

**Charter of the Compensation Committee
of the Board of Directors of
Winn-Dixie Stores, Inc.**

The purpose of the compensation committee is to discharge the board of directors' responsibility relating to the compensation of our executives and assist the board in fulfilling its oversight of (a) corporate goals and objectives relating to the compensation of the chief executive officer ("CEO"), senior management team and other officers of our Company, (b) administration of our equity-related employee benefit plans, and (c) management succession planning. The committee also prepares an annual report on executive compensation for publication in our proxy statement in accordance with Securities and Exchange Commission ("SEC") rules and regulations and other regulatory requirements.

Responsibilities of the Committee

Discharge of Compensation Responsibilities

Compensation Strategy: The compensation committee reviews and approves on at least an annual basis our Company's compensation strategy to ensure that it supports Company strategic planning, other organizational goals and shareholder interests.

Compensation Program: To further our compensation strategy, we maintain a compensation program utilizing annual salary, incentive compensation in the form of an annual cash bonus and long-term compensation. The compensation committee reviews and approves performance measures and objectives to be used to evaluate management performance. The committee monitors executive compensation plans and ensures compliance with Section 162(m) of the Internal Revenue Code, unless the committee determines that such compliance is not in the best interest of the shareholders. Elements of the compensation program as implemented each year are disclosed in the committee's annual report in our proxy statement.

The committee administers annual incentive compensation with regard to (a) participation, (b) target annual incentive awards, (c) the basis for funding and specific performance levels, (d) actual awards paid to senior management and (e) total funds reserved for payment under the plan. The committee monitors long-term incentive plans with regard to (a) participation, (b) grant values and awards to recipients, (c) vesting requirements and (d) total shares reserved for awards.

CEO Compensation: The compensation committee annually establishes the salary and incentive compensation package for the CEO in light of, among other things, corporate goals and objectives that the committee determines to be related to CEO compensation, the committee's evaluation of CEO performance and comparative compensation data. In establishing the long-term incentive component of CEO compensation package for the CEO, the committee considers, among others, the following factors: our Company's

performance and relative shareholder return, the value of similar incentive awards to CEOs at comparable companies and the awards given to our CEO in past years.

Officer Compensation: The compensation committee annually approves salary and incentive compensation packages for the members of senior management named in our proxy statement, based on the factors described above and on consultations with the CEO. The committee also provides guidance to the CEO and senior management team regarding salary range structures and salary increase guidelines applicable to other Company officers.

Employment Contracts: The compensation committee reviews and approves all employment contracts entered into with any member of senior management named in our proxy statement.

Management Stock Ownership: The committee reviews and approves our stock ownership obligation policy. That policy, which is designed to align management interests with those of our shareholders, requires all Company officers to own designated numbers of shares of Company stock (not including unexercised options) within six years of their promotion to officer or date of hire, as applicable.

Oversight of Administration of Equity-Related Benefit Plans

The compensation committee oversees the administration of all equity-related benefit plans. The committee reviews and recommends for shareholder approval all new equity-related plans and any material amendments to existing plans.

Oversight of Management Succession Planning

The compensation committee advises the board on succession planning relating to the CEO, and consults with the CEO and board on succession planning for other members of senior management.

Membership of the Committee

Composition and Structure: The compensation committee is composed of no less than three directors, one of which serves as chair, appointed by the board of directors upon the recommendation of the nominating and corporate governance committee. In addition, all members of the committee must be non-employee directors as defined under the rules of the Securities Exchange Act of 1934 and be outside directors for purposes of Section 162(m) of the Internal Revenue Code.

Qualifications: In addition, each member of the compensation committee should have business experience, in the opinion of the board of directors, that qualifies him or her to evaluate senior management compensation, equity-related compensation plans and management succession planning.

Tenure: Committee members are appointed and removed as provided in our Governance Principles.

Meetings of the Committee

Meetings: The compensation committee meets at least three times each year in conjunction with all quarterly board of directors meetings other than the October meeting held in conjunction with the annual shareholders' meeting. The committee may hold additional meetings at the request of the chair. The committee maintains the minutes or other records of committee meetings and activities.

Executive Sessions: The compensation committee may meet in executive session, without representatives of Company management, with or without our outside compensation consultant.

Management Staffing: The primary senior management liaison to the compensation committee is the senior vice president, human resources. The Chair and CEO are also invited to all committee meetings. No other directors or members of Company management attend committee meetings other than pursuant to the express invitation of the chair of the committee.

Report to the Full Board: The compensation committee provides reports to the board of directors regarding its meetings and activities.

Other Matters

Authority and Delegation: With regard to all matters described in this charter, the committee has the full power and authority to act in support of the board of directors, which retains the ultimate authority in these matters. The committee may not delegate any authority required by this charter to be exercised by the full committee.

Outside Advisors: The compensation committee has the authority to engage legal, financial or other advisors as it deems appropriate. In the event that the committee determines to retain any such advisors, including any compensation consulting firm to assist in the evaluation of director, CEO or senior management compensation, the committee has the sole authority to approve the firms' fees and other terms of retention/termination.

Evaluations: At least once each year, the compensation committee will evaluate its own performance. Each member of the committee will prepare an evaluation of the committee. These evaluations will be reviewed by the chair of the committee, who will discuss evaluation results with the chair of the nominating and corporate governance committee and with the chairman of the board.

Charter Review: At least once each year, the compensation committee will review this charter and recommend changes, if any, to the nominating and corporate governance committee, which will recommend changes, if any, to the board of directors.