

CRACKER BARREL OLD COUNTRY STORE, INC
Form 8-K
October 28, 2016

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

FORM 8-K
CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (date of earliest event reported): October 28, 2016 (October 24, 2016)

CRACKER BARREL OLD COUNTRY STORE, INC.

(Exact Name of Registrant as Specified in its Charter)

<u>Tennessee</u> (State or Other Jurisdiction of Incorporation)	<u>001-25225</u> (Commission File Number)	<u>62-0812904</u> (IRS Employer Identification No.)
305 Hartmann Drive, Lebanon, Tennessee 37087 (Address of Principal Executive Offices) (Zip code)		
(615) 444-5533 (Registrant's Telephone Number, Including Area Code)		

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

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Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**Cracker Barrel Old Country Store, Inc. and Subsidiaries FY 2017 Annual Bonus Plan (the 2017 Annual Bonus Plan)**

On October 24, 2016, the Compensation Committee (the Committee) of the Board of Directors (the Board) of Cracker Barrel Old Country Store, Inc. (the Company) adopted the 2017 Annual Bonus Plan in order to reward executive officers of the Company and of its subsidiaries if the Company successfully meets established performance targets. The payment of a bonus is dependent upon the Company achieving a threshold level of operating income from continuing operations during fiscal year 2017 (the Performance Goal), in which case executive officers will be eligible to receive a bonus of up to a maximum of 200% of target. The Company intends for payments under the 2017 Annual Bonus Plan to qualify as performance based compensation under Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code), to the maximum amount allowed under the Company's 2010 Omnibus Stock and Incentive Plan (the Omnibus Plan). If the Performance Goal is not met, no bonus will be paid to any executive officer.

The Committee also approved target and maximum potential bonuses for each of the Company's executive officers under the 2017 Annual Bonus Plan, with the exception of the target and maximum potential bonuses for the Company's President and Chief Executive Officer, Sandra B. Cochran, which were approved by the independent members of the Board on the Committee's recommendation. The following table indicates the target and maximum potential bonuses established for 2017, expressed as a percentage of base salary, for which each of the named executive officers would be eligible depending on the Company's performance in 2017:

Name	2017 Target Bonus Percentage	2017 Maximum Bonus Percentage
Sandra B. Cochran	115%	230%
Jill M. Golder	70%	140%
Nicholas V. Flanagan	70%	140%
Beverly K. Carmichael	60%	120%
Laura A. Daily	60%	120%

In no case can an executive's actual award under the 2017 Annual Bonus Plan exceed the maximum potential award, regardless of the Company's 2017 performance.

A copy of the 2017 Annual Bonus Plan is filed as Exhibit 10.1 to this Current Report on Form 8-K and incorporated herein by reference. The foregoing description is qualified in its entirety by reference to such exhibit.

Cracker Barrel Old Country Store, Inc. and Subsidiaries FY 2017 Long-Term Incentive Program (the 2017 Long-Term Incentive Program)

On October 24, 2016, the Committee established the 2017 Long-Term Incentive Program. The 2017 Long-Term Incentive Program consists of three components: (i) the 2017 Long-Term Performance Plan (the 2017 LTPP); (ii) the 2017 Restricted Stock Unit Grant (the 2017 RSU Grant); and (iii) the 2017 Time-Based Restricted Stock Award (the 2017 Time-Based RSA). The 2017 LTPP provides for awards of performance shares tied to the Company's successful achievement of a pre-determined return on invested capital goal over fiscal years 2017 and 2018 (the LTPP Performance

Goal). The 2017 RSU Grant provides for awards of time-based restricted stock units, with cliff vesting after three years from the date of grant, that may be increased or decreased by 25% of the target award amounts as a result of the Company's total shareholder return (Relative TSR) relative to a peer group of companies approved by the Committee (the Peer Group) over fiscal years 2017, 2018 and 2019. The 2017 Time-Based RSA provides for awards of time-based restricted stock that cliff vest after three years from the date of grant, subject to the executive's continued employment with the Company on the vesting date. At the time of grant, the value of each eligible participant's target awards under the 2017 Long-Term Incentive Program were allocated approximately as follows: 50% under the 2017 LTTP, 25% under the 2017 RSU Grant, and 25% under the 2017 Time-Based RSA.

The Committee also approved equity award percentages that represent the target opportunities for awards under the 2017 LTTP (the LTTP Percentage), 2017 RSU Grant (the RSU Percentage) and 2017 Time-Based RSA (the RSA Percentage), in each case expressed as a percentage of the executive officer's base salary. The LTTP Percentage, RSU Percentage and RSA Percentage for the named executive officers were established by the Committee simultaneously with the establishment of the 2017 LTTP, 2017 RSU Grant and 2017 Time-Based RSA, respectively, with the exception of Ms. Cochran's LTTP Percentage, RSU Percentage and RSA Percentage, which were approved by the independent members of the Board on the Committee's recommendation. Set forth below is each named executive officer's LTTP Percentage, RSU Percentage and RSA Percentage under the 2017 Long-Term Incentive Program:

Name	LTTP Percentage	RSU Percentage	RSA Percentage	Total
Sandra B. Cochran	185%	92.5%	92.5%	370%
Jill M. Golder	50%	25%	25%	100%
Nicholas V. Flanagan	60%	30%	30%	120%
Beverly K. Carmichael	50%	25%	25%	100%
Laura A. Daily	37.5%	18.75%	18.75%	75%

Under the 2017 LTTP, if the LTTP Performance Goal is met, then each named executive officer becomes eligible to receive equity awards calculated as a function of the named executive officer's LTTP Percentage.

Under the 2017 RSU Grant, the Company's Relative TSR over the three-year performance period will be measured against an under/overachievement scale with specified thresholds, as set forth in the table below (there is no interpolation within the percentile ranges):

Performance Range of Company's	Percentage Adjustment in
Relative TSR versus Peer Group	Number of Target RSU Shares
75th Percentile or Above (Maximum)	+25%
Between 25th and 75th Percentile	No adjustment
25th Percentile or Below	-25%

The Company intends for awards under the 2017 LTTP and the 2017 RSU Grant to qualify as performance based compensation under Section 162(m) of the Code to the maximum amount allowed under the Omnibus Plan. Accordingly, as with the 2017 Annual Bonus Plan, eligibility to receive awards under the 2017 LTTP and 2017 RSU Grant is dependent upon the Company's achievement of pre-determined operating income performance goals during the applicable performance periods. If these operating income performance goals are not met, then no award will be made under the 2017 Long-Term Incentive Program to any named executive officer, except for awards of restricted

stock

under the 2017 Time-Based RSA. If, however, the applicable operating income performance goal is met, then each named executive officer participating in the applicable plan will become eligible to receive an equity award determined according to the Company's performance relative to the LTPP Performance Goal and the Company's Relative TSR during the performance period, as applicable. Awards under the 2017 Time-Based RSA are not conditioned upon the achievement of any pre-determined performance goals and do not qualify as performance based compensation under Section 162(m) of the Code.

A copy of the 2017 Long-Term Incentive Program is filed as Exhibit 10.2 to this Current Report on Form 8-K and incorporated herein by reference. The foregoing description is qualified in its entirety by reference to such exhibit.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

- 10.1 Cracker Barrel Old Country Store, Inc. and Subsidiaries FY 2017 Annual Bonus Plan
- 10.2 Cracker Barrel Old Country Store, Inc. and Subsidiaries FY 2017 Long-Term Incentive Program

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

Date: October 28, 2016

CRACKER BARREL OLD COUNTRY
STORE, INC.

By: /s/ Jill M. Golder
Name: Jill M. Golder
Senior Vice President and Chief Financial
Title: Officer

EXHIBIT INDEX

Exhibit No.	<u>Description</u>
10.1	Cracker Barrel Old Country Store, Inc. and Subsidiaries FY 2017 Annual Bonus Plan
10.2	Cracker Barrel Old Country Store, Inc. and Subsidiaries FY 2017 Long-Term Incentive Program