

ADVANCE AUTO PARTS INC
Form DEF 14A
April 18, 2018

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

SCHEDULE 14A
(Rule 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION

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

Filed by the Registrant ☒

Filed by a Party other than the Registrant ☐

Check the appropriate box:

☐ Preliminary Proxy Statement

☐ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(5)(2))

☒ Definitive Proxy Statement

☐ Definitive Additional Materials

☐ Soliciting Material Pursuant to §240.14a-12

ADVANCE AUTO PARTS, INC.
(Name of Registrant as Specified in its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- ý No fee required.
 - o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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 - (2) Aggregate number of securities to which transaction applies:
 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):
 - (4) Proposed maximum aggregate value of transaction:
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 - (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:
 - (4) Date Filed:
-

ADVANCE AUTO PARTS, INC.
5008 AIRPORT ROAD
ROANOKE, VIRGINIA 24012
Notice of 2018 Annual Meeting of Stockholders of
Advance Auto Parts, Inc. (the "Company")

Logistics
Voting Items

	Board Recommendation
¹ Election of the ten nominees named in the Proxy Statement to the Board of Directors to serve until the 2019 annual meeting of stockholders	FOR each director nominee
² Advisory vote to approve the compensation of the Company's named executive officers	FOR
³ Ratification of the appointment by the Audit Committee of Deloitte & Touche LLP ("Deloitte") as the Company's independent registered public accounting firm for 2018	FOR
⁴ Advisory vote on a stockholder proposal, if presented at our Annual Meeting, regarding the ability of stockholders to act by written consent	AGAINST
⁵ Action upon such other matters, if any, as may properly come before the meeting	

Advance Voting Methods

(Your vote must be received by 11:59 p.m. (EDT) on May 15, 2018, the day before the Annual Meeting)

We invite you to attend our Annual Meeting and vote. We urge you, after reading the attached proxy statement (the "Proxy Statement"), to vote your proxy by Internet or telephone by following the instructions on the form of proxy or by signing and returning the enclosed proxy card in the enclosed postage prepaid envelope as promptly as possible. If you attend our Annual Meeting, you may vote in person, even if you previously voted by proxy. Our Customer Support Center is accessible to persons with disabilities. If you have a disability, we can provide reasonable assistance to help you participate in the meeting upon request.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting to be held May 16, 2018: The Notice of 2018 Annual Stockholders' Meeting and Proxy Statement and the 2017 Annual Report on Form 10-K, are available at www.AdvanceAutoParts.com.

By order of the Board of Directors,
Tammy Moss Finley
Executive Vice President, General Counsel and Corporate Secretary
Roanoke, Virginia
April 18, 2018

Proxy Statement Summary

Voting Roadmap

Proposal 1

Election of the ten nominees named in the Proxy Statement to the Board of Directors to serve until the 2019 annual meeting of stockholders

Board Recommendation

The Board recommends a vote

FOR each director nominee

See page 1

Director Nominees

Name and Age	Director Since	Occupation	Committees	Other Current Public Company Boards Associated
John F. Bergstrom, 71 Independent	2008	Chairman and Chief Executive Officer, Bergstrom Corporation	Compensation (Chair)	Banc-Corp Kimberly-Clark Corporation WEC Energy Group, Inc.
Brad W. Buss, 54 Independent	2016	Chief Financial Officer, SolarCity Corporation (retired)	Audit (Chair) Finance	Cavium, Inc. Tesla, Inc.
Fiona P. Dias, 52 Independent	2009	Principal Digital Partner, Ryan Retail Consulting	Compensation Finance	Qurata Retail, Inc. Realogy Holdings Corp. ManpowerGroup Inc.
John F. Ferraro, 62 Independent	2015	Global Chief Operating Officer, Ernst & Young (retired)	Audit Nominating & Corporate Governance (Chair)	International Flavors & Fragrances Inc.
Thomas R. Greco, 59 Adriana Karaboutis, 55 Independent	2016 2015	President and Chief Executive Officer, Advance Auto Parts, Inc. Chief Information and Digital Officer, National Grid PLC	Audit Nominating & Corporate Governance	Perrigo Company plc
Eugene I. Lee, Jr., 56 Independent	2015	President and Chief Executive Officer, Darden Restaurants, Inc.	Compensation Nominating & Corporate Governance	Darden Restaurants, Inc.
Douglas A. Pertz, 63 Independent		President and Chief Executive Officer, The Brink's Company		The Brink's Company
Reuben E. Slone, 55 Independent	2016	Senior Vice President, Supply Chain Management, Walgreen Co.	Audit Finance	
Jeffrey C. Smith, 45 Independent Chair of the Board	2015	Managing Member, Chief Executive Officer and Chief Investment Officer, Starboard Value LP		Perrigo Company plc

Director Skills and Core Competencies

Listed below for our Director nominees are summaries of specific qualifications and skill sets that the Nominating and Corporate Governance Committee and the Board believe should be represented on the Board among other qualifications in order to provide leadership and diverse viewpoints on matters considered by the Board.

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Board Responsiveness to Stockholders

As described below, the Board has shown responsiveness to evolving corporate governance best practices by implementing a number of enhancements that have been informed by engagement with our stockholders.

Stockholder Engagement in 2017/2018

Outreach

In the Fall of 2017, we initiated our annual stockholder governance outreach. We requested meetings with stockholders representing nearly 50% of our outstanding stock and spoke with stockholders representing more than 20% of our outstanding stock.

Feedback from stockholders is shared with the Board and the applicable Committees periodically.

Participants

Discussions with our stockholders on governance matters, including our executive compensation practices, generally include our Board Chair, Chief Executive Officer (“CEO”), and management representatives from Human Resources/Compensation, Investor Relations and office of the General Counsel/Corporate Secretary.

Mr. Smith, our independent Chair of the Board, spoke with stockholders representing more than 20% of our common stock.

Items discussed

Items discussed with stockholders focused on corporate governance such as our recently adopted proxy access by-law amendment and the changes to our stockholders’ right to call a special meeting implemented after the annual meeting last year, and other matters of interest to individual stockholders or the subject of stockholder proposals. Our discussions also focused on executive compensation, particularly the structure of our long-term incentive program, including the mix of performance-based to time-based grants and the use of appropriate performance metrics.

We also discussed our strategy and milestones related to our transformation plan.

Responsiveness

The Board values feedback received in the course of stockholder engagement. After considering feedback from stockholders over the past three years, we have adopted and implemented executive compensation and governance best practices such as:

Proxy Access	ü 3/3/20/20	Board Evaluations/ Skill Assessment	ü Enhanced Process Ongoing evaluation of Board effectiveness
	Right available to a stockholder or group of stockholders holding 3% for 3 years to nominate up to 20% of the Board. Up to 20 stockholders may aggregate ownership to reach the 3% ownership.		
Right to call a Special Meeting	ü 25% à 10%, no holding period	New Disclosures	ü Committed to provide enhanced disclosure of our Environmental Sustainability, Social Responsibility and Governance (“ESG”) activities and outcomes commencing in 2018
	Reduced threshold from 25% of shares outstanding to 10% of shares outstanding and eliminated 1-year holding requirement		

See CD&A on page 20 for additional information about dialog with our stockholders related to our compensation program

Corporate Governance Highlights

- ü Annual election of all directors
- ü Directors elected by majority voting
- ü Independent Chair of the Board
- ü Over 80 percent of our directors are independent
- ü All NYSE-required Board committees consist solely of independent directors
- ü Proxy Access right
- ü Regular executive sessions of independent directors
- ü Annual evaluation of the Board, Committees and individual directors
- ü Strong Guidelines on Significant Governance Issues
- ü Board policy on CEO succession planning
- ü Policies prohibiting hedging and prohibiting pledging (unless certain stringent requirements are met)
- ü Robust stock ownership guidelines for Directors and Executive Officers
- ü Average tenure of 5.4 years for current directors

Proposal 2

Advisory vote to approve the compensation of the Company's named executive officers.

Board Recommendation

The Board recommends a vote FOR this Proposal
See page 41

Executive Compensation Highlights

The Company's compensation programs continue to center on a pay-for-performance philosophy. Compensation actions in Fiscal 2017 were directly aligned with this philosophy to ensure our leadership's interests are aligned with those of our stockholders.

Compensation Framework

The following table summarizes the compensation elements provided for our Named Executive Officers ("NEOs") in Fiscal 2017:

NEO

Target Pay Mix	Element	Purpose	Metrics
	Base Salary	Fixed annual cash compensation to attract and retain executives	Established after review of base salaries of executives of companies in our peer group and the performance of each executive officer 1/3 Enterprise
	Annual Incentive Plan ("AIP")	Performance-based variable pay that delivers cash incentives when executives meet or exceed key financial results	• Comparable Store Sales • 1/3 Enterprise • Operating Income 1/3 Free Cash Flow 70% Performance-based Restricted Stock Units ("PSUs"):
	Long-Term Incentive ("LTI") Equity Compensation	Performance and service-based equity compensation to reward executives for a balanced combination of meeting or exceeding key financial results and creating long-term stockholder value	• 33% 3-Year Average • Comparable Store Sales Growth • 34% Return on Invested Capital

33% Relative Total
Shareholder Return
("TSR")
30% Time-based
Restricted Stock Units
("RSUs")

Notable Changes in Fiscal 2017: We made several changes to our executive compensation program in 2017, that continue in 2018. We increased the performance-based component of LTI to 70% from 50% and switched to performance-based RSUs from performance-based Stock Appreciation Rights ("SARs"). We also incorporated two additional metrics into our performance-based LTI, Return on Invested Capital and Relative Total Shareholder Return, which we believe bring balance to our compensation framework and reward our key leaders for shareholder value creation. We believe these changes align generally with the feedback received from stockholders during our outreach discussions.

Pay-For-Performance Alignment

The following chart illustrates 2017 target compensation for our CEO and our other NEOs (on an aggregate basis) compared to actual compensation delivered in 2017.

Strong Compensation Governance

STOCKHOLDER-FRIENDLY PRACTICES WE EMPLOY

- ü Pay-for-Performance with rigorous objective financial metrics that are closely tied to our success and delivery of stockholder value
- ü Incentive Compensation Clawback Policy
- ü "Double-Trigger" vesting
- ü Robust Stock Ownership Guidelines
- ü Independence requirements for our Compensation Consultant

For a detailed discussion of our executive compensation program, please see the Compensation Discussion and Analysis section of this Proxy Statement on page 20.

Proposal 3

Ratification of the appointment by the Audit Committee of Deloitte & Touche LLP as the Company's independent registered public accounting firm for 2018

STOCKHOLDER-UNFRIENDLY PRACTICES WE AVOID

- û Excise tax gross-ups for Change in Control payments
- û Repricing or exchange of underwater stock options
- û Dividends on unearned annual performance-based equity awards
- û Hedging
- û Pledging unless certain stringent requirements are met

Board Recommendation

The Board recommends a vote FOR this Proposal
See page 48

Proposal 4

Stockholder advisory vote on a stockholder proposal, if presented at the meeting

Board Recommendation

The Board recommends a vote AGAINST this Proposal
See page 52

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Proposal No. 1

Election of Directors

At the Annual Meeting, you will vote to elect as directors the ten nominees listed below to serve until our 2019 Annual Meeting of stockholders or until their respective successors are elected and qualified. Our Board has nominated John F. Bergstrom, Brad W. Buss, Fiona P. Dias, John F. Ferraro, Thomas R. Greco, Adriana Karaboutis, Eugene I. Lee, Jr., Reuben E. Slone and Jeffrey C. Smith for election as directors. With the exception of Douglas A. Pertz, all of the nominees are current members of our Board. Each nominee has consented to being named in this Proxy Statement as a nominee and has agreed to serve as a director if elected. None of the nominees to our Board has any family relationship with any other nominee or with any of our executive officers. Our Board currently consists of eleven directors. John C. Brouillard and William S. Oglesby, who are current directors, will retire from the Board at the end of their current terms immediately following the 2018 Annual Meeting and were not nominated for re-election. In the normal course of its deliberations, our Board may decide from time to time to add one or more directors who possess skills and experience that may be beneficial to our Board and our Company.

The persons named as Proxies in the accompanying form of proxy have advised us that at the Annual Meeting, unless otherwise directed, they intend to vote the shares covered by the proxies FOR the election of the nominees named above. If one or more of the nominees are unable to serve, or will not serve, the persons named as Proxies may vote for the election of any substitute nominees that our Board may propose. The persons named as Proxies may not vote for a greater number of persons than the number of nominees named above. Our by-laws provide that a nominee for director in an uncontested election must receive a majority of the votes cast at the Annual Meeting for the election of that director in order to be elected. If a nominee for director who is an incumbent director is not elected and no successor has been elected at the Annual Meeting, the director is expected to tender his or her resignation from the Board contingent on acceptance of such resignation by the Board.

Nominees for Election to Our Board

The following information is provided about our nominees for director effective as of the Record Date, March 19, 2018.

JOHN F. BERGSTROM Independent

Chairman and Chief Executive Officer, Bergstrom Corporation

Key Experience and Skills

Age: 71
 Director Since: May 2008
 Committees:
 Compensation (Chair)
 Other Current Public Company Boards:
 Associated Banc-Corp
 Kimberly-Clark Corporation
 WEC Energy Group, Inc.

With more than 35 years of experience in automotive sales, service and parts management in an organization representing all major automotive manufacturers that distribute cars in the United States, Mr. Bergstrom brings a unique and valuable point of view to our Board. Bergstrom Corporation has been cited as the number one quality automotive dealer in the country and highlighted for its focus on outstanding customer service. In addition, as a result of his service as a director of several other public companies, including membership on the compensation committees of Associated Banc-Corp and WEC Energy Group, Inc., he is in an excellent position to share with the Board his experience with governance issues facing public companies. Mr. Bergstrom was also named to the 2017 National Association of Corporate Directors (NACD) Directorship 100, which honors the most influential boardroom leaders each year.

Professional Experience

Mr. Bergstrom is the Chairman and Chief Executive Officer of Bergstrom Corporation, which is one of the top 50 automobile dealership groups in America. Mr. Bergstrom has served in his current role at Bergstrom Corporation for more than five years. Mr. Bergstrom has served as a director of Associated Banc-Corp, a diversified bank holding company, since December 2010; Kimberly-Clark Corporation, a global health and hygiene company, since 1987; and WEC Energy Group, Inc., formerly Wisconsin Energy Corporation, a diversified energy company, since 1987.

BRAD W. BUSS Independent

Retired Chief Financial Officer, SolarCity Corporation

Key Experience and Skills

Mr. Buss' extensive financial background, knowledge gained from his experience in the technology industry, and board positions equips him to provide valuable insight to our Board on issues that impact public companies. He has been designated by the Board as an Audit Committee financial expert consistent with Securities and Exchange Commission ("SEC") regulations.

Age: 54

Director

Since:

March 2016

Committees:

Audit (Chair)

Finance

Other Current

Public

Company

Boards:

Cavium, Inc.

Tesla, Inc.

Professional Experience

Mr. Buss retired in February 2016 as the Chief Financial Officer of SolarCity Corporation, a provider of clean energy services, where he had served since August 2014. Prior to joining SolarCity, he served as Chief Financial Officer and Executive Vice President, Finance and Administration of Cypress Semiconductor Corporation, a semiconductor design and manufacturing company, from August 2005 to June 2014. Prior to August 2005, Mr. Buss held various financial leadership roles with Altera Corporation, a provider of custom logic solutions, Cisco Systems, a networking company, Veba Electronics LLC, a distributor of semiconductors and computer products, and Wyle Electronics, Inc., a semiconductor and computer parts distributor. Mr. Buss has served on the board of directors for Cavium, Inc., a provider of highly integrated semiconductor products, since July 2016 and for Tesla, Inc., a manufacturer of electric vehicles and energy storage products, since November 2009. He currently serves as a member of the Audit Committee and Compensation Committee of Cavium, Inc. and as a member of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee of Tesla, Inc. He formerly served as the Chair of the Audit Committee for Tesla, Inc. He also served as a director and Chair of the Audit Committee for Café Press Inc., an online retailer of stock and user-customized on demand products, from October 2007 to August 2016.

FIONA P. DIAS Independent

Principal Digital Partner, Ryan Retail Consulting

Age: 52

Key Experience and Skills

Ms. Dias possesses extensive experience in marketing and managing consumer and retail brands. Her experience with developing, implementing and assessing marketing plans and initiatives allows the Board to benefit from her marketing expertise. In addition, Ms. Dias' experience in e-commerce and digital marketing with a broad spectrum of brands aligns well with the Board's assessment of the Company's multichannel strategies. Her position as a director of other public companies also enables her to share with the Board her experience with governance issues facing public companies.

Committees:

Compensation

Finance

Other Current

Public

Company

Boards:

Qurata Retail,

Inc.

Realogy

Holdings Corp.

Professional Experience

Ms. Dias is currently Principal Digital Partner at Ryan Retail Consulting, a global consulting firm, and has held this position since January 2015. Previously, she was Chief Strategy Officer of ShopRunner, an online shopping service, from August 2011 to October 2014. Before that, she was Executive Vice President, Strategy & Marketing, of GSI Commerce, Inc., a provider of digital commerce solutions from February 2007 to June 2011. Prior to 2007, Ms. Dias was Executive Vice President and Chief Marketing Officer of Circuit City Stores, Inc., a specialty retailer of consumer electronics, and also held senior marketing positions with PepsiCo, Pennzoil-Quaker State Company and The Procter & Gamble Company. Ms. Dias has served as a director of Qurata Retail, Inc., formerly Qurata Retail Group, which operates several leading retail brands through video commerce, e-commerce and mobile commerce, since March 2018. She previously served on the board of Qurata's predecessor, Liberty Interactive Corporation, which operated and owned interests in various digital commerce businesses, from December 2017 to March 2018, following its acquisition of HSN, Inc., an interactive multichannel retailer. She served as a director of HSN, Inc. from July 2016 to December 2017, and

has served as a director of Realogy Holdings Corp., a real estate brokerage company, since June 2013.

JOHN F. FERRARO Independent

Past Global Chief Operating Officer, Ernst & Young

Age: 62 Director Since: February 2015 Committees: Nominating and Corporate Governance (Chair) Audit Other Current Public Company Boards: International Flavors & Fragrances Inc. ManpowerGroup Inc.	Key Experience and Skills Mr. Ferraro has extensive financial, corporate management, governance and public policy experience which enables him to assist the Board in identifying trends and developments that affect public companies. In addition, the Board benefits from his experience in the areas of marketing and the development of corporate strategy. He has been designated by the Board as an Audit Committee financial expert consistent with SEC regulations. Professional Experience Mr. Ferraro served as our independent Lead Director from November 2015 to May 2016. Mr. Ferraro served as Global Chief Operating Officer, or COO, of Ernst & Young ("EY"), a leading professional services firm, from 2007 to December 2014. He retired as a partner of EY at the end of January 2015. In addition, Mr. Ferraro served as a member of EY's Global Executive Board for more than 10 years. Mr. Ferraro joined EY in 1976 and prior to his COO role he served in several senior leadership positions at EY, including Global Vice Chair Audit. Mr. Ferraro practiced as a Certified Public Accountant for 35 years. Mr. Ferraro has served as a director for ManpowerGroup Inc., a provider of workforce solutions, since January 2016, and for International Flavors & Fragrances Inc., a manufacturer of flavors and fragrances, since May 2015.
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THOMAS R. GRECO

President and Chief Executive Officer, Advance Auto Parts, Inc.

Key Experience and Skills

Mr. Greco has served as our Chief Executive Officer and a member of our Board for nearly two years. During that time, he has overseen the development of the Company's long-term strategic plan and the launch of the Company's transformation initiatives. Previously, Mr. Greco was the CEO of Frito-Lay North America, where he worked to grow revenue and increase profits, providing him with important experience in the consumer retail industry. Mr. Greco brings to the Board significant experience and leadership in the areas of corporate strategy, marketing, supply chain and logistics.

Age: 59 Director Since: April 2016	Professional Experience Mr. Greco became our President and Chief Executive Officer on August 14, 2016, having served as Chief Executive Officer since April 11, 2016. From September 2014 until April 2016, Mr. Greco served as Chief Executive Officer, Frito-Lay North America, a unit of PepsiCo, Inc. ("PepsiCo"), a leading global food and beverage company. As Chief Executive Officer, Frito-Lay North America, Mr. Greco was responsible for overseeing PepsiCo's snack and convenient foods business in the U.S. and Canada. Mr. Greco previously served as Executive Vice President, PepsiCo and President, Frito-Lay North America from September 2011 until September 2014 and as Executive Vice President and Chief Commercial Officer for Pepsi Beverages Company from 2009 to September 2011. Mr. Greco joined PepsiCo in Canada in 1986 and has served in a variety of positions, including Region Vice President, Midwest; President, Frito-Lay Canada; Senior Vice President, Sales, Frito-Lay North America; President, Global Sales, PepsiCo; and Executive Vice President, Sales, North America Beverages. Before joining PepsiCo, Mr. Greco worked at The Proctor & Gamble Company, a consumer packaged goods company. Mr. Greco served as a director of G&K Services, Inc., a service-focused provider of branded uniform and facility services programs, from July 2014 to March 2017.
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ADRIANA KARABOUTIS Independent

Chief Information and Digital Officer, National Grid PLC

Key Experience and Skills

Ms. Karaboutis possesses extensive experience in corporate management, manufacturing, logistics and technology and in driving proactive engagement with internal and external stakeholders to support corporate business goals. In addition, her experience with corporate strategy and change management enables the Board to benefit from her insights as the Company continues growing its Professional and e-commerce businesses.

Age: 55

Director

Since:

February

2015

Committees:

Audit

Nominating

and Corporate

Governance

Other Current

Public

Company

Boards:

Perrigo

Company plc

Professional Experience

Ms. Karaboutis is the Chief Information and Digital Officer of National Grid PLC, a natural-gas and electricity distribution service in the U.K. and the U.S. Northeast, since August 14, 2017. She previously served as Executive Vice President, Technology, Business Solutions and Corporate Affairs at Biogen Inc., a global biotechnology company from September 2014 to March 2017. In that role, she oversaw information technology, digital health and data sciences, and from December 2015, also oversaw global public affairs, government affairs, public policy and patient advocacy. From March 2010 to September 2014, Ms. Karaboutis was Vice President of Dell, Inc., a global technology company, and within the first year was promoted to Global Chief Information Officer (CIO), where she was responsible for leading an efficient and innovative global information technology organization focused on powering Dell as an end-to-end technology solutions provider. Ms. Karaboutis spent more than 20 years at General Motors Company and Ford Motor Company in various international leadership positions, including computer-integrated manufacturing, supply chain operations and information technology. She served as president of the Michigan Council of Women in Technology (MCWT) from 2008 to 2010 and was a board member of the Manufacturing Executive Leadership Forum from 2009 to 2014. Ms. Karaboutis has served on the board of directors of Perrigo Company plc, a global over-the-counter consumer goods and pharmaceutical company, since May 2017 and currently serves on the Babson College advisory board for the Center for Women's Entrepreneurial Leadership (CWEL).

EUGENE I. LEE, JR. Independent

President, Chief Executive Officer and Board Member, Darden Restaurants, Inc.

Key Experience and Skills

Mr. Lee's experience as the chief executive officer of a national group of chain restaurants provides him with strong insights into customer service and the types of management issues that face companies with large numbers of employees in numerous locations throughout the country. In addition, he brings experience in marketing, real estate and change management.

Compensation

Nominating and Professional Experience

Corporate

Governance

Other Current

Public Company

Boards:

Darden

Restaurants, Inc.

Mr. Lee is the President and Chief Executive Officer of Darden Restaurants, Inc. ("Darden"), the owner and operator of Olive Garden, LongHorn Steakhouse, Bahama Breeze, Seasons 52, The Capital Grille, Eddie V's and Yard House restaurants in North America, positions he has held since February 2015. Prior to that, Mr. Lee served as Darden's President and Interim CEO from October 2014 to February 2015, and President and Chief Operating Officer from September 2013 to October 2014. He served as President of Darden's Specialty Restaurant Group from October 2007 to September 2013 following Darden's acquisition of RARE Hospitality International, Inc., where he had served as President and a member of the Board of Directors since 2001. Mr. Lee has served as a member of the Darden Board of Directors since February 2015.

DOUGLAS A. PERTZ Independent

President, Chief Executive Officer and Board Member, The Brink's Company

Key Experience and Skills

Mr. Pertz has led several global companies as CEO over the past 20 years and throughout his career has guided multinational organizations through both operational turnaround and growth acceleration. Mr. Pertz's leadership positions have honed his operational expertise in branch and route-based logistics, business-to-business services, channel and brand marketing and growth through acquisition.

Age: 63 Professional Experience

Other Mr. Pertz is the President and Chief Executive Officer of The Brink's Company ("Brink's"), the world's
Current largest cash management company including cash-in-transit, ATM services, international transportation
Public of valuables, cash management and payment services, positions he has held since June 2016. Prior to
Company joining Brink's, Mr. Pertz was the President and Chief Executive Officer of Recall Holdings Limited
Boards: ("Recall"), a global provider of digital and physical information management and security services, from
The Brink's 2013 to 2016. Prior to joining Recall, Mr. Pertz served as a partner with Bolder Capital, LLC, a private
Company equity firm specializing in acquisitions and investments in middle market companies and as a partner with
One Equity Partners, the private equity arm of JPMorgan Chase & Co.. He also served as CEO and on the
board of directors of IMC Global, the predecessor company to The Mosaic Company, Culligan Water
Technologies and Clipper Windpower, and as a Group Executive and Corporate Vice President at
Danaher Corporation. Mr. Pertz has served as a member of Brink's Board of Directors since June 2016
and in the past, has served on the board of directors of numerous other public companies, including Naleo
Holding, The Mosaic Company and Bowater.

REUBEN E. SLONE Independent

Senior Vice President, Supply Chain Management, Walgreen Co.

Key Experience and Skills

Mr. Slone is a supply chain thought leader. Mr. Slone's supply chain expertise, his retail and automotive industry experience, and his experience in change management provide valuable insights to our Board as we evaluate and work to optimize our supply chain. Mr. Slone is a NACD Board Leadership Fellow.

Age: 55 Professional Experience

Director Mr. Slone has served as Senior Vice President, Supply Chain Management at Walgreen Co., one of the
Since: nation's largest drugstore chains and part of the Retail Pharmacy USA Division of Walgreens Boots
March 2016 Alliance, Inc., since May 2012. Prior to joining Walgreens, Mr. Slone served as Executive Vice
Committees: President, Supply Chain and General Manager of Services for OfficeMax, Inc., a provider of office
Audit products, business machines and related items, "print-for-pay" services and office furniture, from 2004 to
Finance 2012. Prior to OfficeMax, Mr. Slone held various supply chain leadership positions with Whirlpool
Corporation, General Motors Company, and Federal-Mogul Holdings Corporation. He also held prior
consulting positions with Electronic Data Systems Corporation and Ernst & Young. He authored "Leading
a Supply Chain Turnaround" and co-authored "Are You the Weakest Link in your Company's Supply
Chain?," articles published in the October 2004 and September 2007 issues of the Harvard Business
Review, respectively. In May 2010, Harvard Business Press published the book entitled "The New
Supply Chain Agenda: The 5 Steps That Drive Real Value," which was co-authored by Mr. Slone.

JEFFREY C. SMITH Independent

Managing Member, Chief Executive Officer and Chief Investment Officer, Starboard Value LP

Key Experience and Skills

With Mr. Smith's broad experience investing in public companies to improve value, he is equipped to provide the Board with insights into governance, oversight, accountability, management discipline, capitalization strategies, and capital market mechanics. In addition, his service as a director on the boards of many other public companies provides the Company with valuable insights on corporate governance and compensation practices that concern the Board and the Company.

Age: 45
Director
Since:
November
2015
Other
Current
Public
Company
Boards:
Perrigo
Company
plc

Professional Experience

Mr. Smith is a Managing Member, Chief Executive Officer and Chief Investment Officer of Starboard Value LP, a New York-based investment adviser with a focused and fundamental approach to investing primarily in publicly-traded U.S. companies, which he co-founded in March 2011, after having launched the Starboard Value investment strategy in 2002. Previously, Mr. Smith was a Partner and Managing Director of Ramius LLC, a subsidiary of the Cowen Group, Inc. ("Cowen"). Mr. Smith is a former member of Cowen's Operating Committee and Cowen's Investment Committee. Prior to joining Ramius LLC in January 1998, he served as Vice President of Strategic Development and a director of The Fresh Juice Company, Inc. Mr. Smith began his career in the Mergers and Acquisitions department at Société Générale. Mr. Smith has served as a director of Perrigo Company plc, a global over-the-counter consumer goods and pharmaceutical company, since February 2017. Previously, he served as Chairman of the Board of Directors of Darden Restaurants, Inc., a full service restaurant chain, from October 2014 to April 2016 and as a director of Yahoo! Inc., a multinational technology company, from April 2016 to June 2017. Mr. Smith also previously served as a director of: Quantum Corporation, a global expert in data protection and big data management, from May 2013 to May 2015; Office Depot, Inc., an office supply company, from August 2013 to September 2014; Regis Corporation, a global leader in beauty salons, hair restoration centers and cosmetology education, from October 2011 until October 2013; and Surmodics, Inc., a leading provider of drug delivery and surface modification technologies to the healthcare industry, from January 2011 to August 2012. Mr. Smith also previously served as Chairman of the Board of Directors of Phoenix Technologies Ltd.; and as a director of Zoran Corporation, Actel Corporation, S1 Corporation, and Kensey Nash Corporation.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR EACH OF OUR BOARD'S NOMINEES.

Corporate Governance

Overview

Our Company believes that good corporate governance practices reflect our values and support our strategic and financial performance. The compass of our corporate governance practices can be found in our by-laws, our Guidelines on Significant Governance Issues and our Code of Ethics and Business Conduct, which were adopted by our Board to guide our Company, our Board and our employees (“Team Members”) and are available on our website at www.AdvanceAutoParts.com under "Highlights" in the Investor Relations section. Our by-laws provide that in an uncontested election, directors must receive a majority of the votes cast at the Annual Meeting for the election of directors and that, subject to certain procedural and/or stock ownership requirements, stockholders may request a special meeting of stockholders and submit nominees for director for consideration by the Nominating and Corporate Governance Committee or for inclusion in our proxy statement through proxy access. Each standing committee of the Board has a charter, available at www.AdvanceAutoParts.com under "Highlights" in the Investor Relations section, that spells out the roles and responsibilities assigned to it by the Board. In addition, the Board has established policies and procedures that address matters such as chief executive officer succession planning, transactions with related persons, risk oversight, communications with the Board by stockholders and other interested parties, and the independence and qualifications of our directors. This “Corporate Governance” section provides insights into how the Board has implemented these policies and procedures to benefit our Company and our stockholders.

Guidelines on Significant Governance Issues

The responsibility of our Board is to review, approve and regularly monitor the effectiveness of our fundamental operating, financial and other business plans, as well as our policies and decisions, including the execution of our strategies and objectives. Accordingly, our Board has adopted guidelines on the following significant governance issues:

- 1 the structure of our Board, including, among other things, the size, mix of independent and non-independent members, membership criteria, term of service and compensation;
- 2 the assessment of performance of our Board through the annual evaluation of the Board, individual directors and Board committees;
- 3 Board procedural matters, including, among other things, selection of the Chair of the Board, Board meetings, Board communications, retention of counsel and advisers, and our expectations regarding the performance of our directors;
- 4 committee matters, including, among other things, the types of committees, charters of committees, independence of committee members, chairs of committees, service of committee members, committee agendas and committee minutes and reports;
- 5 chief executive officer evaluation, development and succession planning;
- 6 codes of conduct; and
- 7 other matters, including auditor services, Board access to management and interaction with third parties, directors and officers insurance and the indemnification/limitation of liability of directors, our policy prohibiting Company loans to our executive officers and directors, and confidential stockholder voting.

A complete copy of our Guidelines on Significant Governance Issues is available on our website at www.AdvanceAutoParts.com under "Highlights" in the Investor Relations section.

Director Independence

Our Board, after consultation with and upon the recommendation of the Nominating and Corporate Governance Committee, determined that, with the exception of Messrs. Brouillard and Greco, each of our incumbent directors and Mr. Pertz is an “independent” director under the listing standards of the New York Stock Exchange (“NYSE”), because each of these individuals:

- (1) has no material relationship with us or our subsidiaries, either directly or indirectly, as a partner, stockholder or officer of an organization that has a relationship with us or our subsidiaries; and
 - (2) satisfies the “bright line independence” criteria set forth in Section 303A.02(b) of the NYSE’s listing standards.
- Based on such standards, the Board determined that Mr. Brouillard is not independent because he served as our Executive Chairman from November 2015 to May 2016, and that Mr. Greco is not independent because he is our President and Chief Executive Officer.

To determine whether a director was qualified to be considered independent, the Board assessed the issue of materiality of any relationship not merely from the standpoint of each director or nominee, but also from that of persons or organizations with which the director or nominee may have an affiliation. Our Board reviews each director’s status under this definition at least annually with the assistance of the Nominating and Corporate Governance Committee. Each director is required to keep the Nominating and Corporate Governance Committee fully and promptly informed as to any developments that might affect his or her independence.

Board Leadership Structure

Our Guidelines on Significant Governance Issues and by-laws allow the Board to combine or separate the roles of the Chair of the Board and the Chief Executive Officer. The Board regularly considers whether to maintain the separation of the roles of Chair and Chief Executive Officer. In the event that the Board chooses to combine these roles, or in the event that the Chair of the Board is not an independent director, our governance guidelines provide for the selection of an independent Lead Director. The Board has maintained the separation of the roles of Chair of the Board and Chief Executive Officer since January 2008. Mr. Brouillard served as the independent Chair of the Board and provided leadership to the Board and support to the Chief Executive Officer from January 2008 until November 2015, when he was appointed by the Board to serve as the Executive Chairman of the Board in anticipation of the departure of the Company’s former Chief Executive Officer at the end of fiscal year 2015. Upon being named the Executive Chairman, Mr. Brouillard was no longer deemed independent, and the Board named Mr. Ferraro to serve as the Board’s independent Lead Director from November 2015 until May 2016, when Mr. Smith was named as the Board’s independent Chair.

The responsibilities of the independent Chair or independent Lead Director include participating in development of the Board’s agenda, as well as facilitating the discussions and interactions of the Board to ensure that every directors’ viewpoint is heard and considered. The Chair presides over meetings of the Board and, if independent, also over meetings of the independent directors. When the Chair is not independent, the independent Lead Director is expected to preside over meetings of the independent directors.

Board Refreshment

We believe the Board benefits from a balance of newer directors, who bring fresh perspectives, and longer-serving directors, who have contributed to our strategy over time and have deep understanding of our operations. We continually assess the composition of the Board and a key part of our annual Board evaluation process focuses on the skills and experience of our directors to ensure alignment with the strategic direction of the Company.

Key facts about our Board refreshment

7 New Directors	72 years	5.4 years
have joined our Board in the past 3 years	Retirement age Average tenure of our current Directors	

Board Evaluation

The Board recognizes that a robust and constructive evaluation process is an essential component of good corporate governance and Board effectiveness. Our independent Chair and the Nominating and Corporate Governance Committee made several enhancements to the Board evaluation process in 2017.

Board Evaluation Objectives

Evaluations are designed to assess the qualifications, attributes, skills and experience represented on the Board and whether the Board, its committees and individual directors are functioning effectively.

Role of the Board

The Board is responsible for annually conducting an evaluation of the Board and individual directors

Role of the Board's Committees

Each committee is responsible for addressing the findings of the evaluation of its performance

Fiscal 2017 Evaluation Process

The evaluation process included personal interviews of each director by an independent third party who compiled the results of the interviews, which were reported to and discussed by the Board.

Topics Addressed in Fiscal 2017

Topics addressed in the evaluation process included: the role and functioning of the Board and Board committees; interpersonal dynamics of the Board and committees; diversity of the Board; qualifications of directors; Board succession; director preparedness; Board interaction with management and management succession; and Board committee structure and governance.

Stockholder and Interested Party Communications with our Board

Any interested party, including any stockholder, who desires to communicate with our Board generally or directly with a specific director, one or more of the independent directors, our non-management directors as a group or our Board Chair, including on an anonymous or confidential basis, may do so by delivering a written communication to the Board, a specific director, the independent directors, the non-management directors as a group or to our Board Chair, c/o Advance Auto Parts, Inc., 5008 Airport Road, Roanoke, Virginia 24012, Attention: General Counsel. The general counsel will not open a communication that is conspicuously marked "Confidential" or is addressed to one or more of our independent directors, our non-management directors as a group or our Board Chair and will forward each such communication to the appropriate individual director or group of directors, as specified in the communication. Such communications will not be disclosed to the non-independent or management members of our Board or to management unless so instructed by the independent or non-management directors. Communications will be forwarded by the general counsel on a bi-monthly basis. The general counsel will ensure the timely delivery of any time sensitive communication to the extent such communication indicates time sensitivity.

In addition, we have a policy that each of our directors should make every reasonable effort to attend each annual meeting of stockholders. Eleven directors, comprising all of our incumbent directors, including the directors who have been nominated for reelection at the 2018 annual meeting of stockholders, were in attendance at our 2017 annual meeting of stockholders.

Nominations for Directors

Identifying Director Candidates

The Nominating and Corporate Governance Committee is responsible for leading the search for and evaluating qualified individuals to become nominees for election as directors. The Committee is authorized to retain a search firm to assist in identifying, screening and attracting director candidates. During 2017, the Committee did not utilize the services of a search firm to assist in identifying potential director candidates. After a director candidate has been identified, the Committee evaluates each candidate for director within the context of the needs of the Board in its composition as a whole. The Committee considers such factors as the candidate's business experience, skills, independence, judgment, and ability and willingness to commit sufficient time and attention to the activities of the Board. At a minimum, Committee-recommended candidates for nomination must possess the highest personal and professional ethics, integrity and values, and commit to representing the long-term interests of our stockholders.

The Nominating and Corporate Governance Committee also considers whether the nominee would likely provide a diverse viewpoint and actively and constructively participate in the Board's discourse and deliberations. Although the Board has not adopted a formal policy with regard to diversity (as to gender, race, ethnic background and experience) in the composition of the Board, the Committee strives to compose a Board that reflects sensitivity to the need for an appreciation of such diversity, including racial and gender diversity.

Stockholder Recommendations for Director Candidates

The Nominating and Corporate Governance Committee will consider stockholder suggestions for nominees for directors. Any stockholder who desires to recommend a candidate for director must submit the recommendation in writing and follow the procedures set forth in our by-laws. The by-laws require that a stockholder's nomination be received by the corporate secretary not less than 120 days nor more than 150 days prior to the first anniversary of the date of the preceding year's annual meeting. The notice should include the following information about the proposed nominee: name, age, business and residence addresses, principal occupation or employment, the number of shares of Company stock owned by the nominee and additional information required by our by-laws as well as any information that may be required by the SEC's regulations. In addition, the stockholder providing the notice should provide his or her name and address as they appear on our books, the number and type of shares or other equitable interests that are beneficially owned by the stockholder and additional information required by our by-laws. The Committee does not evaluate any candidate for nomination as a director any differently solely because the candidate was recommended by a stockholder. A copy of our by-laws may be obtained by submitting a request to: Advance Auto Parts, Inc., 5008 Airport Road, Roanoke, Virginia 24012, Attention: Corporate Secretary. Our by-laws also are available on our website at www.AdvanceAutoParts.com under "Highlights" in the Investor Relations section.

Proxy Access

Our Board regularly considers our corporate governance practices in light of developing best practices as well as the information received as a result of stockholder outreach and communications. As a result of such consideration, in 2017, our Board adopted an amendment to our by-laws to provide that a stockholder, or group of 20 or fewer stockholders, owning at least three percent of our outstanding shares continuously for at least three years may nominate candidates to serve on the Board and have those candidates included in our annual meeting materials. The maximum number of proxy access candidates that a stockholder or stockholder group may propose as nominees is the greater of (i) two or (ii) twenty percent of the Board. This process is subject to additional eligibility, procedural and disclosure requirements as provided in our by-laws, including the requirements that the nominee must be deemed to be independent under applicable stock exchange listing requirements and that notice of such nominations must be delivered to us not later than 120 days nor earlier than 150 days prior to the first anniversary of the date on which we mailed the proxy statement for the preceding year's annual meeting of stockholders.

Code of Ethics and Business Conduct

We expect and require all of our Team Members, our officers and our directors, and any parties with whom we do business to conduct themselves in accordance with the highest ethical standards. Accordingly, we have adopted a Code of Ethics and Business Conduct, which outlines our commitment to, and expectations for, honest and ethical conduct by all of these persons and parties in their business dealings. Our Team Members, our officers and our directors are expected to review and acknowledge our Code of Ethics and Business Conduct annually. A complete copy of our Code of Ethics and Business Conduct is available at www.AdvanceAutoParts.com under "Highlights" in the Investor Relations section.

Code of Ethics for Finance Professionals

We have also adopted a Code of Ethics for Finance Professionals to promote and provide for ethical conduct by our finance professionals, as well as for full, fair and accurate financial management and reporting. Our finance professionals include our chief executive officer, chief financial officer, chief accounting officer, controller and any other person performing similar functions. We expect all of these finance professionals to act in accordance with the highest standards of professional integrity, to provide full and accurate disclosure in any public communications as well as reports and other documents filed with the SEC and other regulators, to comply with all applicable laws, rules and regulations and to deter wrongdoing. Our Code of Ethics for Finance Professionals is intended to supplement our Code of Ethics and Business Conduct. A complete copy of the Code of Ethics for Finance Professionals is available at www.AdvanceAutoParts.com under "Highlights" in the Investor Relations section.

Related Party Transactions

Pursuant to our Code of Ethics and Business Conduct and the Board's policy with respect to related party transactions, officers and directors are required to disclose to the Chair of the Nominating and Corporate Governance Committee of the Board or to our general counsel any transaction or relationship that may create an actual or perceived conflict of interest. Pursuant to the Board's policy, our general counsel's office reviews such transactions or relationships and advises the Nominating and Corporate Governance Committee in the event that a transaction or relationship is determined to be a related party transaction. The Nominating and Corporate Governance Committee then reviews the transaction in light of the relevant facts and circumstances and makes a determination of whether to ratify or approve the transaction. In the case of a transaction involving a director, the Nominating and Corporate Governance Committee would also review the transaction to determine whether it might have an effect on the independence of the director. The Nominating and Corporate Governance Committee reports its conclusions and recommendations to the Board for its consideration.

In addition, our Guidelines on Significant Governance Issues require each director to disclose to the Board (or Audit Committee) any interest that he or she has in any contract or transaction that is being considered by the Board (or Audit Committee) for approval. After making such a disclosure and responding to any questions the Board may have, the interested director is expected to abstain from voting on the matter and leave the meeting while the remaining directors discuss and vote on such matter.

On an annual basis, each director and executive officer is obligated to complete a Related Persons Questionnaire, which requires identification of Related Persons as defined by the Company's Related Persons Policy, as well as a Director and Officer Questionnaire, which requires disclosure of any transactions with the Company in which the director or executive officer, or any member of his or her immediate family, has a direct or indirect material interest. The annual questionnaires are prepared and distributed by our general counsel's office, and each director or executive officer returns the completed questionnaires to the general counsel's office for review. Any related party transactions with directors or executive officers that have been identified through the processes described above are disclosed consistent with applicable rules and regulations.

Since the outset of Fiscal 2017, car dealerships owned by Bergstrom Corporation, where Mr. Bergstrom is the Chairman and Chief Executive Officer, paid us a total of approximately \$375,900 to purchase automotive parts. Such purchases were made in the ordinary course of business upon terms available to our similarly situated Professional customers.

Succession Planning

In light of the critical importance of executive leadership to our success and consistent with our Guidelines on Significant Governance Issues, the Board has adopted a chief executive officer succession planning process that is led by the Nominating and Corporate Governance Committee. The Guidelines on Significant Governance Issues and the Nominating and Corporate Governance Committee Charter provide that the Nominating and Corporate Governance Committee is charged with the responsibility of developing a process for identifying and evaluating candidates to succeed the chief executive officer and to report annually to the Board on the status of the succession plan, including issues related to the preparedness for the possibility of an emergency situation involving senior management and assessment of the long-term growth and development of the senior management team. Our Guidelines on Significant Governance Issues also provide that in the event the Board undertakes to name a successor to the Chief Executive Officer, the independent directors shall name a Succession Committee to identify, assess and make recommendations to the Board regarding candidates for that position.

Meetings and Committees of the Board

The Board

Each director is expected to make every reasonable effort to attend each meeting of the Board and any committee of which the director is a member and to be reasonably available to management and the other directors between meetings. Our Board met 10 times during 2017. Each incumbent director attended 75 percent or more of the total number of meetings of the Board and meetings of the committees of the Board on which he or she served.

Meetings of Non-Management and Independent Directors

During 2017, the non-management directors on our Board met two times and the independent directors met a total of seven times. During 2017, these meetings were presided over by Mr. Smith, independent Chair of the Board. For 2018, our independent and non-management directors are scheduled to meet separately in conjunction with each of the four scheduled non-telephonic meetings of the Board. Mr. Smith, our independent Chair, is expected to preside over these meetings during 2018. Our Board regularly meets without the CEO being present.

Committees of the Board

We currently have an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee, each of which is comprised of independent directors in accordance with the listing standards of the NYSE. In addition, we have a Finance Committee. The following table sets forth the names of each current committee member, the number of times each committee met in 2017 and the primary responsibilities of each committee.

AUDIT COMMITTEE

Members:	Primary Responsibilities
Brad W. Buss (Chair)	monitors the integrity of our financial statements, reporting processes, internal controls, and legal and regulatory compliance;
John F. Ferraro	appoints, determines the compensation of, evaluates and, when appropriate, replaces our independent registered public accounting firm;
Adriana Karaboutis	pre-approves all audit and permitted non-audit services to be performed by our independent registered public accounting firm;
Reuben E. Slone	monitors the qualifications and independence and oversees performance of our independent registered public accounting firm; and
Meetings in Fiscal 2017: 7	reviews with management the implementation and effectiveness of the Company's compliance programs, discusses guidelines and policies with respect to risk assessment and risk management, and oversees our internal audit function.

COMPENSATION COMMITTEE

Members:	Primary Responsibilities
John F. Bergstrom (Chair)	• reviews and approves our executive compensation philosophy;
Fiona P. Dias	• annually reviews and approves corporate goals and objectives relevant to the compensation of the CEO and evaluates the CEO's performance in light of these goals;
Eugene I. Lee, Jr.	• determines and approves the compensation of our executive officers;
William S. Oglesby	• oversees our incentive and equity-based compensation plans, reviews and approves our peer companies and data sources for purposes of evaluating our compensation competitiveness and establishing the appropriate competitive positioning of the levels and mix of compensation elements;
Meetings in Fiscal 2017: 6	• oversees the Company's executive compensation recovery ("claw-back") policy; and • recommends to the Board compensation guidelines for determining the form and amount of compensation for outside directors.

NOMINATING and CORPORATE GOVERNANCE COMMITTEE

Members:	Primary Responsibilities
John F. Ferraro (Chair)	• assists the Board in identifying, evaluating and recommending candidates for election to the Board;
Adriana Karaboutis	• establishes procedures and provides oversight for evaluating the Board and management;
Eugene I. Lee, Jr.	• oversees development and implementation of executive succession plans, including identifying the CEO's successor and reporting annually to the Board;
Meetings in Fiscal 2017: 6	• develops, recommends and reassesses our corporate governance guidelines; • reviews and recommends retirement and other policies for directors and recommends to the Board whether to accept or reject a director's resignation; • evaluates the size, structure and composition of the Board and its committees; and • establishes procedures for stockholders to recommend candidates for nomination as directors and to send communications to the Board.

FINANCE COMMITTEE

Members:	Primary Responsibilities
William S. Oglesby (Chair)	• reviews and makes recommendations to the Board regarding our financial policies, including investment guidelines, deployment of capital, and short-term and long-term financing;
John C. Brouillard	• reviews credit metrics, including debt ratios, debt levels and leverage ratios;
Brad W. Buss	• reviews all aspects of financial planning, cash uses and our expansion program;
Fiona P. Dias	• reviews and recommends the annual financial plan to the Board; and
Reuben E. Slone	• reviews the financial aspects of proposed acquisitions and divestitures.
Meetings in Fiscal 2017: 4	

Our Board has adopted written charters for each committee setting forth the roles and responsibilities of each committee. Each of the charters is available on our website at www.AdvanceAutoParts.com under "Highlights" in the Investor Relations section.

On August 5, 2008, the SEC approved a settlement with Ernst & Young LLP and two of its partners, including Mr. Ferraro, relating to auditor independence issues arising out of business relationships between Ernst & Young LLP and an individual who was also a member of the board of directors of three of its audit clients. The underlying matters at issue occurred in 2002 while Mr. Ferraro was serving as Vice Chairman of Ernst & Young LLP. Ernst & Young and Mr. Ferraro resolved the matter by way of a negotiated settlement in which the respondents neither admitted nor denied the underlying allegations and accepted an administrative cease and desist order. The negotiated resolution did not involve any suspension, fines or other sanctions on Mr. Ferraro. Mr. Ferraro thereafter remained a partner in good standing at Ernst & Young through January 2015. During its evaluation of Mr. Ferraro as potential director, the Board took into consideration all factors regarding Mr. Ferraro's character and experience and determined that he would be a significant asset as a member of the Board.

Board's Role in Risk Oversight

One of our Board's responsibilities is the oversight of the enterprise-wide risk management activities of the Company. Risk is inherent in any business and the Board's oversight, assessment, and decisions regarding risks occur in the context of and in conjunction with the other activities of the Board and its committees that are comprised solely of non-management Directors. The following graphic illustrates the Board's oversight process:

Aligning Stockholder Interests and Compensation Risk Mitigation

We have reviewed all of our compensation programs and found none that would be reasonably likely to have a material adverse effect on the Company. Our performance-based executive compensation program, as described more fully in the Compensation Discussion and Analysis ("CD&A") section of this Proxy Statement, coupled with our stock ownership guidelines, aligns the interests of our executives with stockholders by encouraging long-term superior performance without encouraging excessive or unnecessary risk-taking. Our long-standing compensation philosophy discussed in the CD&A is a key component of our history of consistent growth, which demonstrates an alignment of the interests of participants and stockholders and rewards each with increased value over the long term. As illustrated in the "Framework for Executive Compensation" section of the CD&A, the compensation of our executives is primarily based on performance over a long-term period. We believe the performance-based vesting of a substantial portion of our executives' long-term incentive compensation drives long-term decision making, mitigates adverse risk-taking that may occur due to year-over-year performance measurements, and rewards growth over the long term. The Compensation Committee, with the guidance and assistance of its independent compensation consultant, reviews and approves compensation components for all named executive officers and other executive officers. Annual incentives are reviewed each year and payments are subject to Compensation Committee discretion. The bonus plans for other Team Members are linked to financial, customer or operating measures. Directors and management are subject to our insider trading policy, which prohibits hedging with Company stock and prohibits the pledging of Company stock unless certain stringent requirements are met.

Director Compensation

Under our director compensation program, each non-management director receives annual compensation that is comprised of a combination of cash and equity-based compensation. Management directors do not receive any additional compensation for services as a director. Each non-management director receives an annual retainer of \$85,000, which is paid in quarterly installments, and additional applicable retainers or fees as set forth in the following paragraph.

Directors who chair Board committees receive additional retainer amounts annually for their committee chair responsibilities. The Audit Committee Chair receives \$20,000 and the Compensation Committee Chair receives \$15,000. The chair of each of the other Board committees receives \$10,000. The independent Board Chair (or the independent Lead Director in the event the Board Chair is not independent) receives an additional \$100,000 annual retainer.

Each non-management director may elect to receive all or a portion of his or her retainer amounts on a deferred basis in the form of deferred stock units, or DSUs. Each DSU is equivalent to one share of our common stock. Dividends paid by us are credited toward the purchase of additional DSUs. DSUs are payable in the form of common stock to participating directors over a specified period of time as elected by the participating director, or whenever their Board service ends, whichever is sooner.

In addition, each non-management director receives equity compensation valued at \$125,000 per year. The equity compensation is awarded annually in the form of DSUs, granted to directors shortly after the date of the annual stockholder meeting. Board members who are appointed at any time other than at the annual meeting receive a prorated DSU award with a grant value based upon the number of months from their election date until the next annual stockholder meeting. DSUs granted prior to Fiscal 2016 vested immediately on the award date and will be distributed in common shares after the director's service on the Board ends. Commencing in Fiscal 2016, the annual grant of DSUs vests on a pro-rata basis in the event that a director's service as a member of the Board ends before May 1 of the following calendar year. On May 30, 2017, each non-management director received 940 DSUs valued at \$125,000 on the date of grant.

2017 Director Summary Compensation Table

Information provided in the following table reflects the compensation delivered to our directors who are not named executive officers for our last fiscal year:

Name	Fees Earned or Paid in Cash ^(a)	Stock Awards ^(b)	Total
John F. Bergstrom	\$100,000	\$125,000	\$225,000
John C. Brouillard	85,000	125,000	210,000
Brad W. Buss	105,000	125,000	230,000
Fiona P. Dias	85,000	125,000	210,000
John F. Ferraro	105,000	125,000	230,000
Adriana Karaboutis	85,000	125,000	210,000
Eugene I. Lee, Jr.	142,500	125,000	267,500
William S. Oglesby	95,000	125,000	220,000
Reuben E. Slone	136,750	125,000	261,750
Jeffrey C. Smith	192,500	125,000	317,500

^(a) Includes board retainers and chair retainers, which were paid or deferred in quarterly installments during Fiscal 2017.

Represents the grant date fair value of DSUs granted during Fiscal 2017. The grant date fair value is calculated using the closing price of the Company's stock on the date of grant. For additional information regarding the valuation assumptions of these awards, refer to Note 16 of the Company's consolidated financial statements in the (b) 2017 Form 10-K filed with the SEC on February 21, 2018. These amounts reflect the aggregate grant date fair value computed in accordance with ASC Topic 718, and do not correspond to the actual value that will be realized by the directors.

Directors' Outstanding Equity Awards at 2017 Fiscal-Year End Table

The following table provides information about the equity awards outstanding as of the end of our last fiscal year for our directors who are not also named executive officers:

Name	Outstanding Deferred Stock Units (#)
John F. Bergstrom	11,961
John C. Brouillard	16,694
Brad W. Buss	1,931
Fiona P. Dias	10,422
John F. Ferraro	3,891
Adriana Karaboutis	2,804
Eugene I. Lee, Jr	2,665
William S. Oglesby	16,004
Reuben E. Slone	2,335
Jeffrey C. Smith	3,194

Compensation Committee Report

Our Compensation Committee is comprised entirely of four independent directors who meet independence, experience and other qualification requirements of the NYSE listing standards, and the rules and regulations of the SEC. Mr. Bergstrom is the chair of our Compensation Committee. The Compensation Committee operates under a written charter adopted by the Board. Our charter can be viewed on our website at www.AdvanceAutoParts.com under "Highlights" in the Investor Relations section.

We have relied on management's representation that the CD&A presented in this Proxy Statement has been prepared with integrity and objectivity and in conformity with SEC regulations. Based upon our review and discussion with management, we recommended to the Board that the CD&A be included in this Proxy Statement.

THE COMPENSATION COMMITTEE

John F. Bergstrom (Chair)

Fiona P. Dias

Eugene I. Lee, Jr.

William S. Oglesby

Compensation Discussion and Analysis

This section describes the compensation packages of our principal executive officer, principal financial officer, and three other most highly compensated executive officers as of December 30, 2017. We refer to these executives as our “Named Executive Officers” or “NEOs.”

Thomas R. Greco President and Chief Executive Officer	Thomas B. Okray Former Executive Vice President, Chief Financial Officer*	Robert B. Cushing Executive Vice President, Professional	Tammy M. Finley Executive Vice President, General Counsel and Corporate Secretary	Jeffrey W. Shepherd Senior Vice President, Controller, Chief Accounting Officer and Interim Chief Financial Officer*
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*NOTE: Mr. Okray, who served as our Chief Financial Officer through the end of Fiscal 2017, departed the Company effective April 15, 2018 and Mr. Shepherd assumed the role of Interim Chief Financial Officer, effective April 13, 2018.

Our Compensation Discussion and Analysis addresses the following topics:

1. Executive Summary,
2. Compensation Governance,
3. Framework for Executive Compensation, and
4. Other Compensation and Benefit Programs.

1 Executive Summary

Financial Highlights

In 2017, we embarked on the first full year of our five-year transformation plan focused on long-term growth and increasing shareholder value. In this critical first year, we made meaningful progress on our strategic initiatives and significantly narrowed the comparable sales growth gap versus our peers. The Team Members across all of the Company's banners as well as our network of independent Carquest associates worked unrelentingly to ensure that Customers remained our primary focus.

Given the substantial margin gap we have with industry peers, we have embraced frugality as a tenet of our corporate culture, including productivity improvements, reducing material costs and implementing zero based budgeting. Our goal is to dramatically improve execution on our base business while building competitive advantage in growth areas such as rapid delivery of parts to Professional shops and ease of online ordering for both Do-It-Yourself ("DIY") and Professional Customers.

To that end, we made investments throughout 2017 in our Customers, Team Members and technology to solidify our value proposition and build the foundation for long-term growth. This will remain our highest priority as we transform Advance. We are committed to delivering on the long-term opportunity ahead for both our business and our stockholders. We believe the investments we have made are integral to our transformation efforts as we provide the best brands for our customers and deliver on our Mission:

Passion for Customers...Passion for Yes!

Both our LTI plan for the Fiscal 2015 through 2017 performance period and our 2017 annual incentive plan ("2017 AIP") utilized measures of comparable store sales and operating income as performance metrics. The 2017 AIP also utilized a free cash flow metric. Based on the Company's performance results:

2017 AIP No Payout	No NEO received a payout under the 2017 AIP because the performance thresholds were not achieved. (Mr. Okray received a one-time guaranteed payment at target bonus value pursuant to the terms of the employment agreement negotiated at the time of his offer of employment.)
2015-2017 LTIP No Payout	No NEO received a LTI payout for the 2015-2017 performance period because the performance thresholds were not achieved.

Our overall financial results are more fully described in our current Report on Form 8-K filed with the SEC on February 21, 2018, and in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 2017 Annual Report on Form 10-K filed with the SEC on February 21, 2018.

Investor Outreach: Connecting with Our Stockholders

2017 Annual Meeting

Stockholder Outreach

In the Fall of 2017 and early 2018, our Board Chair and management participated in discussions with stockholders representing

85.9%

"Say on Pay" Support

20%

of our outstanding shares

Stockholder Feedback Implemented

Themes discussed included
• changes implemented in our short-term and long-term incentive plans

Ultimately, for our annual and long-term incentive compensation plans, we implemented performance metrics that we believe are well aligned with the expectations of our stockholders and the feedback we received.

• corporate governance practices

• environmental sustainability and social responsibility activities

At our 2017 Annual Meeting, our stockholders demonstrated strong support for our executive compensation programs, with 85.9% of shares voted cast in favor of our executive compensation program. In addition, our stockholders strongly supported an annual say-on-pay voting frequency. Accordingly, we are continuing our practice of providing stockholders an annual say-on-pay opportunity.

In the Fall of 2017 and early 2018, members of management and our Board Chair held meetings with several of our key stockholders to discuss our compensation and corporate governance practices. Particular areas of focus for these outreach meetings were to provide updates on our business performance and key priorities, discussion of changes in executive compensation programs and general discussion of our how our compensation and governance programs were designed to ensure alignment with our stockholder interests. We believe it is extremely important to provide an open forum for discussion and feedback and expect to continue active stockholder engagement.

Fiscal Year 2017 Executive Officer Compensation Program Highlights

Our compensation programs continue to center on a Pay-for-Performance philosophy. The compensation actions we took in fiscal year 2017 are directly aligned to this belief to ensure our management's interests are aligned with those of our stockholders.

Compensation Element	Purpose	2017 Actions
Base Salary	Fixed annual cash compensation to attract and retain executives	With the exception of Mr. Greco and Mr. Shepherd (who joined us in 2017), our NEOs received base salary increases commensurate with their roles and responsibilities.
Annual Incentive Plan ("AIP")	Performance-based variable pay that delivers cash incentives when the Company meets or exceeds key financial results	For Fiscal Year 2017, no bonuses were paid under the AIP because the minimum performance thresholds for payout were not met.
LTI Equity Compensation	Performance and service-based equity compensation to reward executives for a balanced combination of meeting or exceeding key financial results and creating long-term stockholder value	For Fiscal Year 2017, in March 2017 our NEOs were granted annual LTI awards that consisted of 70% performance-based RSUs and 30% time-based RSUs. In recognition of their respective performance and contributions to the Company, Mr. Okray and Mr. Cushing each received a one-time award of time-based RSUs scheduled to vest on the third anniversary of the grant date for Mr. Okray and in one-third increments on the first three anniversaries of the grant date for Mr. Cushing.

2 Compensation Governance

We believe good corporate governance practices that reflect our values and support our strong strategic and financial performance must include policies and procedures related to our compensation practices. We regularly review our compensation programs to ensure that our incentives are aligned with stockholder value.

Compensation Framework Highlights

WE DO	HOW WE DO IT
ü Pay for Performance	A significant portion of our compensation package is performance-based for our NEOs.
ü Have a Clawback Policy	Our Board adopted an Incentive Compensation Clawback Policy that provides incentives may be required to be paid back if the covered executive's fraud or willful misconduct results in an accounting restatement.
ü Incorporate Double Trigger vesting	In the event of a Change in Control, vesting only occurs if awards are not replaced or an executive is terminated.
ü Have Stock Ownership Guidelines	All Directors and NEOs are required to maintain meaningful levels of stock ownership to ensure alignment with stockholder interests.
ü Ensure independence requirements are met for Compensation Consultant	Our Committee has engaged and retained an independent compensation consultant.

WE DO NOT

- Provide excise tax gross-ups for Change in Control payments
- Reprice or exchange underwater stock options
- Permit hedging
- Permit pledging unless certain stringent requirements are met

HOW WE ENFORCE IT

- Our executive employment agreements provide for “net best” payment limitations for Change in Control payments.
- Our 2014 LTI Plan precludes repricing.
- Our insider trading policy (i) prohibits directors and certain employees, including NEOs, from trading our stock except during specified windows, (ii) prohibits directors and all employees from pledging our common stock unless certain stringent requirements are met, and (iii) prohibits directors and all employees from engaging in hedging of our common stock. We do not permit hedging or pledging of our LTI awards.

Compensation Decision Roles

The Compensation Committee has final approval of all compensation recommendations for our NEOs except for the CEO, for whom the Compensation Committee’s recommendations are subject to review and approval by the full Board. The Committee has engaged Frederick W. Cook & Co., Inc. (“FW Cook”), an independent consulting firm, to provide advice and assistance to the Committee when making decisions. FW Cook reports to the Committee, and all services provided by FW Cook are on behalf of the Committee.

Compensation Committee	FW Cook	CEO and Management
• Review annual performance and compensation of CEO and NEOs, including salary, short-term and long-term incentives	• Provide advice and assistance to the Compensation Committee when making compensation decisions	• CEO annually reviews performance of all executives
• Review, make recommendations and approve compensation plans	• Assist with reviews and updates on compensation best practices	• Management develops and maintains effective pay and performance management processes and develops the strategic plan and business goals which are incorporated into incentives for performance measures
• Periodic review of the Company's peer group	• Provide the Compensation Committee with updates on regulatory and compliance changes related to executive compensation as applicable	• CEO makes recommendations for salary and incentive compensation commensurate with performance of each executive and the Company
• Oversight of the Incentive Clawback Policy		

Setting Executive Compensation

In determining appropriate compensation opportunities for our NEOs, the Compensation Committee reviews competitive market data provided by FW Cook on compensation practices among a peer group of other specialty retailers. On behalf of the Committee, FW Cook conducts an annual review of the compensation practices of our peer group.

Our peer group is established using a set of guiding principles:

- Limit consideration to companies with revenues between \$3 billion and \$30 billion, generally equivalent to a minimum of one-third and a maximum of three times our revenue;
- Include domestic, publicly traded companies that have a targeted focus of similar industries (including, but not limited to, Automotive Retail, General Merchandise Stores and Specialty Stores); and
- Consider alignment to companies with similar customers and/or business operations.

In August 2016, the Compensation Committee reviewed our executive compensation peer group based on these principles and modified our peer group to exclude Family Dollar Stores, Inc., and to include CarMax, Inc., Dick's Sporting Goods, Inc. and HD Supply Holdings, Inc. for evaluation of 2017 compensation opportunities. Our Compensation Committee did not make any changes to our peer group in 2017 because our relevant peer companies remained stable and consistent with our guiding principles used to select the group. We will continue to monitor and review our peer group on an annual basis. The following companies comprise our executive compensation peer group for 2017 and 2018:

AutoZone, Inc.	Genuine Parts Company	Staples, Inc.
CarMax, Inc.	HD Supply Holdings, Inc.	The Sherwin-Williams Company
Dick's Sporting Goods, Inc.	LKQ Corporation	Tractor Supply Company
Dollar General Corporation	O'Reilly Automotive, Inc.	W.W. Grainger, Inc.
Dollar Tree, Inc.	Office Depot, Inc.	WESCO International, Inc.
Fastenal Company		

Compensation Positioning

The Compensation Committee considers multiple sources of information when determining executive pay. Generally speaking, we target the market median for annual compensation at target. The Committee reviews compensation data from our peer group as well as from other available external sources to ensure we are considering market best practices.

3 Framework for Executive Compensation

Compensation Philosophy and Objectives

Our executive compensation philosophy is straightforward - we pay for performance.

Our executives are accountable for the performance of the business and are compensated based on that performance. In order to ensure we are effectively fulfilling our pay-for-performance philosophy, we strive to deliver a significant portion of our executive compensation through performance-based incentives.

The Annual Total Direct Compensation mix for our CEO and our other NEOs are illustrated below.

Variable, performance-based compensation for our CEO is 86% of his total compensation.

Our other NEOs, on average, have 65% of their total compensation tied to variable, performance-based compensation.

Although there is no pre-established policy or target allocation between specific compensation components, the majority of our executive officers' annual total target compensation depends on the Company meeting or exceeding performance goals for our short-term and long-term plans.

Base Salary

The Committee reviews the information provided by FW Cook regarding executive officers' base salary levels compared to the base salaries of executives of our peer group companies as presented in their latest available proxy statements. The Committee also reviews the assessment of the performance of each executive officer. Performance reviews generally include assessing outcomes compared to specific business and strategic objectives that are established and reviewed annually.

The table below summarizes 2017 base salaries compared to 2016. The Committee determined that Mr. Greco's salary is in line with our targeted range for his role and did not increase his salary. Mr. Cushing did not receive an increase during our normal annual review cycle because he had recently received a salary increase in conjunction with his promotion in late 2016.

Ms. Finley received a salary increase during our normal annual review process. The Committee determined that she performed strongly and consistently based on her objectives, and her salary increase was in line with competitive compensation for her role.

Mr. Okray's base salary was increased in November of 2017 following the first anniversary of his employment with the Company. After conducting a thorough review of his compensation and his relative performance during his first year of service, the Committee determined a salary increase was appropriate to ensure his compensation was competitive to market levels and reflected his contributions to the business.

Mr. Shepherd joined the Company in March 2017 and therefore did not receive any further salary adjustments in 2017.

NEOs	2016 Salary	2017 Salary	% Change	
Mr. Greco	\$1,100,000	\$1,100,000	0	%
Mr. Okray	\$500,000	\$600,000	20	%
Mr. Cushing	\$470,000	\$470,000	0	%
Ms. Finley	\$400,000	\$420,000	5	%
Mr. Shepherd	Not Applicable	\$400,000	Not Applicable	

Annual Incentive Plan

Our compensation philosophy connects our executives' potential annual earnings to the achievement of performance objectives designed to encourage successful execution of our business strategies. Our AIP provides for the payment of cash bonuses based upon our performance in relation to predetermined financial targets established during the first quarter of the fiscal year. Each NEO's AIP target as a percentage of his or her base salary is established so that the NEO's total annual cash compensation at target is aligned with the Committee's desired positioning relative to the market.

NEOs	Base Salary	AIP		AIP Target (\$)
		Target (%)		
Mr. Greco	\$1,100,000	135	%	\$1,485,000
Mr. Okray*	\$500,000	90	%	\$450,000
Mr. Cushing	\$470,000	85	%	\$399,500
Ms. Finley	\$420,000	85	%	\$357,000
Mr. Shepherd	\$400,000	75	%	\$300,000

*Note: The terms of Mr. Okray's Employment Agreement which was entered at the time he joined the Company in October 2016 provide that his first full year bonus for 2017 was guaranteed at target level based upon his salary level established at the time of hire.

With the exception of Mr. Okay as noted above, our AIP payouts for Fiscal 2017 were based on our performance as compared to the goals approved by the Compensation Committee. For Fiscal 2017, we made key changes to our AIP metrics to align more directly with the execution of our strategic business plan. Specifically, we incorporated Free Cash Flow to ensure our leaders were focused on this important area. We also balanced the weighting of the metrics by weighting each equally, whereas historically our plan had the highest emphasis on Operating Income. Because we did not meet the required thresholds for the 2017 AIP Plan to payout, NEOs who were eligible for AIP payouts did not receive any payment under the terms of the plan.

2017 Annual Incentive Plan Performance Results Table

The following table shows the actual performance results, as well as the threshold, target and maximum goals for Fiscal 2017.

Metric	Performance Weight	Actual vs. Potential Payout Results			Final Payout
		Threshold	100% Target	200% of Target (Maximum)	
Enterprise Operating Income (\$ in million)	1/3	\$686.3			0.0%
		\$905.0	\$965.0	\$1,043.0	
Enterprise Comparable Store Sales (%)	1/3	(2.0)%			0.0%
		0.0%	1.4%	3.0%	
Free Cash Flow (\$ in millions)	1/3	\$411.0			0.0%
		\$531.0	\$571.0	\$652.0	

Long-Term Incentive Compensation

For Fiscal 2017, we made important changes to our LTI program. Our NEOs now receive 70% of their Annual LTI Grant in the form of performance-based RSUs while historically they received 50% of their Annual LTI Grant as performance-based SARs. Additionally, we incorporated Return on Invested Capital and Relative Total Shareholder Return as metrics for this plan, bringing balance along with our AIP metrics to reward our key leaders on performance against our most important strategic and financial objectives.

Our executives receive long-term incentive compensation intended to link their compensation to our long-term financial success. Historically, the Company made annual LTI awards in December prior to the start of each new performance period. In late 2016, the Committee decided to change this approach and approve the long-term grants in the first quarter of the first calendar year of each three-year performance period. This approach permits the Committee to utilize the performance results of the preceding fiscal year and three-year performance period to inform its decision in establishing appropriate performance measures.

2017 Annual Long-Term LTI Grant Summary Table

The table below summarizes the Annual LTI Grant awards that were made to our NEOs in March 2017:

NEOs	Annual Grant	LTI Target	% Performance-Based	% Time-Based
Mr. Greco	\$5,000,000		70%	30%
Mr. Okray	\$1,050,000		70%	30%
Mr. Cushing	\$600,000		70%	30%
Ms. Finley	\$600,000		70%	30%
Mr. Shepherd	\$350,000		70%	30%

Time-based RSUs vest in equal installments over three years, beginning on the first anniversary of the grant date. Our performance-based awards may vest at the end of the three-year performance period based on the Company's actual performance for Fiscal 2017 through Fiscal 2019 as compared to the performance targets established by the Compensation Committee in February 2017. The three-year performance period for the Relative TSR commences on the grant date and ends on the third anniversary of the date of grant. We intend to disclose the performance targets and final outcomes at the end of the performance period.

Metric	Weighting	How will we measure
Average Comparable Store Sales Growth	33	% Results vs. Target
Return on Invested Capital	34	% Results vs. Target
Relative TSR	33	% Relative performance to Peer Group

In addition to the 2017 Annual LTI Grants described above, the Compensation Committee approved two one-time grants of time-based RSUs. For Mr. Okray, a one-time award with a value of \$1,000,000 was granted in November 2017. This award was carefully considered by the Committee and approved based on their assessment of Mr. Okray's performance during his first year of service. Mr. Okray added value to the Company's transformation and built a high performing finance team that will be crucial in achieving our five-year plan. The award was scheduled to vest on the third anniversary of the grant date, subject to Mr. Okray's continued employment through the vesting date. For Mr. Cushing, a one-time award with a value of \$500,000 was granted in August 2017. Mr. Cushing plays a pivotal role in the continued growth of our Professional business across all banners of Advance Auto Parts. The award will vest in equal installments on the first three consecutive anniversaries of the grant date.

Historical Performance-Based LTI Awards

In December 2014, annual LTI grants were made in the form of performance-based SARs for the Fiscal 2015 through 2017 performance period and in December 2015 annual LTI grants were made in the form of performance-based SARs for the Fiscal 2016 through 2018 performance periods. The metrics selected for these awards were the Company's three-year cumulative operating income and three-year average comparable store sales growth, equally weighted at 50% for each metric.

Mr. Cushing and Ms. Finley received annual grants of performance-based SARs for the Fiscal 2015 through 2017 and Fiscal 2016 through 2018 performance periods, and Mr. Greco received an annual grant of performance-based SARs for the Fiscal 2016 through 2018 performance period. The performance-based SARs granted for the Fiscal 2015 through 2017 performance period were forfeited because the final performance results fell below the plan threshold.

Fiscal 2015 through 2017 LTI Performance Vesting Table

The following table shows the actual performance results for Fiscal Years 2015 through 2017, as well as the threshold and target performance levels for the annual LTI grant for the Fiscal 2015 through 2017 performance period.

Actual vs. Potential Payout Results					
Metric	Performance Weight	Threshold	100% of Target	200% of Target (Maximum)	Final Potential Payout % by Metric
Cumulative Operating Income (\$ in million)	50%	\$2,207.5			0.0%
		\$2,788.7	\$3,067.4	\$3,364.3	
Average Annual Comparable Store Sales Growth (%)	50%	(1.1)%			0.0%
		1.5%	3.0%	4.5%	

Fiscal 2016 through 2018 LTI Potential Performance Vesting Table

The following table shows the potential payout amounts as a percentage of target level as related to specified levels of performance results for Fiscal 2016 through 2018 for the annual LTI grant for the Fiscal 2016 through 2018 performance period. We intend to disclose the performance target and outcomes at the end of the performance period.

		Potential Payout Results as % of Target					
Metric	Performance Weight	Threshold	Target	Maximum			
		Attainment Payout	Attainment Payout	Attainment Payout	Attainment Payout	Attainment Payout	
Cumulative Operating Income (\$)	50 %	92.8 %	25.0 %	100.0 %	100.0 %	104.9 %	
Average Annual Comparable Store Sales Growth (%)	50 %	62.5 %	25.0 %	100.0 %	100.0 %	166.7 %	
						200.0 %	

Stock Ownership Guidelines

Since 2006, we have had stock ownership guidelines in place that prescribe required levels of stock ownership and the timeline for achieving the required levels. These guidelines are designed to further strengthen and align our leadership with stockholders' interests. Additional information about our stock ownership guidelines is presented in the "Stock Ownership Guidelines for Directors and Executive Officers" section of this Proxy Statement. As of March 2018, all NEOs are meeting the required holdings based on their respective ownership level requirements and time in role.

Role	Ownership Guideline
CEO	6 times base salary
CFO and/or President	3 times base salary
Executive Vice President/Senior Vice President	2 times base salary

4 Other Compensation and Benefit Programs

We offer the following retirement savings programs to our NEOs as a part of our overall Rewards strategy:

401 (k) plan: available to all Team Members over age 21. There are no enhanced benefits for NEOs.

Deferred Compensation Plan: permits all Team Members who meet the definition of a Highly Compensated Employee to defer up to 50 percent of their annual salary and up to 50 percent of their bonus earnings and is ultimately settled in cash. There are no enhanced benefits for NEOs.

Deferred Stock Unit Plan: available to NEOs and senior vice presidents of the Company. Eligible executives can voluntarily defer up to 50 percent of their base salaries in this program, and the DSUs are ultimately settled in shares of our stock.

Detailed information about deferrals made by NEOs into the Deferred Compensation Plan and Deferred Stock Unit Plan is presented in the "2017 Non-Qualified Deferred Compensation Table" contained in this Proxy Statement.

In addition to the retirement savings program benefits described above, we offer reimbursement for an executive physical for certain executives. Mr. Greco received reimbursement under this program in 2017, and the value of this reimbursement is included in the "All Other Compensation" section of the Summary Compensation Table. Mr. Greco, Mr. Okray, Mr. Cushing and Mr. Shepherd each completed relocation in 2017 and received certain relocation benefits, which included reimbursement of temporary living expenses, moving expense reimbursement, home sale/purchase assistance and tax reimbursements under the Company's relocation program and approved by the Compensation Committee.

CEO Pay Ratio

As a result of certain regulations adopted under the Dodd-Frank Wall Street Reform and Consumer Protection Act, we are providing the following disclosure of the ratio of our CEO's compensation to that of our median employee.

Our CEO to median employee pay ratio is calculated in accordance with the guidelines established by the SEC. We identified our median employee using total 2017 earnings from our payroll for all team members employed with us on October 3, 2017. We included all team members, except the CEO, in our analysis of the median employee, including part-time, full-time, and seasonal team members.

After identifying our median employee, we then calculated annual total compensation in accordance with the same methodology as used to calculate total compensation for our CEO in the Summary Compensation table.

Annual Total Compensation for the CEO as described in the Summary Compensation table was \$6,127,997 for Fiscal Year 2017 and the median team member compensation was \$18,460. The result of this analysis is a ratio of 329:1.

The Compensation Committee continuously reviews the compensation of our CEO and our NEOs and our pay practices for all Team Members to ensure internal equity is appropriate. A significant portion of our CEO's compensation is performance-based and thus the ratio may vary each year consistent with the Company's ultimate performance outcomes and how those outcomes connect to our performance-based compensation programs and provide value to our stockholders.

Employment Agreements

We have entered into employment agreements with all NEOs and other selected senior executives. The Committee has determined that these agreements are beneficial to us because they contain restrictive covenants relating to confidential information, non-competition and non-solicitation of our employees. We compete for executive talent, and we believe that providing severance protection plays an important role in attracting and retaining key executives and enabling them to focus on the Company's strategic goals. The agreements provide for severance payments under certain circumstances, which are discussed in more detail in the "Potential Payments Upon Termination of Employment or Change in Control Table" on page 39. The employment agreements with all of our NEOs provide that any incentive compensation granted to the executive by us is subject to our Incentive Compensation Clawback Policy, and none of the severance agreements provides tax gross-ups on any compensation or perquisite.

Following the initial one-year term, the agreements for Messrs. Greco (effective April 11, 2016), Okray (effective October 31, 2016), and Cushing (effective August 21, 2016) and Ms. Finley (effective January 4, 2015) automatically renew for an additional one-year term unless either the executive or the Company provides notice of non-renewal at least 90 days prior to the end of the then effective term. We entered into an employment agreement with Mr. Shepherd effective March 1, 2017, for an initial one-year term. His agreement provides that after the initial one-year term, the agreement is extended each day for an additional day until we provide at least 90 days' notice of our intention not to extend his agreement.

The agreements with Messrs. Greco, Okray, and Cushing and Ms. Finley specify annual base salary and annual performance-based cash target bonus amounts for each executive, calculated as a specified percentage of the executive's base salary. The performance measures are determined by the Compensation Committee annually and are consistent with the measures applied to other senior executives. Mr. Shepherd's agreement does not specify his annual base salary or annual cash target bonus amounts.

If the executive's employment is terminated in the event of the executive's death, we have agreed to pay to the executive's designated beneficiary or estate an amount equal to one year of base salary at the rate then in effect, plus, in the case of Messrs. Greco, Okray, and Cushing and Ms. Finley, an amount equal to the executive's target level bonus in effect at the time of the executive's death (or in the case of Mr. Shepherd, an amount equal to the pro rata portion of any bonus that would have been payable with respect to all fiscal quarters completed prior to termination of employment, provided the criteria for such bonus other than executive's continued employment are satisfied).

In the event of termination of employment due to disability as defined in the agreements, the executive will receive a lump sum payment amount equal to 30 percent of base salary at the rate then in effect, plus an amount equal to the executive's target level annual bonus then in effect (or in the case of Mr. Shepherd, an amount equal to the pro rata portion of any bonus that would have been payable to the executive with respect to all fiscal quarters completed prior to termination of employment, provided the criteria for such bonus other than the executive's continued employment are satisfied) in addition to the benefits payable under our qualified group disability plan. Executives are also granted a right to continue their medical benefits for up to one year post-termination at the same cost as active employees, except for Mr. Greco, who may continue his medical benefits for up to 18 months post-termination at the same cost as active employees.

In addition, under the terms of the executives' long-term incentive awards (except for Mr. Greco's inducement SARs award), if the executive's employment is terminated on account of death or disability, all time-based RSUs and SARs granted to the executive pursuant to our 2004 and 2014 LTI Plans or any successor plan will vest and become exercisable if not then vested or exercisable. If the executive's employment is terminated on account of death, disability or retirement prior to the vesting date of the executive's performance-based SARs or RSUs (except for Mr. Greco's sign-on RSU award and Mr. Cushing's September 2016 RSU award), the performance-based SARs or RSUs will become eligible for exercise or issuance on the normal vesting date for performance-based awards on a pro rata basis for the time that the executive was employed during the performance period. The pro rata amount of performance SARs or RSUs that will become eligible for exercise or issuance will be based on our actual performance through the end of the performance period. In the event Mr. Greco's employment is terminated on account of his death or disability, or if we terminate his employment without "Due Cause" or he terminates his employment for "Good Reason," as defined in his agreement, a pro rata portion of his unvested inducement award of time-based SARs will vest and become exercisable based on the time that he was employed during the vesting period and all of his unvested sign-on time-based and performance-based RSUs will vest as of the effective date of his termination of employment. In the event Mr. Cushing's employment is terminated on account of his death or disability, or if we terminate his employment without "Due Cause" or he terminates his employment for "Good Reason," as defined in his agreement, a pro rata portion of his unvested September 2016 performance-based RSUs may vest based on our actual performance for the completed 2017 or 2018 performance periods.

If we terminate the executive's employment without "Due Cause" or if the executive terminates his or her employment for "Good Reason," as defined in the agreements, other than following a Change in Control, as defined in the 2014 LTIP, Messrs. Okray and Cushing and Ms. Finley will be entitled to a lump sum severance payment in an amount equal to one year of base salary at the rate then in effect, plus an amount equal to an average of the past three years'

annual bonus payments. Mr. Greco is entitled to an amount equal to one and one half times his annual base salary at the rate then in

effect and an amount equal to one and one half times the average value of the annual bonuses paid to him for the three completed fiscal years immediately prior to the date of such termination, as well as an annual bonus for the fiscal year of termination of employment, based on actual full-year performance, pro-rated to reflect the time of service for such fiscal year through the date of termination. For Mr. Shepherd, if we terminate his employment without "Due Cause," as defined in his agreement, other than following a Change in Control, as defined in the 2014 LTIP, he will be entitled to a lump sum severance payment in an amount equal to one year of base salary at the rate then in effect, plus an amount equal to the pro rata portion of any bonus that would have been payable with respect to all fiscal quarters completed prior to termination of employment, provided the criteria for such bonus other than his continued employment are satisfied. Except as described in the preceding paragraph with respect to Mr. Greco's inducement and sign-on grants, and Mr. Cushing's September 2016 RSU award, any performance-based grants of SARs and RSUs will vest immediately on a pro rata basis based on our performance for the amount of time the executive was employed during the performance period measured as of the most recently completed fiscal quarter. Executives are also granted a right to continue their medical benefits for one year post-termination at the same cost as active employees and to receive outplacement services for a period of up to one year, except for Mr. Greco who may continue his medical benefits for 18 months post-termination at such cost.

Except in the case of Mr. Shepherd, if, within twelve months after a Change in Control, we terminate the executive officer's employment other than for Due Cause, death or disability, or the executive terminates the executive's employment for Good Reason, the executive will be entitled to receive a lump sum severance payment in an amount equal to two times base salary at the rate then in effect, plus two times the target annual bonus amount then in effect. Mr. Greco is also entitled to these benefits in the event his employment is terminated in contemplation of a Change in Control within three months prior to the consummation of a Change in Control. Mr. Shepherd will be entitled to receive a lump sum severance payment in an amount equal to one year of base salary at the rate then in effect plus an amount equal to the pro rata portion of any annual bonus that would have been payable to the executive, provided the criteria for such bonus other than the executive's continued employment have been satisfied. In addition, we will provide the executive certain outplacement services for a period of up to one year. In the event of a Change in Control, all time-based RSUs, as well as Mr. Greco's sign-on performance-based RSUs, will vest and become exercisable or issued only if the acquiring entity does not exchange or replace the LTI grants or upon termination of employment without Due Cause within 24 months following the Change in Control event. Performance-based SARs and RSUs (except for Mr. Cushing's September 2016 RSUs) will vest at the same time on a pro rata basis based on our performance for the amount of time the executive was employed during the performance period measured as of the most recently completed fiscal quarter prior to the Change in Control event. Mr. Cushing's September 2016 RSUs will vest based on the following: (i) if the Change in Control event occurs prior to the end of the 2017 performance period, the number of awards will be calculated based on the amount of time he was employed during the performance period, (ii) if the Change in Control event occurs during the 2018 performance period, the number of awards will be calculated based on actual 2017 performance and the amount of time he was employed during the 2018 performance period, and (iii) if the Change in Control event occurs after the 2018 performance period but before the vesting date, the number of awards will be calculated based on actual 2017 and 2018 performance. Executives are also granted a right to continue their medical benefits for up to one year post-termination at the same cost as active employees, except for Mr. Greco who may continue his medical benefits for 18 months post-termination at such cost.

In the event of a Change in Control, the employment agreements with Messrs. Greco, Okray, and Cushing and Ms. Finley provide that if payments upon termination of employment related to a Change in Control would be subjected to the excise tax imposed by Section 4999 of the Internal Revenue Code, and if reducing the amount of the payments would result in greater benefits to him or her (after taking into consideration the payment of all income and excise taxes that would be owed as a result of the Change in Control payments), we will reduce the Change in Control payments by the amount necessary to maximize the benefits received by him or her, determined on an after-tax basis. The Change in Control payments are not eligible for tax gross-up payments.

Tax Deductibility of Pay

In designing our executive compensation programs, we have historically considered the potential impact of Section 162(m) of the Internal Revenue Code, which disallows a tax deduction for any publicly held corporation for individual compensation exceeding \$1,000,000 in any taxable year paid to our NEOs. Prior to the adoption of the Tax Cuts and Jobs Act ("TCJA") of 2017, compensation paid in accordance with a stockholder approved performance-based incentive plan was exempt from Section 162(m) and was tax-deductible by us. Our 2017 Amended and Restated Executive Incentive Plan ("Executive Incentive Plan") was established and approved by our stockholders in 2017. All 2017 annual incentives available to our NEOs were subject to performance measures established and certified by the Committee consistent with the provisions of our Executive Incentive Plan, except that, under the terms of Mr. Okray's employment agreement, he was entitled to receive a minimum annual incentive payment for Fiscal 2017. The stockholder-approved 2014 LTIP enabled us to exclude from the \$1,000,000 limit any performance-based compensation resulting from long-term incentives or other qualifying awards granted under the plan to our NEOs. SARs and the performance-based portion of our restricted shares and RSUs were structured and administered with the intention to meet the tax-deductibility requirements of Section 162(m) of the Internal Revenue Code. We intended to structure compensation programs to meet the requirements of Section 162(m), other than time-based restricted stock or RSUs, which are not considered performance-based under Section 162(m) of the Internal Revenue Code. Accordingly, awards of time-vested restricted stock or RSUs are generally not deductible by us to the extent that an individual's compensation exceeds the \$1,000,000 limit of Section 162(m). However, the Committee retained the authority to award compensation which may not be fully deductible by us. The 2014 LTIP was approved by our stockholders at the 2014 Annual Meeting, and our Executive Incentive Plan was approved at the 2017 Annual Meeting. The plans enabled us to qualify certain LTI awards and annual bonuses as "performance-based" compensation under Section 162(m) of the Internal Revenue Code through fiscal year 2017. The exemption for performance-based compensation was repealed as part of the TCJA of 2017 and will no longer be available for performance-based compensation awarded following Fiscal 2017. In addition, the TCJA of 2017 provides that once an individual becomes a covered employee for any taxable year beginning after December 31, 2016, that individual will remain a covered employee for all future years. Accordingly, the Company may experience lower levels of tax deductibility of executive compensation costs in the future.

Additional Information Regarding
Executive Compensation

Summary Compensation Table

The following Summary Compensation Table provides the compensation earned by our chief executive officer, principal financial officer and the other three most highly compensated executive officers as of the end of each of the last three completed fiscal years.

Name and Principal Position	Year	Salary (\$)	Bonus	Stock Awards	Option SAR Awards	Non-Equity Incentive Plan Compensation	All Other Compensation	Total (\$)
			(a) (\$)	(b) (d) (\$)	(c) (d) (\$)	(e) (\$)	(f) (g) (h) (\$)	
Thomas R. Greco President and Chief Executive Officer	2017	\$1,100,008	\$ —	\$5,000,129	\$ —	\$ —	\$27,860	\$6,127,997
	2016	803,852	3,485,000	2,700,097	5,500,036	—	331,782	22,820,767
Thomas B. Okray Former Executive Vice President, Chief Financial Officer	2017	513,471	450,000	2,050,196	—	—	18,363	3,032,030
	2016	86,540	380,000	2,000,130	—	—	114,452	2,581,122
Robert B. Cushing Executive Vice President, Professional	2017	470,017	—	1,100,117	—	—	132,717	1,702,851
	2016	453,910	—	437,747	28,866	179,669	53,034	1,153,226
Jeffrey W. Shepherd Senior Vice President, Controller, Chief Accounting Officer and Interim Chief Financial Officer	2017	330,773	—	1,094,874	—	—	172,212	1,597,859
Tammy M. Finley Executive Vice President, General Counsel and Corporate Secretary	2017	415,765	—	600,084	—	—	5,729	1,021,578
	2016	400,005	—	—	—	—	3,975	403,980
	2015	400,005	—	469,339	469,284	—	6,283	1,344,911

For Mr. Greco, represents a cash sign-on bonus of \$2,000,000 and his guaranteed annual cash bonus for Fiscal (a) 2016 in the amount of \$1,485,000. For Mr. Okray, represents his guaranteed annual cash bonus for Fiscal 2017 and a cash sign-on bonus for Fiscal 2016.

Represents the grant date fair value of RSUs granted for each year. The grant date fair value is calculated using the closing price of our common stock on the date of grant. For additional information regarding the valuation assumptions of this award, refer to Note 16 of our consolidated financial statements in the 2017 Form 10-K filed with the SEC on February 21, 2018. See the "2017 Grants of Plan-Based Awards Table" and "Outstanding Equity Awards at 2017 Fiscal Year-End Table" in this Proxy Statement for information on stock awards granted in 2017 and prior years. These amounts reflect the aggregate grant date fair value computed in accordance with the (b) Financial Accounting Standards Board's Accounting Statement of Codification Topic 718 ("ASC Topic 718"), and do not correspond to the actual value that may be realized by the NEOs. Any performance awards included in these amounts have been valued based on the probable outcome of the performance conditions as of the grant date. Commencing with Fiscal 2017, the timing of annual LTI grants was moved from the preceding December to the first quarter of the affected vesting or performance period. Accordingly, with the exception of individuals who were hired or promoted during Fiscal 2016, no annual LTI grants were made during that fiscal year.

Represents the grant date fair value of SARs granted for each year. For additional information regarding the valuation assumptions of this award, refer to Note 16 of our consolidated financial statements in the 2017 Form 10-K filed with the SEC on February 21, 2018. See the "2017 Grants of Plan-Based Awards Table" and

(c) "Outstanding Equity Awards at 2017 Fiscal Year-End Table" in this Proxy Statement for information on SARs awards granted in 2017 and prior years. These amounts reflect the aggregate grant date fair value computed in accordance with ASC Topic 718, and do not correspond to the actual value that may be realized by the NEOs. Any performance awards included in these amounts have been valued based on the probable outcome of the performance conditions as of the grant date.

(d) The maximum value for performance awards (based on grant-date fair values), assuming the highest level of performance is achieved for performance awards granted, is provided for each executive in the table below.

Name	Year	Performance-Based RSUs	Performance-Based SARs	Maximum Grant-Date Fair Value
		Maximum Grant-Date Fair Value (\$)	Maximum Grant-Date Fair Value (\$)	of Performance-Based Stock Awards and SARs (\$)
Mr. Greco	2017	7,000,149	—	7,000,149
	2016	8,000,006	5,000,008	13,000,014
Mr. Okray	2017	1,470,285	—	1,470,285
	2016	—	—	—
Mr. Cushing	2017	840,118	—	840,118
	2016	408,747	57,732	466,479
	2015	—	231,045	231,045
Mr. Shepherd	2017	479,429	—	479,429
Ms. Finley	2017	840,118	—	840,118
	2016	—	—	—
	2015	—	938,569	938,569

The maximum value shown above does not include RSUs and SARs granted to Mr. Greco in 2016 with grant-date fair values of \$4,700,091 and \$3,000,032, respectively, due to the fact that they are 100 percent time-based. For Mr. Okray, the maximum value does not include RSUs granted in 2016 due to the fact that they are 100 percent time-based. For Mr. Cushing the maximum value does not include RSUs granted in 2016 with a grant-date fair value of \$29,000 due to the fact that they are 100 percent time-based.

(e) Represents payout to Mr. Cushing under the Worldpac Management Incentive Plan for Fiscal 2016, based on actual results compared to target Operating Income for our Worldpac business.

(f) For Fiscal 2017, includes Company matching contributions according to the terms of the Company's 401(k) plan in the amounts of \$8,215.65 for Mr. Cushing and \$3,975.05 for Ms. Finley.

For Fiscal 2017, includes life insurance premiums paid by the Company for each executive as follows: \$2,298.96 (g) for Mr. Greco; \$1,254.72 for Mr. Okray; \$1,758.72 for Mr. Cushing; \$837.24 for Mr. Shepherd and \$1,753.92 for Ms. Finley.

(h) Includes relocation benefits and related tax gross-up payments for Messrs. Greco, Okray, Cushing and Shepherd with respect to their relocation to Raleigh, NC, pursuant to the terms of the relocation policy approved by the Compensation Committee. As is common for relocation packages of this nature, their relocation packages included full reimbursement for any taxable payments related to the relocation. Reportable compensation for Mr. Greco includes relocation and temporary living expenses in the amount of \$19,179 and \$2,898 for related tax reimbursement payments. Reportable compensation for Mr. Okray includes relocation and temporary living expenses in the amount of \$1,462 and \$15,746 for related tax reimbursement payments. Reportable compensation for Mr. Cushing includes relocation and temporary living expenses in the amount of \$106,668 and \$16,074 for

related tax reimbursement payments. Reportable compensation for Mr. Shepherd includes relocation and temporary living expenses in the amount of \$153,291 and \$18,085 for related tax reimbursement payments.

2017 Grants of Plan-Based Awards Table

The following table sets forth information concerning grants of cash and stock-based awards made under our annual and long-term incentive plans during 2017. The threshold, target and maximum non-equity incentive award amounts shown in the table represent the amounts to be paid if our performance had met the respective levels of the applicable performance measures. The performance measures are more fully described under the heading "Annual Incentive Plan" in the Compensation Discussion and Analysis section of this Proxy Statement. The threshold, target and maximum equity incentive award amounts shown in the table represent the amounts to be paid if our performance meets the respective level of applicable performance measures as more fully described under the heading "Long-Term Incentive Compensation" in the Compensation Discussion and Analysis section of this Proxy Statement.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards (a)			Estimated Future Payouts Under Equity Incentive Plan Awards (b)			All Other Stock Awards: Number of Shares of Stock or Units (#) (c)	Grant Date Fair Value of Stock and Option Awards (\$) (d)
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)		
Mr. Greco	1/1/2017	\$371,253	\$1,485,011	\$2,970,022	—	—	—	—	\$ —
	3/1/2017	—	—	—	—	—	—	9,574	1,500,054
	3/1/2017	—	—	—	5,585	22,339	44,678	—	3,423,760
Mr. Okray	1/1/2017	—	450,000	900,000	—	—	—	—	—
	3/1/2017	—	—	—	—	—	—	2,011	315,083
	3/1/2017	—	—	—	1,173	4,692	9,384	—	719,112
	11/20/2017 (e)	—	—	—	—	—	—	10,937	999,970
Mr. Cushing	1/1/2017	99,879	399,514	799,029	—	—	—	—	—
	3/1/2017	—	—	—	—	—	—	1,149	180,025
	3/1/2017	—	—	—	670	2,681	5,362	—	410,904
	8/21/2017 (e)	—	—	—	—	—	—	5,253	500,033
Mr. Shepherd	1/1/2017	75,001	300,003	600,006	—	—	—	—	—
	3/1/2017 (e)	—	—	—	—	—	—	3,192	500,123
	3/1/2017	—	—	—	—	—	—	2,266	355,037
	3/1/2017	—	—	—	391	1,564	3,128	—	239,715
Ms. Finley	1/1/2017	89,249	356,994	713,988	—	—	—	—	—
	3/1/2017	—	—	—	—	—	—	1,149	180,025
	3/1/2017	—	—	—	670	2,681	5,362	—	410,904

(a) The non-equity incentive plan information represents our 2017 AIP. Pursuant to the terms of Mr. Okray's employment agreement, he was guaranteed to receive a 2017 bonus payment at no less than target level.

(b) These columns include performance-based RSU grants to our executives.

(c) These columns include the number of time-based RSUs awarded to our executives.

The aggregate grant date fair value of the awards was computed in accordance with ASC Topic 718. The attainment of target level for performance awards was deemed probable at the date of grant for the each of the performance awards granted during 2017. Accordingly, the grant date fair value was calculated at target level for these awards.

(e) For Mr. Okray, represents an off-cycle grant of time-based RSUs which would vest on the third anniversary of the grant date, subject to his continued employment with the Company through the vesting date. For Mr. Cushing, represents an off-cycle grant of time-based RSUs which will vest in equal one-third increments on the first, second and third anniversaries of the grant date, subject to his continued employment with the Company through the

applicable vesting date. For Mr. Shepherd, represents a sign-on grant of time-based RSUs which will vest in equal one-third increments on the first, second and third anniversaries of the grant date, subject to his continued employment with the Company through the applicable vesting date.

The time-vested portions of the RSU awards granted in 2017 include rights to receive dividend equivalent payments in the same amount as paid to our stockholders, but do not include voting rights. The performance-based RSUs granted in 2017 do not include dividend or voting rights. We paid quarterly cash dividends of \$0.06 per share in 2017.

Outstanding Equity Awards at 2017 Fiscal Year-End Table

The following table provides information concerning stock-based awards granted to our NEOs that were outstanding at the end of our last fiscal year.

Name	Grant Date	Option Awards (a)					Stock Awards (b) Equity Incentive Plan Awards:			
		Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Exercised Options (#)	Equity Incentive Awards: Number of Shares Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Number of Unearned Shares, Units, or Other Rights That Have Not Vested	Market Value of Unearned Shares, Units, or Other Rights That Have Not Vested (\$)
Mr. Greco	3/1/2017 (c)	—	—	—	\$ —		—	\$ —	7,447	\$ 742,391
	3/1/2017 (c)	—	—	—	—		—	—	3,723	371,146
	3/1/2017 (c)	—	—	—	—		9,574	954,432	—	—
	4/14/2016	—	—	16,663	160.944	14/2023	—	—	—	—
	4/14/2016	—	68,745	—	160.944	14/2023	—	—	—	—
	4/14/2016	—	—	—	—		10,356	1,032,390	—	—
	4/14/2016	—	—	—	—		—	—	33,139	3,303,627
	4/14/2016	—	—	—	—		13,670	1,362,762	—	—
Mr. Okray	11/20/2017 (c)	—	—	—	—		10,937	1,090,340	—	—
	3/1/2017 (c)	—	—	—	—		—	—	782	77,958
	3/1/2017 (c)	—	—	—	—		—	—	1,564	155,915
	3/1/2017 (c)	—	—	—	—		2,011	200,477	—	—
	11/21/2016	—	—	—	—		3,595	358,386	—	—
Mr. Cushing	8/21/2017 (c)	—	—	—	—		5,253	523,672	—	—
	3/1/2017 (c)	—	—	—	—		—	—	894	89,123
	3/1/2017 (c)	—	—	—	—		—	—	447	44,561
	3/1/2017 (c)	—	—	—	—		1,149	114,544	—	—
	9/7/2016	—	—	—	—		—	—	1,262	125,809
	9/7/2016	—	—	—	—		—	—	1,263	125,908
	8/22/2016	—	—	209	158.478	22/2023	—	—	—	—
	8/22/2016	—	—	—	—		122	12,162	—	—
	12/10/2015	—	—	792	151.761	2/10/2022	—	—	—	—
Mr. Shepherd	12/10/2015	—	—	—	—		516	51,440	—	—
	12/1/2014	—	—	861	147.072	1/2021	—	—	—	—
	02/10/2014	711	—	—	123.322	10/2021	—	—	—	—
	3/1/2017 (c)	—	—	—	—		—	—	522	52,038

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	3/1/2017 (c)	—	—	—	—	—	260	25,919
	3/1/2017 (c)	—	—	—	—	671	66,892	—
	3/1/2017 (c)	—	—	—	—	4,787	477,216	—
Ms. Finley	3/1/2017 (c)	—	—	—	—	—	894	89,123
	3/1/2017 (c)	—	—	—	—	—	447	44,561
	3/1/2017 (c)	—	—	—	—	1,149	114,544	—
	12/10/2015	—	—	2,055	151.76	12/10/2022	—	—
	12/10/2015	—	—	—	—	659	65,696	—
	2/17/2015	—	—	1,202	150.23	2/17/2022	—	—
	2/17/2015	—	—	—	—	376	37,483	—
	12/1/2014	—	—	492	147.07	12/1/2021	—	—
	12/12/2013	479	—	—	107.93	12/12/2020	—	—
	5/28/2013	2,126	—	—	83.63	5/28/2020	—	—
	12/3/2012	2,041	—	—	73.17	12/3/2019	—	—
	12/1/2011	1,296	—	—	68.75	12/1/2018	—	—

- Includes grants of SARs. Generally, the time-based SARs vest in three approximately equal annual installments commencing on the first anniversary date of the grant. The April 2016 grant of 68,745 SARs to Mr. Greco represent time-based awards that may vest in three equal portions on the third, fourth and fifth anniversary of the grant date. The amounts shown for SARs granted in December 2014, December 2015, April 2016 and August 2016 represent performance-based SARs at the threshold level - a 25 percent payout of the performance-based SARs.
- (a) The performance-based SAR awards shown in this table as Equity Incentive Plan Awards granted in December 2014 and December 2015, may be eligible for exercise on March 1, 2018 and March 1, 2019 respectively, following certification by the Committee of the performance vesting achievement level. The April 2016 equity incentive grant to Mr. Greco and August 2016 grant to Mr. Cushing may vest on the third anniversary of the respective grant dates, following certification by the Committee of the performance vesting achievement level. Includes awards of RSUs. Generally, all awards of time-based RSUs listed in the table vest in three approximately equal annual installments commencing on the first anniversary date of the grant. Mr. Okray's November 2016 award includes the remaining 30 percent portion that would have vested on the second anniversary of the grant date, subject to his continued employment through that date. The market value of the stock awards is reflective of
- (b) the closing price of our common stock as of December 29, 2017 (\$99.69), the last day that our common stock was traded during Fiscal 2017. The amounts shown for the September 2016 and April 2016 equity incentive grants represent performance RSUs at the target level - a 100 percent payout of the performance RSUs. The amounts shown for the March 2017 equity incentive grant represents performance RSUs above threshold - a 50 percent payout of the performance RSUs.
- (c) See the "2017 Grants of Plan-Based Awards Table" in this Proxy Statement and the footnotes above for more information on awards granted to our executive officers in 2017.

2017 Option Exercises and Stock Vested Table

The following table sets forth information with respect to our NEOs who exercised stock options or SARs and vested in stock awards during 2017.

Name	Stock Awards	
	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
Mr. Greco	21,747	\$3,063,935
Mr. Okray	8,389	746,034
Mr. Cushing	2,239	292,198
Mr. Shepherd	—	—
Ms. Finley	1,339	157,039

2017 Non-Qualified Deferred Compensation Table

The following table sets forth information with respect to our NEOs concerning executive contributions to non-qualified deferred compensation plans during 2017. We do not make any contributions to these deferred compensation plans. Aggregate earnings information includes changes in market value of the investments plus any dividends received by the executive for their DSUs.

Name	Executive Contributions (\$)(a)	Aggregate Earnings (\$)(b)	Aggregate Withdrawals/ Distributions (\$)	Aggregate Balance at December 30, 2017 (\$)
Mr. Greco	—	—	—	—
Mr. Okray	—	—	—	—
Mr. Cushing	—	—	—	—
Mr. Shepherd	—	—	—	—
Ms. Finley	\$ 83,076	\$ 91,103	\$ 6,483	\$ 615,673

Additional information is provided under "Other Compensation and Benefit Programs" in the CD&A section of this (a) Proxy Statement. Any amounts reported as Executive Contributions are also reported in the Salary column of the "Summary Compensation Table" of this Proxy Statement.

(b) Represents realized and unrealized gains or losses on market-based investments selected and dividends earned by executives for their deferred compensation balances.

Potential Payments Upon Termination of Employment or Change in Control Table

The following table provides an estimate of the inherent value of the severance payments, stock incentives, and benefits provided for in each named executive officer's employment agreement or other compensation arrangements described above, assuming termination of employment or change in control occurred on December 30, 2017, the last day of our 2017 fiscal year.

Executive	Voluntary Termination without Good Reason or Involuntary Termination for Due Cause (a)	Retirement	Disability	Death	Involuntary Termination without Due Cause or Voluntary Termination for Good Reason not related to a Change in Control (b)	Involuntary Termination without Due Cause or Voluntary Termination for Good Reason related to a Change in Control (c)
Mr. Greco						
Cash Severance (d)	\$	—\$—	\$1,815,000	\$2,585,000	\$3,877,500	\$5,170,000
Stock Incentives (e) (f)	—	—	6,653,178	6,653,178	4,666,356	6,653,178
Other Benefits (g)	—	—	670,512	1,100,000	22,512	22,512
	\$	—\$—	\$9,138,690	\$10,338,178	\$8,566,368	\$11,845,690
Mr. Okray						
Cash Severance (d)	\$	—\$—	\$720,000	\$1,140,000	\$600,000	\$2,280,000
Stock Incentives (e) (f)	—	—	1,649,172	1,649,172	—	1,649,172
Other Benefits (g)	—	—	365,661	600,000	17,661	17,661
	\$	—\$—	\$2,734,833	\$3,389,172	\$617,661	\$3,946,833
Mr. Cushing						
Cash Severance (d)	\$	—\$—	\$540,500	\$869,500	\$751,474	\$1,739,000
Stock Incentives (e) (f)	—	701,818	701,818	701,818	—	701,818
Other Benefits (g)	—	—	291,015	470,000	21,015	21,015
	\$	—\$701,818	\$1,533,333	\$2,041,318	\$772,489	\$2,461,833
Mr. Shepherd						
Cash Severance (d)	\$	—\$—	\$420,000	\$700,000	\$400,000	\$700,000
Stock Incentives (e) (f)	—	—	544,108	544,108	—	544,108
Other Benefits (g)	—	—	248,885	400,000	20,885	20,885
	\$	—\$—	\$1,212,993	\$1,644,108	\$420,885	\$1,264,993
Ms. Finley						
Cash Severance (d)	\$	—\$—	\$483,000	\$777,000	\$420,000	\$1,554,000
Stock Incentives (e) (f)	—	—	217,723	217,723	—	217,723
Other Benefits (g)	—	—	257,274	420,000	17,274	17,274
	\$	—\$—	\$957,997	\$1,414,723	\$437,274	\$1,788,997

Voluntary termination without Good Reason or termination for Due Cause makes an executive ineligible for any employment agreement benefits other than any rights the executive may have under the normal terms of other benefit plans. Executives must exercise vested long-term incentives within 90 days after the date of termination. The term "Due Cause" is defined in the agreements as (i) a material breach of the executive's obligations under the agreement or a material violation of any code or standard of conduct applicable to our officers that is willful and deliberate and committed in bad faith and that has not been cured; (ii) a material violation of the loyalty obligations as provided in the agreement; (iii) the executive's willful engagement in bad faith conduct that is demonstrably and materially injurious to us; (iv) a conviction of a crime of moral turpitude or a felony involving fraud, breach of trust, or misappropriation; or (v) a determination that the executive is in material violation of our Substance Abuse Policy.

The employment agreements of our NEOs, except for Mr. Shepherd, provide that the executive's employment is deemed to be terminated by us without Due Cause if the executive elects to terminate his employment for Good Reason. The term "Good Reason" is defined in the agreements as: (i) a material diminution in the executive's total direct compensation; (ii) a material diminution in the executive's authority, duties or responsibilities or those of the executive's supervisors; (iii) the termination of the Executive Incentive Plan without a replacement plan or the material reduction of the executive's benefits without a similar reduction for other executives; or (iv) requiring the executive to be based more than 60 miles from our office at which the executive was principally employed immediately prior to the date of the relocation. Except for Mr. Greco and Mr. Shepherd, upon termination of employment by us other than for Due Cause or by the executive for Good Reason the executive is entitled to receive a cash "termination payment" which equals the sum of the executive's annual base salary and an amount equal to the average annual bonus payment over the past three years. Mr. Greco is entitled to an amount equal to one and one half times his annual base salary and an amount equal to one and one half times his average annual bonus payment over the past three years, in addition to a pro-rated annual bonus for the year in which his employment is terminated. The value of the bonus amount included for each executive in the cash severance payment is the average bonus paid for fiscal years 2014, 2015 and 2016. For termination of employment by us without Due Cause, Mr. Shepherd is entitled to an amount equal to one year of base salary plus an amount equal to the pro rata portion of any bonus that would have been payable for the fiscal quarters prior to her termination of employment. In addition, the executive will receive outplacement services and certain medical benefits coverage.

If, within 12 months of a Change in Control (as defined in our 2014 LTIP), the executive's employment is terminated by us other than for Due Cause or by the executive for Good Reason, the executive will be entitled to a Change in Control Termination Payment equal to (i) two times the executive's base salary plus (ii) two times the amount equal to the executive's target bonus (or, in the case of Mr. Shepherd, an amount equal to one year of base salary plus an amount equal to the pro rata portion of any bonus that would have been payable for the fiscal quarters prior to her termination of employment.)

In the case of voluntary termination without Good Reason or termination for Due Cause, the executive would be ineligible to receive a cash severance payment. In accordance with the employment agreements, if the executive's employment is terminated on account of death, the executive's beneficiary or estate is entitled to receive a lump sum payment equivalent to the executive's annual base salary and target bonus amount (or an amount equal to the pro rata portion of any bonus that would have been payable for the fiscal quarters prior to his termination of employment in the case of Mr. Shepherd.) In the event that the executive is terminated on account of disability, the employment agreements provide that the executive is entitled to receive a cash severance amount equivalent to 30 percent of the executive's annual base salary and an amount equal to the executive's annual target bonus (or an amount equal to the pro rata portion of any bonus that would have been payable for the fiscal quarters prior to his termination of employment in the case of Mr. Shepherd.)

Amounts shown here are calculated as the differences between the exercise price, if any, of the outstanding stock-based incentives and the closing price of our stock on the last day our stock was traded during Fiscal 2017 (\$99.69).

(f)

Except in the case of Mr. Greco's April 2016 Inducement SARs, the terms of the executives' SAR and restricted stock unit agreements provide that upon termination of employment due to death or disability, any remaining previously unvested time-based SARs and RSUs will vest immediately. Mr. Greco's April 2016 Inducement SARs will vest on a pro-rata basis commensurate with the time employed prior to death or disability during the vesting period. Performance-based SARs and RSUs will vest based on our performance at the end of the applicable performance period on a pro-rata basis commensurate with the time employed prior to death or disability during the performance period, except for Mr. Greco's equity incentive RSUs which will vest immediately. In the event of retirement, which requires 10 years of service and a minimum age of 55 years, time-based shares will continue to vest commensurate with the vesting period of the award. Performance-based SARs and RSUs vest based on our performance at the end of the applicable performance period on a pro-rata basis commensurate with the time employed prior to retirement during the performance period, except for Mr. Cushing's September 2016 RSUs which will forfeit. In the event of involuntary termination without Due Cause, or voluntary termination for Good Reason, a pro rata portion of the performance-based SARs and RSUs will vest immediately as of the date of the executive's termination of employment based on the amount of time employed during the performance period and our performance as of the most recently completed fiscal quarter, except for Mr. Cushing's September 2016 RSUs which will still vest on the original vesting date, in an amount based on the achievement of the performance goals for any entirely completed 2017 and 2018 performance periods. All time-based SARs and RSUs will vest and become exercisable only if the acquiring entity does not exchange or replace the LTI grants or upon termination of employment without Due Cause within 24 months following the Change in Control event. Performance-based SARs and RSUs will vest at the same time on a pro rata basis based on the amount of time employed during the performance period and our performance as of the most recently completed fiscal quarter, except for Mr. Cushing's September 2016 RSUs which will vest based on the following: (i) if the Change in Control event occurs prior to the end of the 2017 performance period, the number of awards will be calculated based on the amount of time he was employed during the performance period, (ii) if the Change in Control event occurs during the 2018 performance period, the number of awards will be calculated based on actual 2017 performance and the amount of time he was employed during the 2018 performance period, and (iii) if the Change in Control event occurs after the 2018 performance period but before the vesting date, the number of awards will be calculated based on actual 2017 and 2018 performance.

For Disability, Other Benefits consist of the amount the executives would receive under our qualified plan as well as amounts provided for continued medical coverage at our cost of providing one year of health care coverage to (g) the executive at the same cost as active employees. For Death, Other Benefits represent life insurance benefits. For Involuntary Termination, Other Benefits include \$12,000 in outplacement costs and the cost of providing one year of health care coverage to the executive at the same cost as active employees.

Proposal No. 2

Stockholder Advisory Vote to Approve the Compensation
of the Company's Named Executive Officers

At the 2017 Annual Meeting of Stockholders, nearly 86 percent of the shares voted were cast in support of our compensation program for executive officers. Stockholders also voted overwhelmingly in favor of conducting an advisory vote annually as a means for us to obtain information on investor sentiment about our executive compensation philosophy and practices. We encourage you to review the CD&A section of this Proxy Statement and vote to approve the compensation of our named executive officers as disclosed therein and in the accompanying tables and narrative discussion contained in this Proxy Statement. We are providing this opportunity to vote on the compensation of our named executive officers as required by Section 14A of the Securities Exchange Act of 1934. Although your vote is advisory and not binding on our Board, our Compensation Committee or the Company, the Board and the Board's Compensation Committee will carefully consider the voting results and take them into consideration when making future decisions regarding executive compensation policies and procedures. It is expected that the next say-on-pay vote will occur at the 2019 annual meeting of stockholders.

We have a long history of delivering solid strategic and financial results for our stockholders and serving our customers and the community. Our executive compensation programs have played a key role in our ability to attract and retain a highly experienced, successful team to manage our Company and drive these strategic and financial results. We believe our executive compensation programs are structured in the best manner possible to support us and our business objectives, as well as to support our culture and traditions. We are poised to provide an engaged work force and to deliver strong results for our stockholders, our customers and the communities in which we operate.

We believe our executive compensation programs strike the appropriate balance between utilizing responsible, measured pay practices and effectively incentivizing our executives to dedicate themselves fully to value creation for our stockholders. This balance is evidenced by the following:

The compensation of our executives is based on a design that aims to align pay with both the attainment of annual operational and financial goals, which the Compensation Committee establishes, and sustained long-term value creation;

Our compensation programs are substantially tied into our key business objectives and the success of our stockholders. If the value we deliver to our stockholders declines, so does the value of the compensation we deliver to our executives;

We maintain high levels of corporate governance oversight over our executive pay programs;

We closely monitor the compensation programs and pay levels of executives from companies of similar size and complexity so that we may ensure that our compensation programs are within the norm of a range of market practices; and

Our Compensation Committee, in conjunction with our Nominating and Corporate Governance Committee and senior management, engages in a talent review process annually to address succession and executive development for our Chief Executive Officer and other key executives.

The Board strongly endorses our executive compensation programs and recommends that the stockholders vote in favor of the following resolution:

"RESOLVED, that the compensation of our named executive officers as disclosed pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the "Compensation Discussion and Analysis," compensation tables and narrative discussion contained in this Proxy Statement, is hereby APPROVED."

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE APPROVAL OF THE COMPENSATION OF THE COMPANY'S NAMED EXECUTIVE OFFICERS AS DISCLOSED IN THE COMPENSATION DISCUSSION AND ANALYSIS SECTION, THE ACCOMPANYING COMPENSATION TABLES AND NARRATIVE DISCUSSION CONTAINED IN THIS PROXY STATEMENT.

Information Concerning our Executive Officers

The following table provides information about our executive officers as of March 19, 2018.

Name	Age	Position
Thomas R. Greco	59	President and Chief Executive Officer
Michael T. Broderick	49	Executive Vice President, Merchandising, and Store Operations
Robert B. Cushing	64	Executive Vice President, Professional
Tammy M. Finley	51	Executive Vice President, General Counsel and Corporate Secretary
Thomas B. Okray	55	Former Executive Vice President, Chief Financial Officer
Natalie S. Schechtman	47	Executive Vice President, Human Resources
Jeffrey W. Shepherd	45	Senior Vice President, Controller, Chief Accounting Officer and Interim Chief Financial Officer

Our executive officers are elected by and serve at the discretion of our Board. There are no family relationships among any of our executive officers. Set forth below is a brief description of the business experience of our executive officers other than Mr. Greco, who is also a director and whose business experience is set forth in the "Nominees for Election to Our Board" section of this Proxy Statement.

Mr. Broderick

Executive Vice President, Merchandising and Store Operations

Mr. Broderick joined us in January 2017 as the Senior Vice President, Professional Sales and has held his current position since February 2018. From March 2017 to February 2018, he served as Senior Vice President, Merchandising. Prior to joining Advance, Mr. Broderick was the Senior Vice President, Automotive with Canadian Tire Corporation, Limited, a family of businesses that includes a retail segment, a financial services division and CT REIT, from 2014 to 2016. Prior to joining Canadian Tire, Mr. Broderick was Chief Executive Officer of the Vehicle Component Solutions Segment at Federal Mogul Corporation from 2012 to 2013. Previously, he served as President-Carquest US of General Parts, Inc. from 2009 to 2012 and Senior Vice President, Sales for the company from 2008 to 2009. Mr. Broderick began his career with AutoZone, Inc., where he served in multiple field and operations roles including serving as Vice President for the company's Northeast Division from 1999 to 2008.

Mr. Cushing

Executive Vice President, Professional

Mr. Cushing joined us in January 2014 via the acquisition of General Parts International, Inc. ("GPI"), which included its wholly owned subsidiary Worldpac, Inc. ("Worldpac"), and has held his current position since August 2016. Mr. Cushing is responsible for the operations of our Professional sales team in addition to Worldpac and wholly owned subsidiary Autopart International, Inc. Mr. Cushing joined Worldpac via its acquisition of Metrix Parts Warehouse, Inc. in 1999 and was named Worldpac's President and CEO in January 2008. Prior to serving as President and CEO, Mr. Cushing served as Executive Vice President, Sales and Operations for the U.S. and Canada from 1999 to 2007. Prior to joining Worldpac, Mr. Cushing held executive-level sales, marketing and operations positions with Metrix Parts Warehouse, Inc., Interco Parts Corporation and Robert Bosch Corporation.

Ms. Finley

Executive Vice President, General Counsel and Corporate Secretary

Ms. Finley joined us in 1998 and has held her current position since May 2016. From January 2015 to May 2016, she served as Executive Vice President, Human Resources, General Counsel and Corporate Secretary. From March 2013 to January 2015, she served as Senior Vice President, Human Resources. From March 2010 to March 2013, she served as Vice President, Employment Counsel and Government Affairs. From September 2007 to March 2010, she served as Vice President, Employment Counsel. From January 2003 to September 2007, she served as Vice President, Staffing and Team Member Relations. From March 1998 to January 2003, she served as Assistant Vice President,

Human Resources. Prior to joining Advance, Ms. Finley worked as a labor and employment attorney with The Center for Employment Law, PC, and as a Staff Attorney with the Virginia Supreme Court.

Mr. Okray

Former Executive Vice President, Chief Financial Officer

Mr. Okray joined us in October 2016 and served as our Executive Vice President, Chief Financial Officer until his resignation effective April 15, 2018. Prior to joining Advance, Mr. Okray served as Vice President, Finance, Global Customer Fulfillment, of Amazon.com, Inc. ("Amazon"), an Internet retailer, from January 2016 to October 2016, and as Vice President, Finance, North American Operations of Amazon, from June 2015 to January 2016. Prior to joining Amazon, Mr. Okray was employed by General Motors Company, a global automotive company, from July 1989 to June 2015, in a variety of finance and supply chain related roles, culminating in his position as CFO, Global Product Development, Purchasing & Supply Chain, from January 2010 to June 2015.

Ms. Schechtman

Executive Vice President, Human Resources

Ms. Schechtman joined us in May 2016 as Senior Vice President, Human Resources and has held her current position since February 2018. Prior to joining Advance, Ms. Schechtman served in human resources leadership roles at PepsiCo for almost 10 years, including Senior Director, Human Resources for Global Foodservice, a division of PepsiCo. She was responsible for the foodservice division's talent strategy, recruitment, training and development, organizational health, and employee relations. She also held human resources leadership roles in PepsiCo's Retail Beverages, Pepsi-Cola North America and PepsiCo's Corporate division. She also worked as an employment attorney with the law firm Brown Raysman in New York from 2003 to 2006, handling corporate labor and employment legal issues for a variety of clients, including several large international corporations. Prior to Brown Raysman, she served in recruiting and talent management roles with The Estee Lauder Companies, FreeRide.com, LLC and Gundersen Partners, LLC.

Mr. Shepherd

Senior Vice President, Controllor, Chief Accounting Officer and Interim Chief Financial Officer

Mr. Shepherd joined us on March 1, 2017 as Senior Vice President, Controllor and Chief Accounting Officer. He assumed the additional role of Interim Chief Financial Officer effective April 13, 2018. Prior to joining Advance, Mr. Shepherd was employed by General Motors Company from September 2010 to February 2017 in various accounting and finance roles, including Controllor - General Motors Europe from July 2015 to February 2017, Director - Consolidation and SEC Reporting from June 2013 to July 2015, and Director - Analysis and Reporting from September 2010 to June 2013. Prior to joining General Motors, Mr. Shepherd worked for Ernst & Young, a public accounting firm, from October 1994 to September 2010. Mr. Shepherd is a certified public accountant.

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth information known to us regarding the ownership of our common stock as of March 19, 2018 by:

- each person or entity that beneficially owns more than 5 percent of our common stock;
- each member of our Board;
- each of our executive officers named in the "Summary Compensation Table" included in the Executive Compensation section of this Proxy Statement; and
- all directors and executive officers as a group.

Beneficial ownership is determined in accordance with the rules of the SEC. In computing the number of shares beneficially owned by a person and the percentage of ownership held by that person, shares of common stock subject to options and warrants held by that person that are currently exercisable or will become exercisable within 60 days after March 19, 2018 are deemed outstanding, while these shares are not deemed outstanding for computing percentage ownership of any other person. The address of each beneficial owner for which an address is not otherwise

indicated is: c/o Advance Auto Parts, Inc., 5008 Airport Road, Roanoke, Virginia 24012. Unless otherwise indicated in the footnotes to the table, the persons and entities named in the table have sole voting and investment power with respect to all shares beneficially owned, subject

to community property laws where applicable. We know of no agreements among our stockholders which relate to voting or investment power over our common stock or any arrangement that may at a subsequent date result in a change in control of the Company.

The percentages of common stock beneficially owned are based on 74,007,146 shares of our common stock outstanding at the Record Date, plus shares that may be issued or acquired within 60 days of March 19, 2018 through the exercise of vested stock awards.

Name of Beneficial Owner	Shares beneficially owned	
	Number	Percentage
The Vanguard Group ^(a) 100 Vanguard Blvd. Malvern, PA 19355	7,153,353	9.7 %
BlackRock, Inc. ^(b) 55 East 52nd Street New York, NY 10022	4,497,944	6.1 %
Executive Officers, Directors and Others ^(d)		
John F. Bergstrom	17,132	*
John C. Brouillard	26,184	*
Brad W. Buss	3,132	*
Fiona P. Dias	11,477	*
John F. Ferraro	4,596	*
Thomas R. Greco	71,875	*
Adriana Karaboutis	3,172	*
Eugene I. Lee, Jr.	5,973	*
William S. Oglesby	20,718	*
Reuben E. Slone	3,631	*
Jeffrey C. Smith ^(c)	3,178,590	4.3 %
Thomas B. Okray	4,855	*
Robert C. Cushing	6,104	*
Tammy M. Finley	12,080	*
Jeffrey W. Shepherd	1,247	*
All executive officers and directors as a group (17 persons)	3,371,712	4.5 %

*Less than 1%

Based solely on a Schedule 13G filed with the SEC on February 8, 2018 by The Vanguard Group, The Vanguard (a) Group is the beneficial owner of 7,153,353 shares and has sole dispositive power of 7,034,847 shares and voting power of 107,062 shares.

Based solely on a Schedule 13G filed with the SEC on January 29, 2018 by BlackRock, Inc., BlackRock, Inc. is the (b) beneficial owner of 4,497,944 shares and has sole dispositive power of 4,497,944 shares and voting power of 3,808,667 shares.

(c) Includes common shares owned directly by Starboard Value LP through certain managed accounts (the "Managed Accounts"), Starboard Value and Opportunity Master Fund LTD ("Starboard V&O Fund"), Starboard Value and Opportunity S LLC ("Starboard S LLC"), Starboard Value and Opportunity C LP ("Starboard C LP"), Starboard T Fund LP ("Starboard T LP"), Starboard Leaders Select I LP (Starboard Leaders Select I") and Starboard Leaders India LLC ("Starboard India LLC"). Mr. Smith, solely by virtue of his position as a member of the Management Committee of Starboard Value GP LLC ("Starboard Value GP"), the general partner of Starboard Value LP, and as a

member and member of the Management Committee of Starboard Principal Co GP LLC (“Principal GP”), the general partner of the member of Starboard Value GP, may be deemed to beneficially own the securities held in the Managed Accounts. Mr. Smith, solely by virtue of his position as a member of the Management Committee of Starboard Value GP, the general partner of the investment manager of Starboard V&O Fund, and as a member and member of the Management Committee of Principal GP, the general partner of the member of Starboard Value GP, may be deemed to beneficially own the securities directly held by Starboard V&O Fund. Mr. Smith, solely by virtue of his position as a member of the Management Committee of Starboard Value GP, the general partner of the manager of Starboard S LLC, and as a member and member of the Management Committee of Principal GP, the general partner of the member of Starboard Value GP, may be deemed to beneficially own the securities directly held by Starboard S LLC. Mr. Smith, solely by virtue of his position as a member of the Management Committee of Starboard Value GP, the general partner of the investment manager of Starboard T LP, and as a member and member of the Management Committee of Principal GP, the general partner of the member of Starboard Value GP, may be deemed to beneficially own the securities directly held by Starboard T LP. Mr. Smith, solely by virtue of his position as a member of the Management Committee of Starboard Value GP, the general partner of the investment manager of Starboard Leaders Select I, and as a member and member of the Management Committee of Principal GP, the general partner of the member of Starboard Value GP, may be deemed to beneficially own the securities directly held by Starboard Leaders Select I. Mr. Smith, solely by virtue

of his position as a member of the Management Committee of Starboard Value GP, the general partner of the investment manager of Starboard India LLC, and as a member and member of the Management Committee of Principal GP, the general partner of the member of Starboard Value GP, may be deemed to beneficially own the securities owned directly by Starboard India LLC. Mr. Smith expressly disclaims beneficial ownership of 3,175,000 shares in total, except to the extent of his pecuniary interest therein.

(d) The following table provides further detail regarding the shares beneficially owned by our directors and executive officers:

Name of Beneficial Owner	Shares beneficially owned Shares of our common stock issuable with respect to		
	DSUs	RSUs to lapse within 60 days of March 19, 2018	SARs exercisable within 60 days of March 19, 2018
John F. Bergstrom	11,967	—	—
John C. Brouillard	16,703	—	—
Brad W. Buss	1,932	—	—
Fiona P. Dias	10,428	—	—
John F. Ferraro	4,096	—	—
Thomas R. Greco	—	21,747	—
Adriana Karaboutis	2,805	—	—
Eugene I. Lee, Jr.	2,848	—	—
William S. Oglesby	16,013	—	—
Reuben E. Slone	2,499	—	—
Jeffrey C. Smith	3,590	—	—
Thomas B. Okray	—	—	—
Robert B. Cushing	—	—	711
Tammy M. Finley	—	—	4,646
Jeffrey W. Shepherd	—	—	—
All executive officers and directors as a group (17 persons)	72,881	21,747	5,357

Stock Ownership Guidelines For Directors And Executive Officers

The following table summarizes the stock ownership guidelines for our directors, NEOs and other key employees intended to further align the interests of our directors and members of management with the interests of our stockholders.

Title	Holding Requirements
Chief Executive Officer	Stock valued at 6 times base salary
Chief Financial Officer and/or President	Stock valued at 3 times base salary
Executive Vice President / Senior Vice President	Stock valued at 2 times base salary
Non-employee Director	Stock valued at 6 times their annual cash retainers

The ownership requirement may be satisfied through the following equity holdings:

- All vested stock holdings/shares owned outright that are currently held by a director or an executive
- Vested, unexercised time-based Stock Options or Stock Appreciation Rights
- Vested, unexercised performance-based Stock Appreciation Rights
- Unvested, time-based Restricted Stock Units
- Unvested, time-based Stock Options or Stock Appreciation Rights
- Shares or units held by a director or an executive in any deferral plan

Individuals who do not achieve the required levels of ownership within the prescribed amount of time will be required to retain 50 percent of the net shares received upon the exercise of any stock options or SARs or the vesting of any RSUs until the guideline ownership levels have been reached.

The Compensation Committee reviews the stock ownership guidelines and reviews progress toward meeting ownership requirements at least annually. Based on current ownership and anticipated future stock vesting, all executives have satisfied or are projected to satisfy their respective stock ownership requirements by their requisite ownership requirement dates. In order to further align the interests of directors with interests of our stockholders, each of our non-employee directors receives a portion of his or her annual retainer in the form of DSUs, which are held and deferred until his or her service as a director ceases. In addition, directors have the opportunity to defer all or part of their cash retainers in the form of DSUs. Directors and executive officers are subject to our insider trading policy, which prohibits hedging with our stock and prohibits the pledging of our stock unless specified stringent requirements are met.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires "insiders," including our executive officers, directors and beneficial owners of more than 10 percent of our common stock, to file reports of ownership and changes in ownership of our common stock with the SEC and the NYSE, and to furnish us with copies of all Section 16(a) forms they file. Based solely on our review of copies of such forms received by us, or written representations from reporting persons that no Forms 5 were required for those persons, we believe that our insiders complied with all applicable Section 16(a) filing requirements during fiscal 2017, except that for each of Mr. Bergstrom, Mr. Brouillard, Mr. Buss, Ms. Dias, Mr. Ferraro, Ms. Karaboutis, Mr. Lee, Mr. Oglesby, Mr. Slone and Mr. Smith, one Form 4 to report the reinvestment of dividends on DSUs was filed late; for Mr. Shepherd, his Form 3 was filed late; for Mr. Okray, one Form 4 to report the grant of RSUs was filed late; and for Ms. Finley, two Forms 4 to report the withholding of shares to satisfy tax withholding obligations upon the vesting of RSUs were filed late.

Equity Compensation Plan Information Table

The following table sets forth our shares authorized for issuance under our equity compensation plans on December 30, 2017.

	Number of shares to be issued upon exercise of outstanding options, warrants, and rights (a)	Weighted-average exercise price of outstanding options, warrants, and rights (b)	Number of securities remaining available for future issuance under equity compensation plans(c)
Equity compensation plans approved by stockholders (d)	578,148	\$ 119.06	4,961,464
Equity compensation plans not approved by stockholders	—	—	—
Total	578,148	\$ 119.06	4,961,464

Includes the shares that would be issued upon exercise of outstanding RSUs, performance-based RSUs and DSUs and the net shares that would be issued upon exercise of outstanding SARs and performance-based SARs and is

(a) based on management's estimate of the probable vesting outcome for performance-based awards. The gross number of awards expected to vest based on management's estimate of the probable vesting outcome for performance-based awards is 708,947.

(b) Includes weighted average exercise price of outstanding SARs only based on management's estimate of the probable vesting outcome for performance-based awards.

(c) Excludes shares reflected in the first column and is based on management's estimate of the probable vesting outcome for outstanding performance-based awards.

(d) Includes the 2014 LTIP and remaining awards outstanding under the 2004 LTIP.

Proposal No. 3

Ratification of Appointment by the Audit Committee of
Deloitte & Touche LLP as our Independent Registered Public Accounting Firm for 2018

Our Audit Committee is directly responsible for the appointment, retention, fees and oversight of the independent registered public accounting firm retained to audit our financial statements. Deloitte has continuously served as our independent registered public accounting firm since 2002. The lead engagement partner from Deloitte is required to be rotated every five years, and in 2016 a new lead engagement partner was selected in connection with this rotation process. The process for selection of the new lead engagement partner included a meeting between the Chair of the Audit Committee and the candidate for this role, as well as discussion by the full Audit Committee and meetings with senior management. In addition, our Audit Committee periodically considers whether there should be a rotation of the independent registered public accounting firm in conjunction with its review of Deloitte's independence, qualifications and performance.

Our Audit Committee has appointed Deloitte as our independent registered public accounting firm for fiscal year 2018 because our Audit Committee believes the continued retention of Deloitte to serve as our independent registered public accounting firm is in the best interest of us and our stockholders. You are being asked to ratify the appointment by our Audit Committee of Deloitte as our independent registered public accounting firm for fiscal year 2018 although your ratification of the selection of Deloitte as our independent registered public accounting firm is not required by our by-laws or otherwise. If our stockholders do not ratify the selection of Deloitte, the Audit Committee will reconsider whether or not to retain Deloitte in the future. However, the Audit Committee is not bound by a vote either for or against the firm. Members of Deloitte will be present at the Annual Meeting, will have an opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions. If Deloitte should decline to act or otherwise become incapable of acting, or if Deloitte's engagement is discontinued for any reason, our Audit Committee will appoint another accounting firm to serve as our independent registered public accounting firm for fiscal year 2018.

2017 and 2016 Audit Fees

The following table summarizes the aggregate fees billed by Deloitte for the following professional services:

	2017	2016
	(\$ in	
	thousands)	
Audit Fees (a)	\$4,016	\$4,629
Audit-Related Fees	—	—
Tax Fees (b)	42	23
All Other Fees	—	—
Total	\$4,058	\$4,652

(a) Fees for audit services billed for 2017 and 2016 consisted of fees for:

- the audit of our annual financial statements;
- the attestation of management's assessment and effectiveness of internal controls as required by Section 404 of the Sarbanes-Oxley Act of 2002;
- reviews of our quarterly financial statements; and
- statutory audits, consents and other services related to SEC matters.

(b) Tax fees billed in 2017 and 2016 were primarily related to an international subsidiary.

The Audit Committee is required by its charter to pre-approve audit services and permitted non-audit services to be performed by our independent registered public accounting firm. The Audit Committee approved all services provided by Deloitte during 2017.

In considering the nature of the non-audit services provided by Deloitte, the Audit Committee determined that such services are compatible with maintaining the independent accountant's independence. The Audit Committee discussed these non-audit services with Deloitte and management to determine that they are permitted under the rules and regulations concerning auditor independence promulgated by the SEC to implement the Sarbanes-Oxley Act of 2002, as well as the American Institute of Certified Public Accountants.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR RATIFICATION OF DELOITTE & TOUCHE LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2018.

Audit Committee Report

We are responsible for providing independent, objective oversight of the Company's accounting functions and internal controls and operate pursuant to a written charter approved by the Company's Board. We are comprised entirely of at least three independent directors who meet independence, experience and other qualification requirements of the NYSE listing standards, Section 10A(m)(3) of the Securities Exchange Act of 1934, and the rules and regulations of the SEC. The Company's Board has determined the Audit Committee's chair, Mr. Buss and Audit Committee member John Ferraro, by virtue of their education, training and professional experience, qualify as the Audit Committee "financial experts," as defined by SEC rules.

Management is responsible for the Company's financial reporting process, including the Company's system of internal controls, and for the preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States. The Company's independent registered public accounting firm, or "independent accountants," is responsible for auditing its consolidated financial statements and providing an opinion as to their conformity with accounting principles generally accepted in the United States as well as attesting and reporting on the effectiveness of its internal controls over financial reporting. Our responsibility is to monitor and review these processes. It is not our duty or responsibility to conduct auditing or accounting reviews or procedures. Consequently, in carrying out our oversight responsibilities, we shall not be charged with, and are not providing, any expert or special assurance as to the Company's financial statements, or any professional certification as to the independent accountants' work. In addition, we have relied on management's representation that the financial statements have been prepared with integrity and objectively in conformity with accounting principles generally accepted in the United States and on the representations of the independent accountants included in their report on the Company's financial statements.

During 2017 we met seven times, including three times via conference call. We schedule our meetings to ensure we have sufficient time to devote attention to all of our tasks. During 2017 and subsequent to the end of the year, we:

- appointed Deloitte as the independent registered public accounting firm for fiscal year 2017;
- met with management and the independent accountants to review and discuss the Company's critical accounting policies and significant estimates;
- met with management and the independent accountants to review and approve the fiscal year 2017 audit plan;
- met regularly with both the independent accountants and the Chief Internal Audit Executive outside the presence of management;
- met with management and the independent accountants to review the audited financial statements for the year ended December 30, 2017, and internal controls over financial reporting as of December 30, 2017;
- reviewed and discussed the quarterly and annual reports prior to filing with the SEC;
- reviewed and discussed the quarterly earnings press releases;
- met with the Chief Internal Audit Executive to review, among other things, the audit plan, test work, findings and recommendations, and staffing;
- reviewed the processes by which risk is assessed and mitigated; and
- completed all other responsibilities under the Audit Committee charter.

We have discussed with the independent accountants the matters required by PCAOB Auditing Standards and related Rules, including Auditing Standard 1301, Communications with Audit Committees, and SEC Regulation S-X Rule 2-07, Communication With Audit and Finance Committees (Rule 2-07), which includes a review of significant accounting estimates and the Company's accounting practices. In addition, we have received written disclosures and the letter from the independent accountants required by PCAOB Ethics and Independence Rule 3526, Communications with Audit Committees Concerning Independence, and discussed with the independent accountants their firm's independence.

Based upon our discussion with management and the independent accountants, and our review of the representations of management and the independent accountants, we recommended to the Board that the audited consolidated financial statements be included in the Company's annual report on Form 10-K for the year ended December 30, 2017. We considered whether the independent accountants' provision of non-audit services to the Company is compatible with maintaining the independent accountants' independence and have determined the provision of the non-audit services is compatible with the independent accountants' independence. Accordingly, we have approved retention of Deloitte as the Company's independent registered public accounting firm for fiscal year 2018. We reviewed and reassessed the adequacy of the Audit Committee Charter and recommended no changes.

THE AUDIT COMMITTEE

Brad W. Buss, Chair

John F. Ferraro

Adriana Karaboutis

Reuben E. Slone

PROPOSAL NO. 4

Stockholder Proposal Entitled "Right to Act by Written Consent"

The Company has received a stockholder proposal from Mr. John Chevedden, 2215 Nelson Avenue, No. 205, Redondo Beach, CA 90278, a beneficial owner of at least 50 shares of our common stock (the "Proponent"). The Proponent has requested that the proposal set forth below in italics be presented for a vote at our Annual Meeting:

"Shareholders request that our board of directors undertake such steps as may be necessary to permit written consent by shareholders entitled to cast the minimum number of votes that would be necessary to authorize the action at a meeting at which all shareholders entitled to vote thereon were present and voting. This written consent is to be consistent with applicable law and consistent with giving shareholders the fullest power to act by written consent consistent with applicable law. This includes shareholder ability to initiate any topic for written consent consistent with applicable law.

This proposal topic won majority shareholder support at 13 major companies in a single year. This includes 67%-support at both Allstate and Sprint. Hundreds of major companies enable shareholder action by written consent.

Taking action by written consent in lieu of a meeting is a means shareholders can use to raise important matters outside the normal annual meeting cycle. A shareholder right to act by written consent and to call a special meeting are 2 complimentary ways to bring an important matter to the attention of both management and shareholders outside the annual meeting cycle. More than 100 Fortune 500 companies provide for shareholders to call special meetings and to act by written consent.

Written consent won 45%-support at the 2016 AAP annual meeting. This 45%-support could have been higher (perhaps 51%) if small shareholders had the same access to independent corporate governance recommendations as large shareholders.

Increasing the rights of shareholders through written consent is all the more important since our stock fell from \$175 to \$100 in one year.

Please vote to improve director accountability to shareholders:
Shareholder Right to Act by Written Consent-Proposal 4."

Board of Directors' Statement in Opposition to Proposal No. 4:

Our Certificate of Incorporation prohibits action by written consent of stockholders. The Board has carefully considered the proposal for stockholders to act by written consent without a meeting (the “Chevedden Proposal”) and, for the reasons outlined below, the Board believes that it would not enhance stockholder value and is not in the best interests of the Company and its stockholders.

The Board believes that stockholder meetings provide stockholders with important protections and advantages that are lost with the written consent process.

The Board is committed to robust corporate governance and believes in both maintaining and implementing policies and practices that serve the interests of all stockholders. The Board recognizes that corporate governance is not static, and continually reviews developments in corporate governance while comparing and evaluating them against our current practices. While the Board recognizes that some stockholders may see a limited benefit in the ability to act by written consent, the Board believes that the Company's existing by-law provision, which provides stockholders holding at least 10% of the outstanding voting stock with the right to call special meetings, offers a more transparent and equitable mechanism for stockholders to raise matters for consideration by the Company.

The right to call a special meeting outside the annual meeting process, along with our established stockholder communication and engagement practices, creates value for stockholders by allowing for them to be fully informed on proposed corporate actions. The Board strongly believes that there are critical protections and significant advantages provided to stockholders through stockholder meetings which include but are not limited to:

The meeting and the stockholder vote take place in a transparent manner on a specified date that is publicly announced well in advance, giving all interested stockholders a chance to express their views and cast their votes and discuss the proposed action.

Stockholder meetings ensure that accurate and complete information about the proposed stockholder action is widely distributed in a proxy statement before the meeting, which promotes a well-informed discussion and consideration of the merits of the proposed action.

Stockholder meetings provide for a partnership between stockholders and the Board by allowing the Board to analyze and provide a thorough recommendation with respect to actions proposed to be taken at a stockholder meeting.

In contrast, the written consent process allows select groups to impose their ideas on the Company and does not promote transparent decision-making, leading to potential disenfranchisement of other stockholders.

The Board recommends that stockholders vote against this Chevedden Proposal because the Board values the transparency and fairness provided by the annual or special meeting process.

The Board believes that matters requiring stockholder approval are so important to stockholder rights that they should be communicated in advance so they may be properly considered and voted upon by all stockholders, not only a select group. The Chevedden Proposal, if adopted, would disenfranchise many stockholders and may deprive them of their rights, while enabling a small group of stockholders (including those who accumulate a short-term voting position through the borrowing of shares), to make critical decisions with respect to the structure and operations of the company. Additionally, it is important to recognize that these stockholders hold no fiduciary duties to the other stockholders. Accordingly, stockholder action by written consent could be used by a group of stockholders to pursue individual crusades or significant corporate actions that are not in the best interests of all stockholders.

Additionally, a written consent process could lead to various groups of stockholders soliciting written consents at the same time, on a nearly continuous basis as different stockholder groups select their own special interest cause. These solicitations may be duplicative or conflicting. Responding to these proposals would impose significant administrative and financial burdens on the Company with no corresponding benefit to stockholders.

The Company's stockholder-friendly corporate governance practices empower stockholders and promote Board accountability.

The Board believes the Company's existing strong corporate governance practices make adoption of the Chevedden Proposal unnecessary, counterproductive and potentially harmful. In 2017, the Company reduced the ownership threshold for calling a special meeting from 25% to 10%. In addition, the Company's By-laws have the following corporate governance provisions which empower stockholders to express their views or take action and enhance Board accountability:

Declassified Board of Directors - All of the Company's directors are elected annually by the stockholders, and stockholders can remove directors with or without cause.

Majority Voting for Election of Board of Directors - The Company's directors are elected by a majority voting standard in uncontested elections.

Proxy Access for Director Nominations - The Company has adopted a proxy access by-law provision that allows an eligible stockholder or group of stockholders to nominate candidates for election to the Board that are included in the Company's proxy statement and ballot.

Majority Voting for Certificate of Incorporation and By-law Amendments - The Company's charter and by-law provisions do not have supermajority voting provisions. Stockholders can approve binding Certificate of Incorporation and By-law amendments with a majority vote in uncontested elections.

No Stockholder Rights Plan - The Company does not have a stockholder rights plan (also known as a "poison pill").

Independent Board Leadership - The Company has separated the roles of Chairman of the Board and CEO. The Chairman of the Board is an independent director - as are all of the chairs of the committees of the Board.

Stockholder Engagement - Stockholders can communicate directly with the Board and/or individual directors. In addition, management and members of the Board regularly engage with stockholders to solicit their views on important issues such as executive compensation and corporate governance.

Given the Company's demonstrated, continuing commitment to maximizing long-term value and protecting stockholders' interests as a whole, for the reasons set forth above, the Board believes that implementing the Chevedden Proposal is inappropriate and against the best interests of our stockholders.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE AGAINST PROPOSAL NO. 4

Other Matters

A copy of our 2017 annual report to stockholders is being sent to each stockholder of record together with this Proxy Statement. The annual report is not part of our proxy soliciting material but it can be accessed at www.AdvanceAutoParts.com under the Investor Relations section.

Who is soliciting my vote?

Our Board of Directors ("Board") is soliciting your proxy to vote at the Annual Meeting.

Will a proxy solicitor be used?

Yes, we have engaged Okapi Partners LLC ("Okapi Partners") to assist in the solicitation of proxies for the Annual Meeting and we estimate we will pay Okapi Partners a fee of approximately \$16,000. We have also agreed to reimburse Okapi Partners for reasonable administrative and out-of-pocket expenses incurred in connection with the proxy solicitation and indemnify Okapi Partners against certain losses, costs and expenses.

Will any other matters be voted on?

The Board does not intend to present any other matters at the Annual Meeting. We do not know of any other matters that will be brought before the stockholders for a vote at the Annual Meeting. If any other matter is properly brought before the Annual Meeting, your signed proxy card gives authority to Tammy M. Finley and Jeffrey W. Shepherd as proxies, with full power of substitution ("Proxies"), to vote on such matters in their discretion in accordance with their best judgment.

Who is entitled to vote?

Stockholders of record as of the close of business on March 19, 2018 (the "Record Date") are entitled to vote at the Annual Meeting.

How many votes do I have?

You will have one vote for every share of Company common stock that you owned at the close of business on the Record Date. You are not entitled to cumulate your votes.

What is the difference between holding shares as a stockholder of record and as a beneficial owner?

Many stockholders hold their shares through a broker or bank rather than directly in their own names. As summarized below, there are some distinctions between shares held of record and those owned beneficially.

Stockholder of Record

If your shares are registered directly in your name with our transfer agent, Computershare, you are considered, with respect to those shares, the stockholder of record, and these proxy materials are being sent directly to you by the Company.

Beneficial Owner

If your shares are held in a stock brokerage account or by a bank, you are considered the beneficial owner of shares held in street name, and these proxy materials are being forwarded to you by your bank or broker, which is considered the stockholder of record of these shares. As the beneficial owner, you have the right to direct your bank or broker how to vote and are also invited to attend the Annual Meeting. However, since you are not the stockholder of record, you may not vote these shares in person at the Annual Meeting unless you bring with you a legal proxy from the stockholder of record. Your bank or broker has enclosed a voting instruction card to provide you directions for how to vote your shares.

How do I vote?

If you are a stockholder of record, there are four ways to vote:

• By Internet at www.proxyvote.com;

• By toll-free telephone at 1-800-690-6903;

• By completing and mailing your proxy card; or

• By written ballot at the Annual Meeting.

If you vote by Internet or telephone, your vote must be received by 11:59 P.M. (EDT) on May 15, 2018, the day before the Annual Meeting. Your shares will be voted as you indicate. If you sign and return your proxy card but you do not indicate your voting preferences, the Proxies will vote your shares FOR Proposal Nos. 1, 2 and 3 and AGAINST Proposal No. 4.

If your shares are held in street name, you should follow the voting directions provided by your bank or broker. You may complete and mail a voting instruction card to your bank or broker or, in most cases, submit voting instructions by the Internet or telephone to your bank or broker. If you provide specific voting instructions by mail, the Internet or telephone, your shares should be voted by your bank or broker as you have directed. **AS A RESULT OF THE NEW YORK STOCK EXCHANGE'S RULES, YOUR BANK OR BROKER CANNOT VOTE WITH RESPECT TO ANY PROPOSAL, EXCEPT FOR PROPOSAL NO. 3, UNLESS IT RECEIVES VOTING INSTRUCTIONS FROM YOU.** We will distribute written ballots at the Annual Meeting to any stockholder who wants to vote. If you hold your shares in street name, you must request a legal proxy from your bank or broker to vote in person at the Annual Meeting.

Can I change my vote or revoke my proxy?

Yes. If you are a stockholder of record, you can change your vote or revoke your proxy any time before the Annual Meeting by:

• Entering a new vote by Internet or telephone by 11:59 P.M. (EDT) on May 15, 2018;

• Returning a later-dated proxy card;

• Sending written notice of revocation to Tammy M. Finley, Executive Vice President, General Counsel, and Corporate Secretary at the Company's address of record, which is 5008 Airport Road, Roanoke, VA 24012; or

• Completing a written ballot at the Annual Meeting.

If your shares are held in street name, you must follow the specific directions provided to you by your bank or broker to change or revoke any instructions you have already provided to your bank or broker.

Is my vote confidential?

It is our policy that all proxies, ballots, voting instructions and tabulations that identify the vote of a stockholder will be kept confidential from the Company, its directors, officers and employees until after the final vote is tabulated and announced, except in limited circumstances, including: any contested solicitation of proxies, when required to meet a legal requirement, to defend a claim against the Company or to assert a claim by the Company, and when written comments by a stockholder appear on a proxy card or other voting material.

How are votes counted?

Votes are counted by inspectors of election designated by the corporate secretary.

Who pays for soliciting proxies?

We pay for the cost of preparing, assembling, printing and mailing this Proxy Statement and the accompanying form of proxy to our stockholders, as well as the cost of soliciting proxies relating to the Annual Meeting, including the fees of Okapi Partners. We may request banks and brokers to solicit their customers, on whose behalf such banks and brokers hold our common stock in street name. We reimburse these banks and brokers for their reasonable out-of-pocket expenses for these solicitations. We will pay no additional compensation to our officers, directors or employees for these activities.

What is the quorum requirement of the Annual Meeting?

A majority of the outstanding shares of our common stock on the Record Date, represented in person or by proxy at the Annual Meeting, constitutes a quorum for voting on proposals at the Annual Meeting. If you vote, your shares will be part of the quorum. Abstentions, including those recorded by brokers holding their customers' shares, and broker non-votes will be counted in determining the quorum. On the Record Date, there were 74,007,146 shares outstanding and 375 stockholders of record. A majority of our common stock, or 37,003,574 shares, will constitute a quorum. A majority of the shares present at the Annual Meeting may adjourn the meeting even if the number of shares present do not constitute a quorum.

What are broker non-votes?

Broker non-votes occur when holders of record, such as banks and brokers holding shares on behalf of beneficial owners, do not receive voting instructions from the beneficial owners by the date specified in the statement requesting voting instructions that has been provided by the bank or broker.

If that happens, the bank or broker may vote those shares only on matters as permitted by The New York Stock Exchange. The New York Stock Exchange prohibits banks and brokers from voting uninstructed shares in, among other things, the election of directors and matters related to executive compensation; accordingly, banks and brokers cannot vote with respect to any Proposal presented for consideration in this Proxy Statement except for Proposal No. 3 unless they receive voting instructions from the beneficial owners. Broker non-votes are not treated as votes cast under Delaware law.

What vote is required to approve each proposal?

Proposal No. 1. For the election of directors, the ten nominees for director will be elected if they receive a majority of the votes cast at the Annual Meeting for the election of directors. For purposes of the election of directors, a majority of votes cast means that the number of shares voted "for" a director's election exceeds 50 percent of the number of votes cast with respect to that director's election, and votes cast include votes to withhold authority and exclude abstentions and broker non-votes. Accordingly, abstentions and broker non-votes will have no effect on the outcome of the proposal.

Proposal No. 2. The advisory vote to approve the compensation of the Company's named executive officers requires the approving vote of a majority of the votes cast on this proposal by the holders of shares of our common stock who are present, or represented by proxy, and entitled to vote at the Annual Meeting. Abstentions count as votes cast and have the effect of a vote against the proposal. The number of votes cast excludes broker non-votes, and broker non-votes will have no effect on the outcome of the proposal. Although the advisory vote to approve the compensation of the Company's named executive officers is non-binding, the Board and the Compensation Committee will review the voting results and consider them in making future decisions about executive compensation programs.

Proposal No. 3. Ratification of our independent registered public accounting firm requires the approving vote of a majority of the votes cast on this proposal by the holders of shares of our common stock who are present, or represented by proxy, and entitled to vote at the Annual Meeting. Abstentions count as votes cast and have the effect of a vote against the proposal. The number of votes cast excludes broker non-votes, and broker non-votes will have no effect on the outcome of the proposal.

Proposal No. 4. For the advisory vote on the stockholder proposal regarding the ability of stockholders to act by written consent, the vote is non-binding and, therefore, no specific vote is required to approve this proposal.

Who can attend the Annual Meeting?

Only Advance Auto Parts stockholders as of the close of business on the Record Date may attend the Annual Meeting.

What do I need to do to attend the Annual Meeting?

If you are a stockholder of record, your proxy card is your admission ticket to the Annual Meeting. If you own shares in street name, you will need to ask your broker or bank for an admission ticket in the form of a legal proxy. You will need to bring the legal proxy with you to the Annual Meeting along with valid picture identification. If you do not receive the legal proxy in time, bring your most recent brokerage statement with you to the Annual Meeting. We can use your statement to verify your ownership of our common stock and admit you to the Annual Meeting; however, you will not be able to vote your shares at the Annual Meeting without a legal proxy.

What does it mean if I get more than one proxy card?

It means you own shares in more than one account. You should vote the shares on each of your proxy cards.

How can I consolidate multiple accounts registered in variations of the same name?

If you have multiple accounts, we encourage you to consolidate your accounts by having all your shares registered in exactly the same name and address. You may do this by contacting our transfer agent, Computershare, toll-free at (866) 865-6327 or at P.O. Box 505000, Louisville, KY 40233-5000, Attention: Shareholder Correspondence.

I own my shares indirectly through my broker, bank or other nominee, and I receive multiple copies of the annual report, proxy statement and other mailings because more than one person in my household is a beneficial owner. How can I change the number of copies of these mailings that are sent to my household?

If you and other members of your household are beneficial owners, you may eliminate this duplication of mailings by contacting your broker, bank or other nominee. Duplicate mailings in most cases are wasteful for us and inconvenient for you, and we encourage you to eliminate them whenever you can. If you have eliminated duplicate mailings, but for any reason would like to resume them, you must contact your broker, bank or other nominee.

I own my shares directly as a registered owner of Company stock and so do other members of my family living in my household. How can I change the number of copies of the annual report and proxy statement being delivered to my household?

Family members living in the same household generally receive only one copy per household of the annual report, proxy statement and most other mailings. The only item which is separately mailed for each registered stockholder or account is a proxy card. If you wish to start receiving separate copies in your name, apart from others in your household, you must contact Computershare toll-free at (866) 865-6327 or at P.O. Box 505000, Louisville, KY 40233-5000, Attention: Shareholder Correspondence, and request that action. Within 30 days after your request is received we will start sending you separate mailings. If, for any reason, you and members of your household are receiving multiple copies and you want to eliminate the duplications, please also contact Computershare and request that action. That request must be made by each person in the household entitled to receive the materials.

Multiple stockholders live in my household and together we received only one copy of this year's annual report and Proxy Statement. How can I obtain my own separate copy of those documents for the Annual Meeting in May?

You may pick up copies in person at the Annual Meeting or download them from our Internet website, www.AdvanceAutoParts.com (click on the home page link to 2018 Annual Meeting materials). If you want copies mailed to you and you are a beneficial owner, you must request them from your broker, bank, or other nominee. If you want copies mailed to you and you are a stockholder of record, we will promptly mail additional copies to you, at no charge, if you request them from Investor Relations by phone at (919) 573-3826 or by mail to 2635 East Millbrook Road, Raleigh, NC 27604, Attention: Investor Relations. We cannot guarantee you will receive mailed copies before the Annual Meeting.

Where can I find the voting results of the Annual Meeting?

We plan to announce preliminary voting results at the Annual Meeting and publish final results in a Report on Form 8-K within four business days following the Annual Meeting.

What is the deadline for consideration of stockholder proposals or director nominations for the 2019 annual meeting of stockholders?

If you are a stockholder and you want to present a proposal at the 2019 annual meeting and have it included in our proxy statement for that meeting, you must submit the proposal in writing to our corporate offices at 5008 Airport Road, Roanoke, Virginia 24012, Attention: Corporate Secretary, on or before December 19, 2018. Applicable Securities and Exchange Commission ("SEC") rules and regulations govern the submission of stockholder proposals and our consideration of them for inclusion in next year's proxy statement.

If you want to present a proposal at the 2019 annual meeting (other than pursuant to SEC rules and regulations) or to nominate a person for election as a director, you must comply with the requirements set forth in our by-laws. Our by-laws require, among other things, that our corporate secretary receive written notice from the stockholder of intent to present such proposal or nomination no less than 120 days and no more than 150 days prior to the first anniversary of the date of the preceding year's annual meeting. Therefore, we must receive notice of such proposal no earlier than December 17, 2018, and no later than January 16, 2019. The notice must contain the information required by our by-laws. You may obtain a print copy of our by-laws by submitting a request to: Advance Auto Parts, 5008 Airport Road, Roanoke, Virginia 24012, Attention: Corporate Secretary. Our by-laws are also available on our website at www.AdvanceAutoParts.com under "Highlights" in the Investor Relations section. Our Chair or any other person presiding at the meeting may exclude any matter that is not properly presented in accordance with these requirements.

What is the deadline for director nominations for the 2019 annual meeting of stockholders using proxy access?

A shareholder, or group of up to 20 shareholders, that has owned continuously for at least three years shares of our common stock representing an aggregate of at least three percent of the outstanding shares of our common stock may nominate and include in our proxy materials director nominees constituting the greater of (i) two individuals and (ii) 20% of our Board. All director nominees must satisfy the requirements included in the Company's by-laws.

If you are a stockholder and want to nominate a director for our 2019 annual meeting of stockholders, we must receive notice of the nomination no earlier than November 19, 2018 and no later than December 19, 2018. The notice of nomination using process access should be submitted in writing to our offices at 5008 Airport Road, Roanoke, Virginia 24012, Attention: Corporate Secretary. The notice of nomination must include the information required for director nominations using proxy access required by our by-laws. Proxy access nominees who do not receive at least a 25% vote in favor of election or withdraw their nomination will be ineligible as a nominee for the following two years.

You may obtain a print copy of our by-laws by submitting a request to: Advance Auto Parts, 5008 Airport Road, Roanoke, Virginia 24012, Attention: Corporate Secretary. Our by-laws are also available on our website at www.AdvanceAutoParts.com under "Highlights" in the Investor Relations section.

By order of the Board of Directors,
Tammy Moss Finley
Executive Vice President, General Counsel and Corporate Secretary
Roanoke, Virginia
April 18, 2018

