
Fulton Provision Co.	Delaware
Goldberg and Solovy Foods, Inc.	California
Guest Packaging, LLC	Delaware
Guest Supply Asia, Limited	Hong Kong
HS Ventures, LLC	Delaware
Keelings & Curleys Distribution Limited	Ireland
Keelings Farm Fresh	Ireland
Leapset, Inc.	Delaware
Malcolm Meats Company	Delaware
Pallas Foods	Ireland
Restaurant of Tomorrow, Inc.	Delaware
Seaview Farm Produce Company	Ireland
SFS Canada I, LP	Canada
SFS Canada II, LP	Canada
SFS GP I, Inc.	Canada
SFS GP II, Inc.	Canada
Shenzhen Guest Supply Trading Co., Limited	Hong Kong
Specialty Meat Holdings, LLC	Delaware
Sysco Albany, LLC	Delaware
Sysco Arizona Leasing, Inc.	Delaware
Sysco Arizona, Inc.	Delaware
Sysco Asian Foods, Inc.	Delaware
Sysco Atlanta, LLC	Delaware
Sysco Baltimore, LLC	Delaware
Sysco Baraboo, LLC	Delaware
Sysco Boston, LLC	Delaware
Sysco Canada, Company	Nova Scotia
Sysco Canada, Inc.	Canada
Sysco Central Alabama, Inc.	Delaware
Sysco Central California, Inc.	California
Sysco Central Florida, Inc.	Delaware

SUBSIDIARY NAME**JURISDICTION OF INCORPORATION**

Sysco Central Illinois, Inc.	Delaware
Sysco Central Ontario, Inc.	Ontario
Sysco Central Pennsylvania, LLC	Delaware
Sysco Charlotte, LLC	Delaware
Sysco Chicago, Inc.	Delaware
Sysco Cincinnati, LLC	Delaware
Sysco Cleveland, Inc.	Delaware
Sysco Columbia, LLC	Delaware
Sysco Connecticut, LLC	Delaware
Sysco Corporation	Delaware
Sysco Denver, Inc.	Colorado
Sysco Detroit, LLC	Delaware
Sysco Disaster Relief Foundation, Inc.	Texas
Sysco Eastern Maryland, LLC	Delaware
Sysco Eastern Wisconsin, LLC	Delaware
Sysco Foundation, Inc.	Texas
Sysco George Town Limited	Cayman Islands
Sysco Global Holdings, B.V.	Netherlands
Sysco Global Resources, LLC	Delaware
Sysco Global Services, LLC	Delaware
Sysco Grand Cayman Company	Cayman Islands
Sysco Grand Cayman II Company	Cayman Islands
Sysco Grand Rapids, LLC	Delaware
Sysco Guest Supply Canada Inc.	Canada
Sysco Guest Supply Europe Limited	United Kingdom
Sysco Guest Supply, LLC	Delaware
Sysco Gulf Coast, Inc.	Delaware
Sysco Hampton Roads, Inc.	Delaware
Sysco Holdings Limited	New Brunswick
Sysco Holdings of B.C., Inc.	Canada
Sysco Holdings of Kelowna, Inc.	Canada
Sysco Holdings, LLC	Delaware
Sysco Idaho, Inc.	Idaho
Sysco Indianapolis, LLC	Delaware
Sysco Intermountain, Inc.	Delaware
Sysco International Food Group, Inc.	Florida
Sysco International, ULC	Nova Scotia
Sysco Iowa, Inc.	Delaware
Sysco Jackson, LLC	Delaware

SUBSIDIARY NAME**JURISDICTION OF INCORPORATION**

Sysco Central Illinois, Inc.	Delaware
Sysco Central Ontario, Inc.	Ontario
Sysco Central Pennsylvania, LLC	Delaware
Sysco Charlotte, LLC	Delaware
Sysco Chicago, Inc.	Delaware
Sysco Cincinnati, LLC	Delaware
Sysco Cleveland, Inc.	Delaware
Sysco Columbia, LLC	Delaware
Sysco Connecticut, LLC	Delaware
Sysco Corporation	Delaware
Sysco Denver, Inc.	Colorado
Sysco Detroit, LLC	Delaware
Sysco Disaster Relief Foundation, Inc.	Texas
Sysco Eastern Maryland, LLC	Delaware
Sysco Eastern Wisconsin, LLC	Delaware
Sysco Foundation, Inc.	Texas
Sysco George Town Limited	Cayman Islands
Sysco Global Holdings, B.V.	Netherlands
Sysco Global Resources, LLC	Delaware
Sysco Global Services, LLC	Delaware
Sysco Grand Cayman Company	Cayman Islands
Sysco Grand Cayman II Company	Cayman Islands
Sysco Grand Rapids, LLC	Delaware
Sysco Guest Supply Canada Inc.	Canada
Sysco Guest Supply Europe Limited	United Kingdom
Sysco Guest Supply, LLC	Delaware
Sysco Gulf Coast, Inc.	Delaware
Sysco Hampton Roads, Inc.	Delaware
Sysco Holdings Limited	New Brunswick
Sysco Holdings of B.C., Inc.	Canada
Sysco Holdings of Kelowna, Inc.	Canada
Sysco Holdings, LLC	Delaware
Sysco Idaho, Inc.	Idaho
Sysco Indianapolis, LLC	Delaware
Sysco Intermountain, Inc.	Delaware
Sysco International Food Group, Inc.	Florida
Sysco International, ULC	Nova Scotia
Sysco Iowa, Inc.	Delaware
Sysco Jackson, LLC	Delaware

SUBSIDIARY NAME**JURISDICTION OF INCORPORATION**

Sysco Jacksonville, Inc.	Delaware
Sysco Kansas City, Inc.	Missouri
Sysco Kelowna, Ltd.	Canada
Sysco Knoxville, LLC	Delaware
Sysco Las Vegas, Inc.	Delaware
Sysco Leasing, LLC	Delaware
Sysco Lincoln Transportation Company, Inc.	Nebraska
Sysco Lincoln, Inc.	Nebraska
Sysco Long Island, LLC	Delaware
Sysco Los Angeles, Inc.	Delaware
Sysco Louisiana Seafood, LLC	Delaware
Sysco Louisville, Inc.	Delaware
Sysco Memphis, LLC	Delaware
Sysco Merchandising and Supply Chain Services, Inc.	Delaware
Sysco Metro New York, LLC	Delaware
Sysco Minnesota, Inc.	Delaware
Sysco Montana, Inc.	Delaware
Sysco Nashville, LLC	Delaware
Sysco Netherlands Partners, LLC	Delaware
Sysco New Mexico, LLC	Delaware
Sysco Newport Meat Company	Delaware
Sysco North Central Florida, Inc.	Delaware
Sysco North Dakota, Inc.	Delaware
Sysco Northern New England, Inc.	Maine
Sysco Philadelphia, LLC	Delaware
Sysco Pittsburgh, LLC	Delaware
Sysco Portland, Inc.	Delaware
Sysco Raleigh, LLC	Delaware
Sysco Resources Services, LLC	Delaware
Sysco Riverside, Inc.	Delaware
Sysco Sacramento, Inc.	Delaware
Sysco San Diego, Inc.	Delaware
Sysco San Francisco, Inc.	California
Sysco Seattle, Inc.	Delaware
Sysco South Florida, Inc.	Delaware
Sysco Southeast Florida, LLC	Delaware
Sysco Spokane, Inc.	Delaware
Sysco St. Louis, LLC	Delaware
Sysco Syracuse, LLC	Delaware

SUBSIDIARY NAME**JURISDICTION OF INCORPORATION**

Sysco USA I, Inc.	Delaware
Sysco USA II, LLC	Delaware
Sysco Ventura, Inc.	Delaware
Sysco Ventures, Inc.	Delaware
Sysco Victoria, Inc.	Canada
Sysco Virginia, LLC	Delaware
Sysco West Coast Florida, Inc.	Delaware
Sysco Western Minnesota, Inc.	Delaware
Sysco-Desert Meats Company, Inc.	Delaware
SY Y Netherlands C.V.	Netherlands
The SYGMA Network, Inc.	Delaware
Walker Foods, Inc.	New York

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference of our reports dated August 26, 2013 , with respect to the consolidated financial statements and the effectiveness of internal control over financial reporting of Sysco Corporation and subsidiaries included in this Annual Report (Form 10-K) of Sysco Corporation for the year ended June 29, 2013 , in the following registration statements and related prospectuses.

Sysco Corporation Form S-3	File No. 333-126199
Sysco Corporation Form S-3	File No. 333-179582
Sysco Corporation Form S-4	File No. 333-50842
Sysco Corporation Form S-8	File No. 333-147338
Sysco Corporation Form S-8	File No. 33-45820
Sysco Corporation Form S-8	File No. 333-01259
Sysco Corporation Form S-8	File No. 333-01255
Sysco Corporation Form S-8	File No. 333-66987
Sysco Corporation Form S-8	File No. 333-49840
Sysco Corporation Form S-8	File No. 333-58276
Sysco Corporation Form S-8	File No. 333-122947
Sysco Corporation Form S-8	File No. 333-129671
Sysco Corporation Form S-8	File No. 333-163189
Sysco Corporation Form S-8	File No. 333-163188
Sysco Corporation Form S-8	File No. 333-170660

/s/ Ernst & Young LLP
Houston, Texas
August 26 , 2013

CERTIFICATION

I, William J. DeLaney , certify that:

1. I have reviewed this annual report on Form 10- K of Sysco Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in E x change Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in E x change Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for e x ternal purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 26, 2013

/s/ WILLIAM J. DELANEY
William J. DeLaney
President and Chief E x ecutive Officer

CERTIFICATION

I, Robert C. Kreidler , certify that:

1. I have reviewed this annual report on Form 10- K of Sysco Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in E x change Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in E x change Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for e x ternal purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 26, 2013

/s/ ROBERT C. KREIDLER
Robert C. Kreidler
Executive Vice President and Chief Financial Officer

CERTIFICATION PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002

I, William J. DeLaney, President and Chief Executive Officer, of Sysco Corporation (the "company"), certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. The company's Annual Report on Form 10-K for the fiscal year ended June 29, 2013 ("Annual Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and
2. All of the information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the company.

Date: August 26, 2013

/s/ WILLIAM J. DELANEY
William J. DeLaney
President and Chief Executive Officer

CERTIFICATION PURSUANT TO SECTION 906 OF THE
SARBANES-O X LEY ACT OF 2002

I, Robert C. Kreidler , Executive Vice President and Chief Financial Officer , of Sysco Corporation (the “ company ”), certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-O x ley Act of 2002, that, to the best of my knowledge:

1. The company’s Annual Report on Form 10- K for the fiscal year ended June 29 , 2013 (“ Annual Report ”) fully complies with the requirements of Section 13(a) of the Securities E x change Act of 1934; and
2. All of the information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the company.

Date: August 26 , 2013

/s/ ROBERT C. KREIDLER
Robert C. Kreidler
Executive Vice President and Chief Financial Officer
