CRACKER BARREL OLD COUNTRY STORE, INC
Form DEF 14A
October 02, 2017
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

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(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

Cracker Barrel Old Country Store, 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):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(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:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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Dear Shareholder:

We have enclosed with this letter the proxy statement for our 2017 Annual Meeting (the Annual Meeting) of shareholders of Cracker Barrel Old Country Store, Inc. (Cracker Barrel or the Company).

This year s Annual Meeting will be held on Thursday, November 16, 2017, at 10:00 a.m. Central Time, at our offices at 305 Hartmann Drive, Lebanon, Tennessee 37087, and you are most welcome to attend. You will find directions to the Annual Meeting on the inside back cover of the accompanying proxy statement.

At the Annual Meeting, you will have an opportunity to vote on the following proposals: (1) to elect nine directors; (2) to approve, on an advisory basis, the compensation of the Company s named executive officers as disclosed in the accompanying proxy statement; (3) to select, on an advisory basis, the frequency with which shareholders of the Company will have an advisory vote on the compensation of the Company s named executive officers; and (4) to ratify the appointment of Deloitte & Touche LLP as the Company s independent registered public accounting firm for our 2018 fiscal year. Representatives from Deloitte & Touche LLP will be available at the Annual Meeting and we will address questions that you may have.

This year, we have again elected to provide access to our proxy materials over the Internet under the Securities and Exchange Commission s notice and access rules.

Whether or not you expect to be present at the Annual Meeting, please vote and submit your proxy as soon as possible via the Internet, by phone, or if you have requested to receive printed proxy materials, by mailing a proxy card enclosed with those materials. This will not prevent you from voting in person at the Annual Meeting, but will help to secure a quorum and avoid added solicitation costs. If you decide later to attend the Annual Meeting, you may withdraw your proxy at any time and vote your shares in person.

We want your vote to be represented at the Annual Meeting. For those of you who plan to visit with us in person at the Annual Meeting, we look forward to seeing you, and please have a safe trip.

Sincerely,

Sandra B. Cochran

President and Chief Executive Officer

October 2, 2017

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305 Hartmann Drive

Lebanon, Tennessee 37087

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

DATE OF MEETING:	November 16, 2017
TIME OF MEETING:	10:00 a.m. Central Time
PLACE OF MEETING:	305 Hartmann Drive Lebanon, Tennessee 37087
ITEMS OF BUSINESS:	(1) to elect nine directors; (2) to approve, on an advisory basis, the compensation of the Company s named executive officers as disclosed in the proxy statement that accompanies this notice; (3) to select, on an advisory basis, the frequency with which shareholders of the Company will have an advisory vote on the compensation of the Company s named executive officers; (4) to ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the 2018 fiscal year; and (5) to conduct other business properly brought before the meeting.
WHO MAY VOTE/ RECORD DATE:	You may vote if you were a shareholder at the close of business on September 22, 2017.

We are mailing a Notice of Internet Availability of Proxy Materials (the Notice) to many of our shareholders instead of paper copies of our proxy statement and our 2017 Annual Report. The Notice contains instructions on how to access those documents over the Internet. The Notice also contains instructions on how shareholders can receive a paper copy of our proxy materials, including this proxy statement, our 2017 Annual Report and proxy card.

We hope that you will be able to attend the Annual Meeting. Instructions on how to obtain directions to the Annual Meeting are also included in the Notice. We ask, however, whether or not you plan to attend the Annual Meeting that you vote as soon as possible. Promptly voting will help ensure that the greatest number of shareholders are present whether in person or by proxy. You may vote over the Internet, as well as by telephone, or, if you requested to receive printed proxy materials, by mailing a proxy card enclosed with those materials. Please review the instructions on each of your voting options described in this proxy statement, as well as in the Notice you received in the mail.

If you attend the Annual Meeting in person, you may revoke your proxy at the meeting and vote your shares in person. You may revoke your proxy at any time before the proxy is exercised. Should you desire to revoke your proxy, you may do so as provided in the accompanying proxy statement.

By Order of our Board of Directors,

Richard M. Wolfson
Secretary

Lebanon, Tennessee

October 2, 2017

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS

FOR THE SHAREHOLDER MEETING

TO BE HELD ON NOVEMBER 16, 2017:

The Notice of Internet Availability of Proxy Materials, Notice of Meeting and

Proxy Statement are available free of charge at: www.proxyvote.com

CRACKER BARREL OLD COUNTRY STORE, INC.

305 Hartmann Drive

Lebanon, Tennessee 37087

Telephone: (615) 444-5533

PROXY STATEMENT FOR 2017 ANNUAL MEETING OF SHAREHOLDERS

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GENERAL INFORMATION

What is this document?

This document is the proxy statement of Cracker Barrel Old Country Store, Inc. that is being furnished to shareholders in connection with our Annual Meeting of Shareholders to be held on Thursday, November 16, 2017 (the Annual Meeting). If you requested a printed version of the proxy statement, a form of proxy card is also being furnished with this document.

We have tried to make this document simple and easy to understand. The Securities and Exchange Commission (the SEC) encourages companies to use plain English, and we will always try to communicate with you clearly and effectively. We will refer to Cracker Barrel Old Country Store, Inc. throughout this proxy statement as we, us, the Company or Cracker Barrel. Unless clearly indicated otherwise, all reference to a particular year or quarter in this proxy statement refer to our fiscal year or quarter.

Why am I receiving a proxy statement?

Because you were one of our shareholders at the close of business on September 22, 2017, the record date for our Annual Meeting, you are receiving this document in order to solicit your proxy (i.e., your permission) to vote your shares of Cracker Barrel stock upon certain matters at the Annual Meeting. We are required by law to convene an Annual Meeting of our shareholders at which directors are elected. Because our shares are widely held, it would be impractical, if not impossible, for our shareholders to meet physically in sufficient numbers to hold a meeting. Accordingly, proxies are solicited from our shareholders. United States federal securities laws require us to send you this proxy statement and specify the information required to be contained in it.

What does it mean if I receive more than one proxy statement or proxy card?

If you receive multiple proxy statements or proxy cards, that may mean that you have more than one account with brokers or our transfer agent. Please vote all of your shares. We also recommend that you contact your broker and our transfer agent to consolidate as many accounts as possible under the same name and address. Our transfer agent is American Stock Transfer & Trust Company (AST). You can contact AST by calling (800) 485-1883.

Why did I receive a one-page notice in the mail regarding the Internet availability of proxy materials instead of a full set of proxy materials?

Pursuant to rules adopted by the SEC, this year the Company will again use the Internet as the primary means of furnishing proxy materials to shareholders. Accordingly, the Company is sending a Notice to the Company s shareholders. All shareholders will have the ability to access the proxy materials on the website referred to in the Notice or request a printed set of the complete proxy materials. Instructions on how to access the proxy materials over the Internet or to request a printed copy may be found in the Notice. In addition, shareholders may request to receive proxy materials in printed form by mail or electronically by email on an ongoing basis. The Company encourages shareholders to take advantage of the availability of the proxy materials on the Internet to help reduce the environmental impact of its annual meetings and the cost to the Company associated with the physical printing and mailing of materials.

How can I get electronic access to the proxy materials?

The Notice explains how to:

- view the Company s proxy materials for the Annual Meeting on the Internet; and
- instruct the Company to send future proxy materials to you by email.

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The Company s proxy materials are also available on the Company s website at http://investor.crackerbarrel.com.

Choosing to receive future proxy materials by email will save the Company the cost of printing and mailing documents to you and will reduce the impact of the Company s annual meetings on the environment. If you choose to receive future proxy materials by email, you will receive an email message next year with instructions containing a link to those materials and a link to the proxy voting website. Your election to receive proxy materials by email will remain in effect until you terminate it.

Are you householding for shareholders sharing the same address?

Yes. The SEC s rules regarding the delivery of proxy materials to shareholders permit us to deliver a single copy of these documents to an address shared by two or more of our shareholders. This method of delivery is called householding, and it can significantly reduce our printing and mailing costs. It also reduces the volume of mail you receive. Under this procedure, we are delivering a single copy of the Notice and, if applicable, the proxy materials to multiple shareholders who share the same address. Shareholders who participate in householding will continue to be able to access and receive separate proxy cards. Upon written request, we will deliver promptly a separate copy of the Notice and, if applicable, the proxy materials to any shareholder at a shared address to which we delivered a single copy of any of these documents. To receive a separate copy of the Notice and, if applicable, this proxy statement or the 2017 Annual Report, shareholders may write or call our transfer agent, AST, toll free at (800) 485-1883, or our Corporate Secretary at Cracker Barrel Old Country Store, Inc., 305 Hartmann Drive, Lebanon, Tennessee 37087. The same phone number and address may be used to notify us that you wish to receive a separate set of proxy materials in the future, or to request delivery of a single copy of our proxy materials if you are receiving multiple copies.

Who pays for the Company s solicitation of proxies?

We will pay for the entire cost of soliciting proxies on behalf of the Company. We will also reimburse brokerage firms, banks and other agents for the cost of forwarding the Company s proxy materials to beneficial owners. In addition, our directors and employees may solicit proxies in person, by mail, by telephone, via the Internet, press releases or advertisements. Directors and employees will not be paid any additional compensation for soliciting proxies.

Who may attend the Annual Meeting?

The Annual Meeting is open to all of our shareholders. To attend the meeting, you will need to register upon arrival. We also may check for your name on our shareholders list and ask you to produce valid identification. If your shares are held in street name by your broker or bank, you should bring your most recent brokerage account statement or other evidence of your share ownership. If we cannot verify that you own Cracker Barrel shares, it is possible that you will not be admitted to the meeting.

May shareholders ask questions at the Annual Meeting?

Yes. Certain of our officers will be available to respond to shareholder questions at the end of the Annual Meeting. In order to give a greater number of shareholders the opportunity to ask questions, we may impose certain procedural requirements, such as limiting repetitive or follow-up questions or requiring questions to be submitted in writing.

What if I have a disability?

If you are disabled and would like to participate in the Annual Meeting, we can provide reasonable assistance. Please send any request for assistance to Cracker Barrel Old Country Store, Inc., 305 Hartmann Drive, Lebanon, Tennessee 37087, Attention: Corporate Secretary, at least two weeks before the meeting.

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What is Cracker Barrel Old Country Store, Inc. and where is it located?

We are the owner and operator of the Cracker Barrel Old Country Store® restaurant and retail concept throughout the United States. We also own and operate the Holler & Dash Biscuit House ™ restaurant concept in a number of locations in the southeastern United States. Our corporate headquarters are located at 305 Hartmann Drive, Lebanon, Tennessee 37087. Our telephone number is (615) 444-5533.

Where is Cracker Barrel Old Country Store, Inc. common stock traded?

Our common stock is traded and quoted on the NASDAQ Global Select Market (NASDAQ) under the symbol CBRL.

Who will count the votes cast at the Annual Meeting?

The Board of Directors will appoint an independent inspector of election to serve at the Annual Meeting. The inspector of election for the Annual Meeting will determine the number of votes cast by holders of common stock for all matters. Final voting results will be announced at the Annual Meeting.

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

We will include the voting results in a Current Report on Form 8-K, which we will file with the SEC no later than four business days following the completion of the Annual Meeting.

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VOTING MATTERS

What am I voting on?

You will be voting on the following matters:

- to elect nine directors;
- to approve, on an advisory basis, the compensation of the Company s named executive officers as disclosed in this proxy statement;
- to select, on an advisory basis, the frequency with which Company shareholders will have an advisory vote on the compensation of the Company s named executive officers; and
- to ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for our 2018 fiscal year.

Who is entitled to vote?

You may vote if you owned shares of our common stock at the close of business on September 22, 2017. As of September 22, 2017, there were 24,094,288 shares of our common stock outstanding.

How many votes must be present to hold the Annual Meeting?

In order to lawfully conduct the Annual Meeting, a majority of our outstanding common shares as of September 22, 2017 must be present at the Annual Meeting either in person or by proxy. This is called a quorum. Your shares are counted as present at the Annual Meeting if you attend the Annual Meeting and vote in person or if you properly return a proxy by one of the methods described below under the question How do I vote before the Annual Meeting? Abstentions and broker non-votes (as explained below under the question What is a broker non-vote ?) also will be counted for purposes of establishing a quorum.

How many votes do I have and can I cumulate my votes?

You have one vote for every share of our common stock that you own. Cumulative voting is not allowed.

May I vote my shares in person at the Annual Meeting?

Yes. You may vote your shares at the Annual Meeting if you attend in person, even if you previously submitted a proxy card or voted by Internet or telephone. Whether or not you plan to attend the Annual Meeting in person, however, in order to assist us in tabulating votes at the Annual Meeting, we encourage you to vote by using the telephone, Internet or, if applicable, by returning a proxy card.

How do I vote before the Annual Meeting?

Before the Annual Meeting, you may vote your shares in one of the following three ways: (1) via the Internet by following the instructions provided in the Notice, (2) by mail, if you requested printed copies of the proxy materials, by filling out the form of proxy card and sending it back in the envelope provided, or (3) by telephone, if you requested printed copies of the proxy materials, by calling the toll free number found on the proxy card. If you requested printed copies of the proxy materials, and properly sign and return your proxy card and return it in the prepaid envelope, your shares will be voted as you direct.

Please use only one of the three ways to vote. If you hold shares in the name of a broker, your ability to vote those shares by Internet or telephone depends on the voting procedures used by your broker, as explained below under the question How do I vote if my broker holds my shares in street name ? The Tennessee Business

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Corporation Act provides that a shareholder may appoint a proxy by electronic transmission, so we believe that the Internet or telephone voting procedures available to shareholders are valid and consistent with the requirements of applicable law.

How do I vote if my broker holds my shares in street name ?

If your shares are held in a brokerage account in the name of your bank or broker (this is called street name), your bank or broker will send you the Notice. Many (but not all) brokerage firms and banks participate in a program provided through Broadridge Financial Solutions, Inc. that offers Internet and telephone voting options.

What is a broker non-vote ?

If you own shares through a broker in street name, you may instruct your broker how to vote your shares. A broker non-vote occurs when you fail to provide your broker with voting instructions at least 10 days before the Annual Meeting and the broker does not have the discretionary authority to vote your shares on a particular proposal because the proposal is not a routine matter under applicable rules. See How will abstentions and broker non-votes be treated? and Will my shares held in street name be voted if I do not provide my proxy? below.

How will abstentions and broker non-votes be treated?

Abstentions and broker non-votes will be treated as shares that are present and entitled to vote for purposes of determining whether a quorum is present, but will not be counted as votes cast either in favor of or against a particular proposal, unless such proposal is a routine matter under applicable rules. See Will my shares held in street name be voted if I do not provide my proxy? below. The only routine matter to be presented at the Annual Meeting is Proposal 4: Ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm.

Will my shares held in street name be voted if I do not provide my proxy?

On certain routine matters, brokerage firms have the discretionary authority to vote shares for which their customers do not provide voting instructions. The only routine matter to be presented at the Annual Meeting is Proposal 4: Ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm.

How will my proxy be voted?

The individuals named on the proxy card will vote your proxy in the manner you indicate on the proxy card.

What if I return my proxy card or vote by Internet or telephone but do not specify my vote?

If you sign and return your proxy card or complete the Internet or telephone voting procedures but do not specify how you want to vote your shares, we will vote them:

FOR the election of each of the nine director nominees named in this proxy statement;

FOR the approval, on an advisory basis, of the compensation of the Company s named executive officers as disclosed in this proxy statement;

FOR having an advisory vote on the compensation of the Company s named executive officers once every year (as opposed to every other year or every third year); and

FOR ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for our 2018 fiscal year.

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Can I change my mind and revoke my proxy?

Yes. To revoke a proxy given pursuant to this solicitation, you must:

- sign another proxy with a later date and return it to our Corporate Secretary at Cracker Barrel Old Country Store, Inc., 305 Hartmann Drive, Lebanon, Tennessee 37087 at or before the Annual Meeting;
- provide our Corporate Secretary with a written notice of revocation dated later than the date of the proxy at or before the Annual Meeting;
- re-vote by using the telephone and calling (800) 690-6903;
- re-vote by using the Internet by following the instructions in the Notice; or
- attend the Annual Meeting and vote in person note that attendance at the Annual Meeting will not revoke a proxy if you do not actually vote at the Annual Meeting.

What vote is required to approve each proposal?

- **Proposal 1: Election of nine directors.**

The affirmative vote of a plurality of the votes cast by the shareholders entitled to vote at the Annual Meeting is required for the election of directors. A properly executed proxy card marked WITHHOLD with respect to the election of a director nominee will be counted for purposes of determining if there is a quorum at the Annual Meeting, but will not be considered to have been voted for the director nominee. Broker non-votes will also not be considered to have been voted for any director nominee.

- **Proposal 2: Approval, on an advisory basis, of the compensation of the Company s named executive officers as disclosed in the proxy statement that accompanies this notice.**

The approval of the compensation of the Company s named executive officers as described in this proxy statement will be approved if the number of shares of Company common stock voted FOR the proposal exceeds the number of shares of Company common stock voted AGAINST. If you vote ABSTAIN on this proposal via a properly executed proxy card, the Internet or telephone, your vote will not be counted as cast FOR or AGAINST this proposal. Broker non-votes likewise will not be treated as cast FOR or AGAINST this proposal. Accordingly, neither abstentions nor broker non-votes will have any legal effect on whether this proposal is approved.

- **Proposal 3: Advisory vote on the frequency of future shareholder advisory votes on the compensation of the Company s named executive officers.**

We are asking our shareholders to vote, on an advisory and non-binding basis, for their preference as to how frequently the advisory vote on the executive compensation of the Company s named executive officers should be presented to shareholders. By voting with respect to this proposal, you may indicate whether you would prefer that we conduct future advisory votes on the compensation of the named executive officers EVERY YEAR, EVERY TWO YEARS or EVERY THREE YEARS, or you may elect to ABSTAIN. Shareholders are not voting to approve or disapprove of our Board of Directors recommendation. Rather, the outcome of this advisory vote regarding the frequency of a shareholder advisory vote will be determined by which frequency every year, every two years or every three years receives the greatest number of votes cast. If you vote ABSTAIN on this proposal via a properly executed proxy card, the Internet or telephone, your vote will not be counted as cast for any of the three frequency alternatives in this proposal. Broker non-votes likewise will not be treated as cast for any of the three frequency alternatives in this proposal. Accordingly, neither abstentions nor broker non-votes will have any legal effect on the outcome of the vote.

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Proposal 4: Ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for our 2018 fiscal year.

Shareholder ratification of the appointment of our independent registered public accounting firm is not required, but the Board of Directors is submitting the appointment of Deloitte & Touche LLP for ratification in order to obtain the views of our shareholders. This proposal will be approved if the votes cast FOR the proposal exceed the votes cast AGAINST the proposal. If you submit a properly executed proxy card or use the Internet or telephone to indicate ABSTAIN on this proposal, your vote will not be counted as cast on this proposal. This proposal is considered routine, and thus if you hold your shares in street name, your broker may vote your shares for you absent any other instructions from you. Abstentions will not have any legal effect on whether this proposal is approved. If the appointment of Deloitte & Touche LLP is not ratified, the Audit Committee will reconsider its appointment.

How do you recommend that I vote on these items?

The Board of Directors recommends that you vote:

FOR the election of each of the nine director nominees named in this proxy statement;

FOR the approval, on an advisory basis, of the compensation of the Company s named executive officers as disclosed in this proxy statement;

FOR having an advisory vote on the compensation of the Company s named executive officers once every year; and

FOR ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for our 2018 fiscal year.

May other matters be raised at the Annual Meeting; how will the Annual Meeting be conducted?

We have not received proper notice of, and are not aware of, any business to be transacted at the Annual Meeting other than as indicated in this proxy statement. Under Tennessee law and our governing documents, no other business aside from procedural matters may be raised at the Annual Meeting unless proper notice has been given to us by the shareholders seeking to bring such business before the Annual Meeting. If any other item or proposal properly comes before the Annual Meeting, the proxies received will be voted on such matter in accordance with the discretion of the proxy holders.

The Chairman has broad authority to conduct the Annual Meeting so that the business of the Annual Meeting is carried out in an orderly and timely manner. In doing so, he has broad discretion to establish reasonable rules for discussion, comments and questions during the Annual Meeting. The Chairman is also entitled to rely upon applicable law regarding disruptions or disorderly conduct to ensure that the Annual Meeting proceeds in a manner that is fair to all participants.

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BOARD OF DIRECTORS AND COMMITTEES

Directors

The names and biographies of each member of our Board of Directors are set forth in this proxy statement under PROPOSAL 1: ELECTION OF DIRECTORS, beginning on page 44 of this proxy statement. All nine of the nominees are current members of our Board of Directors and are nominees for re-election to the Board.

Our Board of Directors is currently composed of ten directors. Glenn A. Davenport provided notice to the Company on September 28, 2017 of his intention to not stand for re-election at the Annual Meeting. Mr. Davenport will continue to serve as a director until that time. Mr. Davenport s decision not to stand for re-election at the end of his current term is motivated by personal reasons and is not due to any disagreement with the Company on any matter relating to the Company s operations, policies or practices. The Board of Directors wishes to thank Mr. Davenport for his years of service and excellent contributions to the Company during his tenure. As a result of Mr. Davenport s departure from the Board following the Annual Meeting, pursuant to the Company s Charter, the Board intends to reduce the size of the Board from ten to nine directors, effective immediately upon the adjournment of the Annual Meeting.

Board Meetings

Our Board of Directors met eight times during 2017. Each director attended at least 75% of the aggregate number of meetings of the full Board of Directors that were held during the period he or she was a director during 2017 and all meetings of the committee(s) on which he or she served that were held during the period he or she served on such committee in 2017.

Board Committees

Our Board of Directors has the following standing committees: Audit, Compensation, Nominating and Corporate Governance, Public Responsibility, and Executive. All members of the Audit, Compensation, and Nominating and Corporate Governance committees are independent under the NASDAQ Marketplace Rules and our Corporate Governance Guidelines. Our Board of Directors has adopted a written charter for each of the committees, with the exception of the Executive Committee. Copies of the charters of each of the Audit, Compensation, Nominating and Corporate Governance, and Public Responsibility committees, as well as our Corporate Governance Guidelines, are posted on our website: www.crackerbarrel.com. Current information regarding all of our standing committees is set forth below:

Name of Committee and Members	Functions of the Committee	Number of Meetings in 2017
AUDIT:	Acts as liaison between our Board of Directors and independent auditors	7
Richard J. Dobkin, Chair	Reviews and approves the appointment, performance, independence and compensation of independent auditors	
Glenn A. Davenport	Has authority to hire, terminate and approve payments to the independent registered public accounting firm and other committee advisors	
Norman E. Johnson	Is responsible for developing procedures to receive information and address complaints regarding our accounting, internal accounting controls or auditing matters	
William W. McCarten		

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Name of Committee and Members	Functions of the Committee	Number of Meetings in 2017
	Reviews internal accounting controls and systems, including internal audit plan	
	Reviews results of the internal audit plan, the annual audit and related financial reports	
	Reviews quarterly earnings press releases and related financial reports	
	Reviews our significant accounting policies and any changes to those policies	
	Reviews policies and practices with respect to risk assessment and risk management	
	Reviews and pre-approves directors and officers related-party transactions and annually reviews ongoing arrangements with related parties and potential conflicts of interest	
	Reviews the appointment, performance and termination or replacement of the senior internal audit executive	
	Determines financial expertise and continuing education requirements of members of the committee	
COMPENSATION:	Reviews management performance, particularly with respect to annual financial goals	6
Coleman H. Peterson, Chair Glenn A. Davenport William W. McCarten Andrea M. Weiss	Administers compensation plans and reviews and approves salaries, bonuses and equity compensation grants of executive officers, excluding the Chief Executive Officer for whom the committee makes a recommendation to the Board of Directors for its approval	
	Monitors compliance of directors and officers with our stock ownership guidelines	
	Evaluates the risk(s) associated with our compensation programs	
	Selects and engages independent compensation consultants and other committee advisors	
	Reviews, in conjunction with the Nominating and Corporate Governance Committee, a succession plan with the Chairman of the Board and the Chief Executive Officer and provides insights with respect to succession planning to the Nominating and Corporate Governance Committee	

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Name of Committee and Members	Functions of the Committee	Number of Meetings in 2017
NOMINATING AND CORPORATE GOVERNANCE:	Identifies and recruits qualified candidates to fill positions on our Board of Directors	5
Norman E. Johnson, Chair Thomas H. Barr Richard J. Dobkin Coleman H. Peterson	Considers nominees to our Board of Directors recommended by shareholders in accordance with the nomination procedures set forth in our bylaws	
	Reviews corporate governance policies and makes recommendations to our Board of Directors	
	Reviews and recommends the composition of the committees of our Board of Directors	
	Oversees annual performance review of our Board of Directors and the committees thereof	
	Reviews, on behalf of our Board of Directors, a succession plan with the Chairman of the Board and the Chief Executive Officer and reports to our Board of Directors on that issue	
PUBLIC RESPONSIBILITY:	Assists the Board of Directors in fulfilling its oversight responsibility for the Company s overall enterprise risk management program	2
Andrea M. Weiss, Chair Thomas H. Barr James W. Bradford	Analyzes public policy trends and makes recommendations to the Board of Directors regarding how the Company can anticipate and adjust to these trends	
	Annually reviews the policies, procedures and expenditures for the Company s political activities, including political contributions and direct and indirect lobbying	
	Reviews the Company s progress toward its diversity goals and compliance with the Company s responsibilities as an equal opportunity employer	
	Reviews the Company s human and workplace rights policies	
	Reviews and recommends procedures concerning the transmission of the Company s positions on public policy and social issues via digital media outlets	
	Reviews any shareholder proposals that deal with public policy issues and makes recommendations to the Board of Directors regarding the Company s response to such proposals	

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Name of Committee and Members	Functions of the Committee	Number of Meetings in 2017
EXECUTIVE:	Meets at the call of the Chief Executive Officer or Chairman of the Board	0
James W. Bradford, Chair Sandra B. Cochran Richard J. Dobkin Norman E. Johnson Coleman H. Peterson Andrea M. Weiss	Meets when the timing of certain actions makes it appropriate to convene the committee rather than the entire Board of Directors May carry out all functions and powers of our Board of Directors, subject to certain exceptions under applicable law Advises senior management regarding actions contemplated by the Company whenever it is not convenient or appropriate to convene the entire Board of Directors	

Board Leadership Structure

Our Board of Directors regularly considers the appropriate leadership structure for the Company, and believes that its current leadership structure, with Mr. Bradford serving as Chairman and Ms. Cochran serving as the Chief Executive Officer, best serves (i) the objectives of the Board of Directors oversight of management, (ii) the ability of the Board of Directors to carry out its roles and responsibilities on behalf of the shareholders, and (iii) the Company s overall corporate governance.

Notwithstanding our current structure, our Board of Directors has concluded that it is important to retain flexibility in determining whether the same individual should serve as both Chief Executive Officer and Chairman at any given point in time. The Board of Directors uses its judgment to determine the best leadership structure for the Company at any given point in time, rather than adhering to a formal standing policy on the subject. This approach allows our Board of Directors to use its considerable experience and knowledge to elect the most qualified director as Chairman, while maintaining the ability to separate the Chairman and Chief Executive Officer roles when appropriate. Accordingly, at different points in time, the Chief Executive Officer and Chairman roles may be held by the same person. At other times, as currently, they may be held by different individuals. In each instance, the decision on whether to combine or separate the roles is determined by what the Board of Directors believes is in the best interests of our shareholders, based on the circumstances at the time. By way of example, in the event of a departure of either our Chief Executive Officer or Chairman, the Board of Directors could reconsider the leadership structure and whether one individual was then suited to fulfill both roles, based on a candidate s experience and knowledge of our business and whether the directors considered it in the best interest of the Company to combine the positions.

Our Board of Directors will continue to evaluate the Company s leadership structure on an ongoing basis to ensure that it is appropriate at all times.

Board Oversight of Risk Management

It is the responsibility of our senior management to develop and implement our strategic plans, and to identify, evaluate, manage and mitigate the risks inherent in those plans. It is the responsibility of our Board of Directors to understand and oversee our strategic plans, the associated risks, and the steps that senior management is taking to manage and mitigate those risks. Our Board of Directors takes an active approach to its risk oversight role. This approach is bolstered by our Board of Directors leadership and committee structure, which ensures: (i) proper consideration and evaluation of potential enterprise risks by the full Board of Directors under the auspices of the Chairman, and (ii) further consideration and evaluation of discrete risks at the committee level.

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Our Board of Directors is comprised predominantly of independent directors (nine of our ten current directors, and eight of the nine nominees), and all directors who served on the key committees of our Board of Directors (Audit, Compensation, Nominating and Corporate Governance, and Public Responsibility) during 2017 are independent under applicable NASDAQ listing standards and our Corporate Governance Guidelines. This system of checks and balances ensures that key decisions made by the Company s most senior management, up to and including the Chief Executive Officer, are reviewed and overseen by the non-employee directors of our Board of Directors.

Risk management oversight by the full Board of Directors includes a comprehensive annual review of our overall strategic plans, including the risks associated with these strategic plans. Our Board of Directors also conducts an annual review, led by the Audit Committee, of the conclusions and recommendations generated by management s enterprise risk management process. This process involves a cross-functional group of our senior management that, on a continual basis, identifies current and future potential risks facing us and ensures that actions are taken to manage and mitigate those potential risks. Our Board of Directors also has overall responsibility for leadership succession for our most senior officers and reviews succession plans each year.

In addition, our Board of Directors has delegated certain risk management oversight responsibilities to certain of its committees, each of which reports regularly to the full Board of Directors. In performing these oversight responsibilities, each committee has full access to management, as well as the ability to engage independent advisors. The Audit Committee has primary overall responsibility for overseeing our risk management. It oversees risks related to our financial statements, the financial reporting process, accounting and legal matters. The Audit Committee oversees the internal audit function and our ethics and compliance program. It also regularly receives reports regarding our most significant internal control and compliance risks, along with management s processes for maintaining compliance within a strong internal control environment. In addition, the Audit Committee receives reports regarding potential legal and regulatory risks and management s plans for managing and mitigating those risks. Representatives of our independent registered public accounting firm attend Audit Committee meetings, regularly make presentations to the Audit Committee and comment on management presentations. In addition, our Chief Financial Officer, Vice President of Internal Audit, General Counsel and representatives of our independent registered public accounting firm individually meet in private sessions with the Audit Committee to raise any concerns they might have with the Company s risk management practices.

The Compensation Committee is responsible for overseeing our incentive compensation arrangements, for aligning such arrangements with sound risk management and long-term growth and for verifying compliance with applicable regulations. The Compensation Committee conducted an internal assessment of our executive and non-executive incentive compensation programs, policies and practices. The Compensation Committee reviewed and discussed: the various design features and characteristics of the Company-wide compensation policies and programs; performance metrics; and approval mechanisms of all incentive programs. Based on this assessment and after discussion with management and the Compensation Committee s independent compensation consultant, the Compensation Committee has concluded that our incentive compensation arrangements and practices do not create risks that are reasonably likely to have a material adverse effect on the Company.

The Public Responsibility Committee oversees the risks associated with the Company s response to public relations matters and public policy trends. The Public Responsibility Committee discussed and conducted specific analyses of the management of public relations issues as well as the Company s commitment to diversity and corporate responsibility through various channels, including social and digital media.

Finally, the Nominating and Corporate Governance Committee oversees risks associated with its areas of responsibility, including, along with the Audit Committee, our ethics and compliance program. The Nominating and Corporate Governance Committee also reviews annually our key corporate governance documents to ensure they are in compliance with the changing legal and regulatory environment and appropriately enable our Board of Directors to fulfill its oversight duties. In addition, our Board of Directors is routinely informed of developments at the Company that could affect our risk profile and business in general.

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Compensation of Directors

During 2017, each outside director was paid an annual cash retainer of $50,000. Each outside director also was paid a director s fee of $2,000 for each Board of Directors meeting attended and $1,500 for each committee meeting attended, other than the Audit Committee and the Compensation Committee members, who were paid $2,000 for each committee meeting attended. Each of the chairs of the Nominating and Corporate Governance Committee and the Public Responsibility Committee was paid an additional annual retainer of $13,000, while the Chairman of the Audit Committee was paid an additional retainer of $21,000 and the Chairman of the Compensation Committee was paid an additional annual retainer of $18,000. The Chairman of the Board of Directors served as the Chairman of the Executive Committee and received no additional compensation for this role. We reimburse all non-employee directors for reasonable out-of-pocket expenses incurred in connection with attendance at meetings.

Non-employee directors are also offered the option to participate in our deferred compensation plan. The deferred compensation plan allows a participant to defer a percentage or sum of his or her compensation and earn interest on that deferred compensation at a rate equal to the 10-year Treasury bill rate (as in effect at the beginning of each calendar month) plus 1.5%.

Each non-employee director who is elected at an annual meeting also receives a grant of shares of restricted stock having a value equal to approximately $110,000, with the number of shares of restricted stock included in such grant to be determined based on the closing price of our common stock on the date of the applicable annual meeting, as reported by NASDAQ, and to be rounded down to the nearest whole share. These awards vest at the earlier of one year from the date of grant or at the next annual meeting of shareholders. The Company has no knowledge of any agreement or arrangement between any director or director nominee and any person or entity other than the Company relating to compensation or other payment in connection with such person s candidacy or service as a director.

In addition to the compensation set forth above with respect to each outside director, our independent Chairman James W. Bradford was paid an additional annual cash retainer of $35,000 and received an additional grant of shares of restricted stock having a value equal to approximately $65,000, based on the closing price of our common stock on the date of the grant, as reported by NASDAQ, and rounded to the nearest whole share. These shares of restricted stock vest one year from the date of grant.

The compensation of our directors during 2017 is detailed in the Director Compensation Table, which can be found on page 38 of this proxy statement.

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EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

This portion of the proxy statement, called Compensation Discussion and Analysis or CD&A, provides a description of the objectives and principles of Cracker Barrel s executive compensation programs. It explains how compensation decisions are linked to Cracker Barrel s performance relative to our strategic goals and our efforts to drive shareholder value. It is also meant to give our shareholders insight into the deliberative process and the underlying compensation philosophies that are the foundation of the design of the pay packages of our executive officers. Generally, Cracker Barrel s executive compensation programs apply to all executive officers, but this CD&A focuses on the compensation decisions relating to our executive officers who qualified as named executive officers under applicable SEC rules (the Named Executive Officers or NEOs) during 2017.

Executive Summary

In 2017, the Company successfully grew revenues, operating margins and earnings over 2016 levels, despite the fact that the casual dining restaurant and specialty retail industries in the United States experienced decreases in customer traffic in every quarter of the year. In the face of these macro-economic headwinds, we believe we outperformed the casual dining industry in both restaurant sales and traffic, outperformed the specialty retail industry in merchandise sales, executed key initiatives and delivered value to our shareholders. Below are a few highlights of our 2017 achievements:

Financial Achievements. In 2017 the Company s revenues grew by approximately 50 basis points to $2.93 billion, with comparable store restaurant sales increasing 0.2% and comparable store retail sales decreasing 3.7%. Our 2017 operating margins increased to 10.7% from 9.6% in the prior year due to a variety of factors, including favorable commodity pricing and the cost savings initiatives described below. Finally, our 2017 earnings per diluted share grew to $8.37, compared to $7.86 in 2016.

Cost Reductions. As part of our long-term strategic plan, we targeted $20 million in annual cost reductions to be realized in 2017, and we surpassed this goal and achieved approximately $23 million. These initiatives, which targeted labor productivity, food waste, and utility expense, contributed significantly to our increase in operating income margin in 2017.

Shareholder Returns. In 2017 we once again increased our regular quarterly dividend, to $1.20 per share. Over the last six years, we have increased our dividend eight times, for a cumulative increase of nearly 450%. In July 2017 we also declared a special dividend of $3.50 per share. This was the third special dividend we paid in the last three years.

Continued Expansion. We opened six new Cracker Barrel Old Country Store locations during 2017, continuing our westward expansion with new store openings in Las Vegas, Nevada and Portland, Oregon. Guest response to our Nevada and Oregon stores has been enthusiastic, and the results of these stores have thus far outpaced our initial expectations. We also opened two new units of our fast casual brand, Holler & Dash Biscuit House, in the southeastern United States.

Public Acclaim. During 2017 we received two notable and prestigious recognitions: We were named the Best Full-Service Restaurant in America by the *American Customer Satisfaction Index* and were named among America s Top 100 Most Reputable Companies by *Forbes Magazine*.

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Summary of 2017 Compensation Actions

Pay actions for our Named Executive Officers in 2017 reflected the foregoing achievements. The chart below describes the elements of our executives pay (each of which is discussed in greater detail in this CD&A) and summarizes how each element was handled in 2017:

Pay Element	Pay Element in 2017
Base Salary	Our CEO, Ms. Cochran, received a merit increase of approximately 3% in 2017. Our CFO, Ms. Golder, did not receive any base salary increase in 2017, due to her recent tenure with the Company. Our other NEOs each received a merit increase of approximately 5% in 2017.
Annual Bonus Plan	Due to the increase in our operating income, which exceeded target performance, 2017 bonuses were paid out to our NEOs (and to approximately 160 other employees whose 2017 bonuses were determined by an operating income performance metric) at approximately 112% of target.
Long-Term Performance Incentives	Our executives received two long-term incentive (LTI) awards which are payable in future years based on the achievement of certain performance goals, as follows: A 2017 Long Term Performance Plan (LTPP) award that will be payable based on our achievement of certain level of return on invested capital (ROIC) during years 2017 and 2018. A 2017 restricted stock unit (RSU) award that will be payable (i) at target if our relative total shareholder return (TSR) over the next three years (i.e., 2017, 2018 and 2019) is between the 25^{th} and 75^{th} percentiles of the S&P MidCap 400 Index; (ii) at 75% of target if our relative TSR over such time period is equal to or below the 25^{th} percentile of such index; and (iii) at 125% of target if our relative TSR over such time period is equal to or above the 75^{th} percentile of such index. (This award, in combination with the time-based award referenced under Long-Term Retention Incentives below, replaced a previous practice of awarding Market Stock Units (MSUs) tied to TSR performance over a three-year performance period.) In addition, performance-based equity awards that were granted in earlier years were paid out to our NEOs in 2017, as follows: 2016 LTPP Awards, which were granted in 2016 and had a two-year performance period (2016 and 2017) were paid out at approximately 115% of target, reflecting our achievement of an approximately 23% ROIC, on average, over past two years. 2015 MSU Grants, which were granted in 2015 and had a three-year performance period (2015, 2016 and 2017), were paid out at 150% of target, reflecting our achievement of a an approximately 82% positive change in cumulative TSR over the past three years.
Long-Term Retention Incentives	In 2017, our NEOs received time-based Restricted Stock Awards. These awards cliff-vest after three years (i.e., in 2019), and are intended to encourage executive retention.

Health and welfare benefits	There were no material changes to the health and welfare benefits provided to NEOs in 2017.
Severance and change-in-control provisions/agreements	No severance or change in control agreements with our NEOs were entered into or amended in 2017.

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Advisory Vote on Executive Compensation

Last year, we held our annual advisory vote to approve Named Executive Officer compensation, commonly known as Say on Pay. Approximately 66% of the votes cast were in favor of our executive compensation as disclosed in our 2016 Proxy Statement. The Company believes that Biglari Capital Corp. and its affiliates (Biglari Capital) cast approximately 4.7 million votes against our executive compensation as disclosed in our 2016 Proxy Statement. Excluding these votes cast by Biglari Capital, a historically dissident shareholder, approximately 95% of the remaining votes cast were in favor of our executive compensation. The Compensation Committee considered these results, as well as other feedback the Company has received from shareholders as part of its ongoing review of our executive compensation programs, and determined not to make material changes to our executive compensation programs because the Compensation Committee believes this advisory vote, particularly that of our disinterested shareholders, indicates considerable shareholder support for continuing the Company s strong pay-for-performance philosophy.

Elements of Compensation Program

Compensation Philosophy

Our central compensation objective is to develop a program that will ultimately drive long-term total return to our shareholders and build a better company by implementing compensation programs that reward both company-wide and individual performance, align our executives interests with those of our shareholders and allow us to attract and retain talented executives.

We have a strong pay for performance philosophy designed to reward executive officers for maximizing our success, as determined by our performance relative to our financial and operational goals. A significant amount of the compensation payable to our executives is tied to the Company s achievement of measurable performance goals (relative total TSR, operating income and ROIC) that we believe directly relate to our ability to return value to our shareholders and thereby translate into higher TSR over time. In furtherance of our overall philosophy, we seek to reward our executives for both near-term and sustained longer-term financial and operating performance as well as leadership excellence. Compensation opportunities are intended to align the economic interests of executives with those of our shareholders and encourage them to remain with the Company for long and productive careers.

The Company s compensation philosophy is to target total direct compensation paid to our executive officers at the median of our peer group and other market comparisons. While the Compensation Committee strives to deliver a target total compensation package approximating the market median, judgment is applied to recognize individual performance, competitive pressures for management talent, experience, and value to the organization when establishing compensation opportunities. The Compensation Committee believes it utilizes elements of compensation that create appropriate flexibility and help focus and reward executives for both near-term and long-term performance while aligning the interests of executive officers with the interests of our shareholders.

Role of the Compensation Committee

The Compensation Committee s primary responsibility is the establishment and approval of compensation and compensation programs for our executive officers that further the overall objectives of our executive compensation program. In fulfilling this responsibility, the Compensation Committee:

- Reviews and approves corporate performance goals for our executive officers, sets cash- and equity-based compensation and administers our equity incentive arrangements;

- Assesses (together with management) potential risks to the Company associated with our compensation programs and reviews and approves employment and change in control agreements of our executive officers; and

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Periodically conducts or authorizes studies of matters within its scope of responsibilities and may retain, at the Company s expense, independent counsel or other consultants necessary to assist the Compensation Committee in connection with any such studies.

The Compensation Committee makes compensation decisions after reviewing the performance of the Company and carefully evaluating both quantitative and qualitative factors such as an executive s performance during the year against established goals, leadership qualities, operational performance, business responsibilities, long-term potential to enhance shareholder value, current compensation status as shown on tally sheets reflecting current and historical compensation for each executive, and tenure with the Company.

In addition, for any Named Executive Officers who are subject to employment agreements, the Compensation Committee, with the assistance of Frederic W. Cook & Co., the Compensation Committee s outside compensation consultant (FW Cook), and the Company s outside counsel, is responsible for negotiating and reviewing the terms of such employment agreements. Currently, only Ms. Cochran, our President and Chief Executive Officer, is subject to an employment agreement.

Role of Management

Management plays the following roles in the compensation process:

Management recommends to our Board of Directors business performance targets and objectives for the annual plan and provides background information about the underlying strategic objectives;

Management evaluates employee performance;

Management recommends cash compensation levels and equity awards;

Management works with the Compensation Committee Chairman to establish the agenda for Compensation Committee meetings;

The Chief Executive Officer generally makes recommendations to the Compensation Committee regarding salary increases for other executive officers during the regular merit increase process;

The Chief Executive Officer provides her perspective on recommendations provided by the consulting firm hired by the Compensation Committee regarding compensation program design issues;

The Chief Executive Officer does not play a role in setting her own compensation; and

Other members of management, at the request of the Compensation Committee, work with the outside consultants hired by the Compensation Committee to provide data about past practices, awards, costs and participation in various plans, and information about our annual and longer-term goals. When requested by the Compensation Committee, selected members of management may also review consultant recommendations on plan design and structure and provide a perspective to the Compensation Committee on how these recommendations may affect recruitment, retention and motivation of our employees as well as how they may affect us from an administrative, accounting, tax or similar perspective.

Role of Independent Compensation Consultant

To assist the Compensation Committee with establishing executive compensation, the Compensation Committee retains FW Cook, a nationally recognized executive compensation consulting firm, to provide competitive market data, assist in establishing a peer group of companies and provide guidance on compensation structure as well as levels of compensation for our senior executives and the Board. The Compensation Committee consulted with FW Cook in determining the compensation to be awarded to all of the Named Executive Officers, including

Ms. Cochran, in 2017. FW Cook reports directly to the Compensation Committee. The Compensation Committee has assessed the independence of FW Cook pursuant to applicable SEC and NASDAQ rules and concluded that no conflict of interest exists that would prevent FW Cook from serving as an independent consultant to the Compensation Committee.

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Analysis of Peer Group

The Compensation Committee evaluates a variety of factors in establishing an overall compensation program that best fits our overarching goals of maximizing shareholder return and building a stronger company. As one element of this evaluative process, the Compensation Committee, with the assistance of FW Cook, considers competitive market compensation paid by other similarly situated companies and attempts to maintain compensation levels and programs that are comparable to and competitive with those of a peer group of similarly situated companies. Although we do not benchmark our compensation relative to peers, we do use the peer group data as an additional reference point to ensure relative consistency at the median level of our peers. The peer group is reviewed annually by the Compensation Committee, working with FW Cook, and is comprised of the following:

- Organizations of similar business characteristics (i.e., publicly traded organizations in the restaurant and retail industries);
- Organizations against which we compete for executive talent;
- Organizations of comparable size to Cracker Barrel (measured by sales); and
- Organizations with similar geographic dispersion and workforce demographics.

The Company believes that the selection of a peer group to be used for assessing the competitiveness of its executive compensation levels is something that requires reconsideration every year. The Company reviews its peer group on an annual basis and changes certain members of the peer group as the Company refines its comparison criteria and when the Company and members of the peer group change in ways that make comparisons less or more appropriate.

With assistance from FW Cook, the Compensation Committee decided to make four changes to the Company s 2016 peer group in 2017 in order to better align the Company s peer group with the Company in terms of similarity of business, median revenue and market capitalization, or because a company within the 2016 peer group had been acquired. Specifically, in furtherance of these objectives, the Committee decided to eliminate ANN, Inc. and Ruby Tuesday, Inc. from the 2016 peer group and to add Williams-Sonoma, Inc. and Red Robin Gourmet Burgers, Inc.

Following these changes, the peer group referenced as part of our determining 2017 compensation was comprised of the following 15 publicly-traded companies:

Big Lots, Inc.	DineEquity, Inc.
Bloomin Brands, Inc.	Jack-in-the-Box, Inc.
Bob Evans Farms, Inc.	Panera Bread Co.
Brinker International, Inc.	Red Robin Gourmet Burgers, Inc.
Buffalo Wild Wings, Inc.	Tractor Supply, Inc.
Cheesecake Factory, Inc.	The Wendy s Company
Chipotle Mexican Grill, Inc.	Williams-Sonoma, Inc.
Darden Restaurants, Inc.	

Management and the Compensation Committee, with FW Cook s assistance, regularly evaluate the marketplace to ensure that our compensation programs remain competitive. In addition to its review of data from the peer group, the Compensation Committee also from time to time consults data from published compensation surveys to assess more generally the competitiveness and the reasonableness of our compensation programs. To the extent that the Compensation Committee benchmarks compensation, it relies only on comparisons to the

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enumerated peer group and survey data. The Compensation Committee, however, does not believe that compensation levels and design should be based exclusively on benchmarking and, therefore, considers various business factors and each executive s individual circumstances and role within our organization.

Overview of Compensation Elements

We strive to achieve an appropriate mix between cash payments and equity incentive awards in order to meet our objectives by rewarding recent results, motivating long-term performance and strengthening alignment with shareholders. The Compensation Committee evaluates the overall total direct compensation package relative to market conditions, but does not specifically target any percentile for each element of total direct compensation. In conducting this evaluation, the Compensation Committee s goal is to ensure that a significant majority of each executive officer s total direct compensation opportunity is contingent upon Company performance and shareholder value creation. The Compensation Committee reviews the compensation mix of each executive on a comprehensive basis to determine if we have provided the appropriate incentives to accomplish our compensation objectives.

In general, our compensation policies have provided for a more significant emphasis on long-term equity compensation than on annual cash compensation for our executive officers. Our long-term equity compensation consists of (i) a LTPP that provides for awards of performance shares tied to successful achievement of pre-determined ROIC goals over a two-year period, (ii) grants of RSUs (RSU Grants) with three-year vesting, with the actual number of shares delivered depending on the Company s relative TSR performance over the three-year vesting period compared to an industry index, and (iii) time-based restricted stock awards (RSAs) that vest over a three-year period from the date of grant, subject to continued employment of the recipient. The Compensation Committee believes that the Company s 2017 pay mix supports the Company s strong pay for performance culture, as demonstrated by the fact that approximately 83% of our Chief Executive Officer s target total direct compensation and approximately 62% of our other Named Executive Officers target total direct compensation in 2017 were variable or at risk, tied to the Company s measurable performance and/or change in stock price.

The following table summarizes the basic elements of our compensation programs and describes the behavior and/or qualities exhibited by our executive officers that each element is designed to encourage as well as the underlying purpose for that element of our compensation program:

Pay Element	What the Pay Element Rewards	Purpose of the Pay Element
Base Salary	Skills, experience, competence, performance, responsibility, leadership and contribution to the Company	Provide fixed compensation for daily responsibilities
Annual Bonus Plan	Annual achievement of profitability (operating income) targets	Focus attention on meeting annual performance targets and our near-term success, provide additional cash compensation and incentives based on our annual performance
Long-Term Performance Incentives (LTPP and RSU Grants)	Achieving multi-year: (i) ROIC targets and (ii) relative TSR performance	Focus attention on meeting longer-term performance targets and our long-term success, create alignment with shareholders by focusing efforts on longer-term financial and shareholder returns; Management retention

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Pay Element	What the Pay Element Rewards	Purpose of the Pay Element
Long-Term Retention Incentive (time-based RSAs)	Continued service to the Company and its shareholders	Create alignment with shareholders by focusing efforts on longer-term financial and shareholder returns; Management retention
Health and welfare benefits	Provide appropriate amount of safety and security for executives and their families (as applicable) in the form of medical coverage as well as death/disability benefits	Allow executives to focus their efforts on running the business effectively
Severance and change-in-control provisions/agreements	Provides payments and other benefits upon termination of employment under limited circumstances	Better focus and align executive officers with shareholders during transitions or in respect of potential change-in-control transactions

We believe our compensation programs are consistent with best practices for sound corporate governance.

We **DO**:

- Maintain robust stock ownership guidelines for executives and non-executive directors; and
- Maintain anti-hedging, anti-pledging and recoupment (or clawback) policies.

We do **NOT**:

- Execute employment agreements containing multi-year guaranties for salary increases, or automatic renewals (i.e., evergreen agreements) for those executive officers that have employment agreements currently only our Chief Executive Officer;
- Provide material perquisites for executives;
- Automatically accelerate the vesting of equity awards upon a change-in-control (i.e., no single trigger vesting);
- Offer gross-up payments to cover personal income taxes or excise taxes that pertain to executive or severance benefits;
- Pay dividends on LTI awards until they vest; or
- Provide special executive retirement programs.

Base Salary

The Compensation Committee reviews our executive officers base salaries annually at the end of the year and establishes the base salaries for the upcoming year. Base salary for our executive officers is determined after consideration of numerous factors, including, but not limited to: scope of work, skills, experience, responsibilities, performance and seniority of the executive, peer group salaries for similarly-situated positions and the recommendation of the Chief Executive Officer (except in the case of her own compensation). Ms. Cochran s salary is set in accordance with her employment agreement, subject to increases at the discretion of the Compensation Committee. The Company views base salary as a fixed component of executive compensation that compensates the executive officer for the daily responsibilities assumed in operating the Company throughout the year.

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Base salaries for 2016 and 2017 for the Named Executive Officers were as follows:

NAMED EXECUTIVE OFFICER	2016 BASE SALARY	2017 BASE SALARY	PERCENT CHANGE
Sandra B. Cochran	$ 1,025,000	$ 1,056,000	3.0%
Jill M. Golder	$ 475,000(1)	$ 475,000	N/A
Nicholas V. Flanagan	$ 445,000	$ 467,000	4.9%
Beverly K. Carmichael	$ 345,000	$ 362,000	4.9%
Laura A. Daily	$ 320,000	$ 336,000	5.0%

(1) Reflects Ms. Golder s annualized base salary for 2016. Based upon her hire date of April 25, 2016, Ms. Golder s actual base salary in 2016 was $128,646.

Annual Bonus Plan

The annual bonus plan generally provides our executive officers with the opportunity to receive additional cash compensation based on a targeted percentage of base salary, but only if the Company successfully meets established performance targets. For 2017, executive officers were eligible to receive a bonus, depending upon the Company s operating income performance relative to a target set at the beginning of the year. The following graph reflects the various potential payout levels at different levels of performance:

Bonus Curve

(Dollars are in Thousands)

Operating Income Performance

For 2017, the Company s target operating income was $297.5 million, and the Company achieved an operating income of $313.2 million, which was approximately 105% of the operating income target. As a result

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of the Company s performance, annual bonus payouts were approximately 112% of the target percentage of base salary (see table below).

	2017 Operating Income Goals Performance Range ($000)	Payout Range (% of target)	Actual 2017 Operating Income Performance ($000)	2017 Annual Bonus Plan Payout
Threshold	$ 252,842	30%		
Target	$ 297,461	100%	$ 313,158	112.49%
Maximum	$ 342,080	200%		

The following table sets forth (i) target 2017 bonuses for the Named Executive Officers, expressed both as a percentage of base salary and in absolute amounts, and (ii) the actual bonuses received by the Named Executive Officers under the 2017 annual bonus plan at approximately 112% of target, rounded to the nearest whole percentage:

NAMED EXECUTIVE OFFICER	2017 BASE SALARY	2017 BONUS TARGET PERCENTAGE	2017 BONUS TARGET	ACTUAL PAYOUT PERCENTAGE	2017 ACTUAL BONUS
Sandra B. Cochran	$ 1,056,000	115%	$ 1,214,400	112%	$ 1,366,079
Jill M. Golder	$ 475,000	70%	$ 332,500	112%	$ 374,029
Nicholas V. Flanagan	$ 467,000	70%	$ 326,900	112%	$ 367,730
Beverly K. Carmichael	$ 362,000	60%	$ 217,200	112%	$ 244,328
Laura A. Daily	$ 336,000	60%	$ 201,600	112%	$ 226,780

The above 2017 annual bonuses are reflected in the 2017 Non-Equity Incentive Plan Compensation column of the Summary Compensation Table on page 32 of this proxy statement.

Long-Term Incentives

The Compensation Committee believes that long-term incentives, particularly equity-based awards, provide a strong alignment of the interests of shareholders and executives and serve as a valuable talent retention tool. Therefore, a significant portion of our executive officers total compensation is provided in the form of equity awards, which are granted under our 2010 Omnibus Stock and Incentive Plan (the 2010 Omnibus Plan).

Each year the Compensation Committee considers and discusses various alternatives as to the form and structure of equity-based awards in order to best achieve these goals of shareholder alignment and talent retention. For at least the last several years, the Company granted approximately 50% of the target value of an executive s LTI awards in the form of performance-based share units tied to the Company s achievement of ROIC targets over a two-year period, and the remaining approximately 50% of target value in the form of MSUs tied to the Company s TSR performance over a three-year period. In 2017, the Committee determined that the goals of shareholder alignment and talent retention would be better served by eliminating the MSU portion of the award, and replacing it with an award of (i) performance-based RSUs, with vesting outcomes that can result in higher or lower payouts depending on the Company s TSR performance relative to the S&P MidCap400 Index over a three-year time period; and (ii) time-based RSAs. These awards and the Committee s rationale for making this change are described in greater detail below, under the heading *Long-Term Incentive Arrangements for 2017* .

Long-Term Incentive Arrangements for 2017

Overview. In 2017, the Company s equity compensation to executive officers was governed by the 2017 Long-Term Incentive Program (LTIP). The 2017 LTIP, which was adopted at the start of 2017, consists of three components: (i) a LTPP (the 2017 LTPP), which represents 50% of the LTIP target value at the time of grant and provides for awards of performance shares tied to the Company s successful achievement of a pre-

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determined ROIC goal over fiscal years 2017 and 2018; (ii) an RSU Grant with relative TSR modifier (the 2017 RSU Grant), which represents 25% of the LTIP target value at the time of grant and 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 TSR relative to the S&P MidCap 400 Index over fiscal years 2017, 2018 and 2019; and (iii) a time-based RSA (the 2017 RSA), which represents the remaining 25% of the LTIP target value at the time of grant and provides for awards of time-based restricted stock that cliff-vest after three years from the date of grant, subject to an executive s continued employment with the Company on the vesting date. The foregoing description is reflected in the following diagram:

As described above, for 2017 the Compensation Committee determined to replace the value component previously represented by MSU Grants with the 2017 RSU Grants and the 2017 RSAs. The Compensation Committee made this adjustment in an effort to simplify and increase the transparency of our LTI program, which the Committee believes will improve its effectiveness in retaining and motivating our executives. The Compensation Committee also made this determination because it believes that (i) making a portion of an executive s award time-based (i.e., the 2017 RSA) will improve the executive retention aspects of the LTI program and aligns with our closest competitors, a majority of which provide time-based restricted stock awards to their senior officers, and (ii) using a relative TSR to measure performance under the 2017 RSU Grant (where the Company s three-year TSR performance will be measured relative to an appropriate index rather than in isolation) will better align our executives interests with those of our shareholders. This is because we believe our shareholders care about how we perform relative to other viable investment alternatives over the three-year performance period rather than in absolute terms.

Each year the Compensation Committee approves equity grants to executive officers in the LTIP and determines the target percentage of an executive officer s salary to be represented by each of the 2017 LTPP, the 2017 RSU Grant, and the 2017 RSA (such percentages are referred to as an LTPP Percentage, an RSU Percentage and an RSA Percentage, respectively, and collectively as the executive officer s LTIP Percentage) The Compensation Committee established the 2017 LTIP Percentages for our executive officers and the relative amount of each component (i.e., each officer s LTPP Percentage, RSU Percentage and RSA Percentage) at the same time the Compensation Committee established the 2017 LTIP. Each officer s LTPP Percentage, RSU Percentage and RSA Percentage were then used to derive a target award for the officer, expressed as a number of shares. In the case of the 2017 LTPP and 2017 RSU Grant, the number of shares that are ultimately awardable depends on whether and to what extent the Company meets or exceeds targets for the relevant performance metrics for each of the applicable performance components. In the case of the 2017 RSA, the number of shares was determined by reference to the closing price of the Company s common stock on the grant date of October 24, 2016.

All awards granted under the LTIP are credited with dividend equivalent rights for any cash dividends paid on the Company s stock between the award date and the vesting date, based on the number of shares ultimately awarded, and the deferred amounts are settled in cash upon the vesting of the awards at the end of the performance period. No dividends are paid on unvested/unearned shares.

2017 LTPP. For 2017, each executive officer was eligible to receive an 2017 LTPP award (a 2017 LTPP Award) of up to 200% of a target number of shares, which target was calculated by dividing (i) the product of (x) the executive officer s LTPP Percentage for the plan year multiplied by (y) his or her base salary at the time the target 2017 LTPP award was determined, by (ii) the average closing price of the Company s common stock during the last 30 calendar days of 2016 and the first 30 calendar days of 2017, which was $159.683. The actual number of shares that will be awarded based on these LTPP targets will be determined at the end of the applicable performance period and will be forfeited (with the exception of awards granted to Ms. Cochran) if, prior to that time, a participant is terminated or voluntarily resigns (other than as a result of retirement by an individual who meets the retirement-eligible conditions of 60 years of age and at least five years of service, for which such awards will be prorated for time served and based on actual performance determined at the end of the performance period).

The performance metric for LTPP performance is ROIC, measured over a two-year performance period. For the 2017 LTPP, the Compensation Committee set a target of cumulative ROIC over 2017 and 2018.

At the end of the performance period, the Compensation Committee will determine final award amounts based on Company performance relative to these targets. The final 2017 LTPP Awards will be determined after the conclusion of the 2017 LTPP s performance period, covering the 2017 and 2018 fiscal years. The following table summarizes the target and maximum 2017 LTPP Awards for each of our Named Executive Officers:

NAMED EXECUTIVE OFFICER	LTPP PERCENTAGE	BASE SALARY	LTPP TARGET VALUE	LTPP TARGET SHARES	LTPP MAX. AWARD
Sandra B. Cochran	185.0%	$ 1,056,000	$ 1,953,600	12,234	24,468
Jill M. Golder	50.0%	$ 475,000	$ 237,500	1,487	2,974
Nicholas V. Flanagan	60.0%	$ 467,000	$ 280,200	1,754	3,508
Beverly K. Carmichael	50.0%	$ 362,000	$ 181,000	1,133	2,266
Laura A. Daily	37.5%	$ 336,000	$ 126,000	789	1,578

2017 RSU Grant. Under the 2017 RSU Grant, each executive officer was eligible to receive a target RSU award, which target was calculated by dividing (i) the product of (x) the executive s RSU Percentage for 2017 multiplied by (y) his or her base salary at the time the target 2017 RSU Grant was determined, by (ii) the average closing price of the Company s common stock during the last 30 calendar days of 2016 and the first 30 calendar days of 2017, which was $159.683. The possible number of shares that may ultimately be awarded upon vesting can range from 75% to 125% of the target 2017 RSU Grant, pursuant to a potential adjustment based on the Company s TSR performance relative to the S&P MidCap 400 Index (the Index) over the three-year performance period. Accordingly, the final 2017 RSU Grant to be received by an executive officer, subject to the operating income performance and continued employment conditions described below, will be (i) equal to his or her target 2017 RSU Grant if the Company s TSR performance over the three-year performance period is between the 25th and 75th percentiles of the Index; (ii) equal to 75% of his or her target 2017 RSU Grant if the Company s TSR performance over the three-year performance period is at or below the 25th percentile of the Index; and (iii) equal to 125% of his or her target 2017 RSU Grant if the Company s TSR performance over the three-year performance period is at or above the 75th percentile of the Index.

The actual number of shares that will be awarded based on these performance metrics will be determined at the end of the applicable performance period and the 2017 RSU Grants will be forfeited (with the exception of awards granted to Ms. Cochran) if, prior to the end of the three-year performance period, a participant is terminated or voluntarily resigns (other than as a result of retirement by an individual who meets the retirement-

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eligible conditions of 60 years of age and at least five years of service, for which such awards will be prorated for time served and based on actual performance determined at the end of the performance period).

The following table summarizes the target 2017 RSU Grants and applicable 75% and 125% thresholds for each of our Named Executive Officers:

NAMED EXECUTIVE OFFICER	RSU PERCENTAGE	BASE SALARY	RSU GRANT 75% THRESHOLD	RSU GRANT TARGET	RSU GRANT 125% MAXIMUM
Sandra B. Cochran	92.5%	$ 1,056,000	4,587	6,117	7,646
Jill M. Golder	25.0%	$ 475,000	557	743	928
Nicholas V. Flanagan	30.0%	$ 467,000	657	877	1,096
Beverly K. Carmichael	25.0%	$ 362,000	424	566	707
Laura A. Daily	18.75%	$ 336,000	295	394	492

2017 RSA. Under the 2017 RSA, each executive officer was eligible to receive a target RSA award, which target was calculated by dividing (i) the product of (x) the executive s RSA Percentage for the plan year multiplied by (y) his or her base salary at the time the target 2017 RSA was determined by (ii) $135.03, which was the closing price of the Company s common stock on October 24, 2016, the day that the 2017 RSA was granted. Each executive officer s 2017 RSA will cliff-vest three years from the date of grant, so long as he or she is employed by the Company on the vesting date. The 2017 RSAs will be forfeited (with the exception of awards granted to Ms. Cochran) if, prior to the end of the three-year vesting period, a participant is terminated or voluntarily resigns (other than as a result of retirement by an individual who meets the retirement-eligible conditions of 60 years of age and at least five years of service, for which such awards will be prorated for time served). The 2017 RSAs are intended as a long-term retention incentive and, consequently, are not conditioned upon the Company s achievement of any pre-established level of operating income or other performance goals.

The following table summarizes the 2017 RSAs for each of our Named Executive Officers:

NAMED EXECUTIVE OFFICER	RSA PERCENTAGE	BASE SALARY	RSA TARGET VALUE	RSA GRANT
Sandra B. Cochran	92.5%	$ 1,056,000	$ 976,800	7,233
Jill M. Golder	25.0%	$ 475,000	$ 118,750	879
Nicholas V. Flanagan	30.0%	$ 467,000	$ 140,100	1,037
Beverly K. Carmichael	25.0%	$ 362,000	$ 90,500	670
Laura A. Daily	18.75%	$ 336,000	$ 63,000	466

In addition to the above-described LTIP Awards granted in respect of 2017, our executive officers also received payments of performance-based equity awards that were granted in prior years and tied to a performance period which ended in 2017. These are described below.

Payment of 2015 MSU Grants

On September 14, 2017, the Compensation Committee reviewed and certified the awards of MSUs granted to executive officers under the 2015 MSU (the 2015 MSU Grants). The performance metric for MSU awards is the Company s cumulative TSR for the period, which is calculated as follows:

(Change in price of our common stock during 3-year performance period + dividends paid during 3-year performance period)

Price of our common stock at the start of the performance period

The Company achieved positive change in cumulative TSR of approximately 81.8% for the three-year performance period of 2015, 2016 and 2017, resulting in 2015 MSU Grants that were capped at the maximum possible award amount of 150% of the target number of 2015 MSU Grants originally allocated in 2015. Under

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the terms of the plan, an increase in cumulative TSR of 50% or more from the beginning of the three-year performance period results in a maximum award payment of 150% of target shares.

2015 Market Stock Units (MSU)

Payment of 2016 LTPP Awards

On September 14, 2017, the Compensation Committee reviewed and certified the awards granted to executive officers under the 2016 LTPP (the 2016 LTPP Awards). The Compensation Committee set a cumulative ROIC target under the 2016 LTPP of 22.15% for the two-year performance period of 2016 and 2017. The Company achieved a cumulative ROIC of approximately 23.4% for this two-year performance period, resulting in 2016 LTPP Awards that were approximately 115% of the target number of 2016 LTPP Awards originally allocated in 2016.

2016 Long-term Performance Plan (LTPP)

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The performance metric for LTPP awards is an internal ROIC-based metric to measure effective returns from working capital and capital investments. For the purposes of the 2016 LTPP Awards, the Company achieved a 23.38% ROIC during the applicable two-year performance period. The Company calculates ROIC as follows:

The average of 2016 and 2017 adjusted operating incomes + rents

The average for 2015, 2016 and 2017 of

(Inventory + Net Property Held for Sale   Accounts Payable + Net PP&E + Capitalized leases)

Health and Welfare Benefits

We offer a group insurance program consisting of life, disability and health insurance benefit plans that cover all full-time management and administrative employees, and a supplemental group term life insurance program that covers our Named Executive Officers and certain other management personnel. Aside from the annual recalibration of benefit costs and the associated premium changes that affect all participants, no significant changes were made to our health and welfare benefits for our Named Executive Officers during 2017.

Severance and Change in Control Provisions

None of our current Named Executive Officers has an employment agreement, other than Ms. Cochran, whose agreement is described beginning on page 39 of this proxy statement and governs her arrangement relating to severance and/or a change in control of the Company.

All of our other Named Executive Officers have entered into management retention agreements. Under these agreements, which expire in May 2018, such Named Executive Officers will receive severance benefits of 12-18 months   base salary, depending on their length of service, as a result of termination of their employment by the Company other than for   cause   (as defined in the agreements). In addition, these management retention agreements contain certain change in control provisions that require a   double trigger   (change in control of the Company coupled with termination of employment without cause or for   good reason   (as defined in the agreements)) before the Named Executive Officer will receive the following benefits:

- 2.0 times the sum of (i) their average base salary during the three years prior to termination and (ii) their average bonus payments during the three years prior to termination;

- 18 months   continuation of benefits under COBRA, reimbursed by the Company; and

- Acceleration of all unvested equity awards.

These agreements do not contain an   evergreen   feature (i.e., they do not automatically renew) and do not provide for excise tax gross-up protection.

Potential payments pursuant to these agreements under various termination scenarios are more fully described under   COMPENSATION TABLES AND INFORMATION Potential Payments Upon Termination or Change in Control   below, including the table on page 38 of this proxy statement.

Additionally, these agreements obligate such Named Executive Officers (i) not to work as an employee or consultant for any   multi-unit restaurant business that offers full service family or casual dining   for a period of one year following the severance event and (ii) not to solicit the employees or customers of the Company for a period of 18 months following the severance event.

These agreements are intended to ensure that the Company will have the continued dedication, undivided loyalty, and objective advice and counsel from these key executives in the event of a proposed transaction, or the threat of a transaction, which could result in a change in control of the Company. When establishing our management retention agreements, the Compensation Committee intended to provide our Named Executive

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Officers with adequate financial security so that they could focus on achieving successful business continuity. We believe that the provision of severance and benefits and change in control protection for our Named Executive Officers is consistent with market practice, is a valuable executive talent retention tool, and is consistent with the objectives of our overall executive compensation program.

Perquisites/Retirement Benefits

We provide very limited perquisites and other benefits to our Named Executive Officers aside from participation in benefit plans that are broadly applicable to our full-time employees. Any perquisites that are received by Named Executive Officers are reflected in the Summary Compensation Table on pages 32 and 33 of this proxy statement under the All Other Compensation column and related footnote. In particular:

- Named Executive Officers do not have use of a Company vehicle;
- Named Executive Officers may not schedule the Company aircraft for personal travel;
- We do not have a defined benefit pension plan or SERP; and
- We do not provide a number of perquisites that are provided by other companies, such as club memberships or drivers. We only offer certain financial planning services to our Named Executive Officers, and our CEO, Ms. Cochran, has never elected to avail herself of this perquisite.

Other Executive Compensation Policies and Guidelines

Stock Ownership Guidelines

We have stock ownership guidelines (the Ownership Guidelines) covering all executive officers, which are posted on our website at www.crackerbarrel.com. The Ownership Guidelines emanate from the Compensation Committee s belief that executives and directors should accumulate a meaningful level of ownership in Company stock to align their interests with shareholders. The Ownership Guidelines are based on a multiple of base salary for executive officers and the total annual cash retainer for non-employee directors. The Chief Executive Officer s guideline is five times base salary, the Chief Financial Officer s guideline is three times base salary and any other executive officer s guideline is two times base salary. No officer may sell or otherwise dispose of any shares until his or her aggregate ownership satisfies these requirements. Our non-employee directors are subject to a guideline of six times the annual cash retainer paid to such non-employee director. Calculations to determine compliance with the Ownership Guidelines are made during the first quarter of each year, and are based upon (i) with respect to executive officers, each officer s base salary applicable at the time of such calculation and (ii) the average closing price of the Company s common stock, as reported by NASDAQ, for each trading day during the last 30 calendar days of the preceding year and the first 30 calendar days of the year in which the calculation is performed. For 2017, the Ownership Guidelines for our Named Executive Officers were as follows:

Executive Officer	Multiple of Base Salary
Sandra B. Cochran	5X
Jill M. Golder	3X
Nicholas V. Flanagan	2X
Beverly K. Carmichael	2X
Laura A. Daily	2X

Executive officers and non-employee directors must retain 100% of the net number of shares of common stock acquired (after payment of exercise price, if any, and taxes) upon the exercise of stock options and the vesting of restricted stock or restricted stock units granted until they achieve compliance with the applicable guideline. Once achieved, ownership of the guideline amount must be maintained for as long as the executive officers and non-employee directors are subject to the Ownership Guidelines. Executive officers and non-

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employee directors who do not comply with the Ownership Guidelines may not be eligible for future equity awards. If an executive officer or non-employee director falls below the required ownership threshold, he or she will be prohibited from selling shares of Company common stock until he or she meets the ownership thresholds.

Anti-Hedging and Anti-Pledging Policy

The Company s anti-hedging and anti-pledging policy (the Anti-Hedging and Anti-Pledging Policy) prohibits directors and officers from directly or indirectly engaging in hedging against future declines in the market value of the Company s securities through the purchase of financial instruments designed to offset such risk and from pledging the Company s securities as collateral for margin and other loans. The Compensation Committee considers it improper and inappropriate for directors and officers of the Company to hedge transactions to mitigate the impact of changes in the value of the Company s securities. Similarly, placing the Company s securities in a margin account or pledging them as collateral may result in their being sold without the director s or officer s consent or at a time when the director or officer is in possession of material nonpublic information of the Company. When any of these types of transactions occurs, the director s or officer s incentives and objectives may be less closely aligned with those of the Company s other shareholders, and the director s or officer s incentive to improve the Company s performance may be (or may appear to be) compromised.

Under the Anti-Hedging and Anti-Pledging Policy, no director or officer may, directly or indirectly, engage in any hedging transaction that reduces or limits the director s or officer s economic risk with respect to the director s or officer s holdings, ownership or interest in the Company s securities, including outstanding stock options, stock appreciation rights or other compensation awards the value of which are derived from, referenced to or based on the value or market price of the Company s securities.

Prohibited transactions include the purchase by a director or officer of financial instruments, including, without limitation, prepaid variable forward contracts, equity swaps, collars, puts, calls or other derivative securities that are designed to hedge or offset a change in market value of the Company s securities, as well as any transaction that places the Company s securities in a margin account or pledges them as collateral for loans or other obligations.

Compensation Risk Analysis

The Compensation Committee is responsible for overseeing our incentive compensation arrangements, for aligning such arrangements with sound risk management and long-term growth and for verifying compliance with applicable regulations. The Compensation Committee conducted an internal assessment of our executive and non-executive incentive compensation programs, policies and practices. The Compensation Committee reviewed and discussed: the various design features and characteristics of the Company-wide compensation policies and programs; performance metrics; and approval mechanisms of all incentive programs. Based on this assessment and after discussion with management and FW Cook, the Compensation Committee has concluded that our incentive compensation arrangements and practices do not create risks that are reasonably likely to have a material adverse effect on the Company.

Recoupment Provisions

The Company may recover any incentive compensation awarded or paid pursuant to an incentive plan based on (i) achievement of financial results that were subsequently the subject of a restatement due to material noncompliance with any financial reporting requirement under either GAAP or the federal securities laws, other than as a result of changes to accounting rules and regulations, or (ii) a subsequent finding that the financial information or performance metrics used by the Compensation Committee to determine the amount of the incentive compensation were materially inaccurate, in each case regardless of individual fault. In addition, the Company may recover any incentive compensation awarded or paid pursuant to any incentive plan based on a participant s conduct which is not in good faith and which materially disrupts, damages, impairs or interferes with the business of the Company and its affiliates.

Impact of Tax and Accounting Treatments on Compensation

Although the accounting and tax treatment of executive compensation generally has not been a factor in the Compensation Committee s decisions regarding the amounts of compensation paid to our executive officers, it has been a factor in the compensation mix as well as the design of compensation programs. We have attempted to structure our compensation to maximize the tax benefits to the Company (e.g., deductibility for tax purposes) and to appropriately reward performance. The accounting treatment of differing forms of equity awards presently used to compensate our executives varies. However, the accounting treatment is not expected to have a material effect on the Compensation Committee s selection of differing types of equity awards.

Sections 280G and 4999

As described above, we provide our Named Executive Officers (other than Ms. Cochran) with management retention agreements. These agreements provide for severance payments following a termination in connection with a change in control of the Company under certain circumstances. None of our Named Executive Officers has a right under these management retention agreements or otherwise to receive any gross-up payment to reimburse such executive officer for any excise tax under Sections 280G and 4999 of the Internal Revenue Code of 1986, as amended (the Code).

Section 162(m)

Section 162(m) of the Code imposes a $1.0 million limit on the amount a public company may deduct for compensation paid to its Chief Executive Officer or any of our four other most highly compensated executive officers (excluding our Chief Financial Officer, who the Internal Revenue Service has indicated may be excluded) who are employed by the Company as of the end of the year. However, the limit described in Section 162(m) does not apply to compensation that satisfies the requirements of Section 162(m) for qualifying performance-based compensation. The Compensation Committee attempts to maximize deductibility of compensation under Section 162(m) to the extent practicable while maintaining a competitive, performance-based compensation program. However, the Compensation Committee also believes that it must (and does) reserve the right to award compensation which it deems to be in the best interests of the Company and our shareholders, but which may not be fully tax deductible under Section 162(m).

The Company intends for payments under the annual bonus plan to qualify as performance based compensation under Section 162(m) of the Code. For 2017, the Compensation Committee approved the establishment of the bonus pool which is funded based on the achievement of operating income. If the Company achieved an operating income of less than $215 million, then the bonus pool would not fund and no payouts would be made under the bonus plan. Actual bonus payments to individual executives are based on the achievement of performance criteria set forth under Elements of Compensation Program Annual Bonus Plan, on pages 19 and 20 of this proxy statement.

Likewise, the Company also intends for a majority of awards made under its various long-term incentive plans to qualify as performance based compensation under Section 162(m) of the Code to the maximum extent permitted under the 2010 Omnibus Plan. As with the annual bonus plan, eligibility to receive awards under the long-term incentive plans other than the 2017 Time-Based RSA is dependent upon the Company s operating income performance during the applicable performance period. For the 2017 RSU Grant, the operating income threshold is $555 million over the three-year performance period, and for the 2017 LTPP, the operating income threshold is $370 million over the two-year performance period. If these operating income performance goals are not met, then no award will be made under the applicable plan to any executive officer participating in the plan. If, however, the applicable operating income performance goal is met, then each participant in the applicable

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plan will become eligible to receive an equity award determined according to the performance criteria described under Elements of Compensation Program Long-Term Incentives, above.

Compensation Committee Report

The Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis (CD&A) included in this proxy statement. Based on its review and discussions of the CD&A with management, the Compensation Committee recommended to the Board of Directors that the CD&A be included in this proxy statement and incorporated by reference into our Annual Report on Form 10-K for 2017.

This report has been submitted by the members of the Compensation Committee:

Coleman H. Peterson, Chair

Glenn A. Davenport

William W. McCarten

Andrea M. Weiss

COMPENSATION TABLES AND INFORMATION

Summary Compensation Table

The following table sets forth information regarding the compensation for the Named Executive Officers during 2015, 2016 and 2017.

Name and Principal Position	Year	Salary ($)	Stock Awards(1) ($)	Non-Equity Incentive Plan Compensation ($)	All Other Compensation(2) ($)	Total ($)
Sandra B. Cochran,	2017	$ 1,056,000	$ 3,449,775	$ 1,366,079	$ 337,488	$ 6,209,342
President and Chief Executive Officer	2016	$ 1,025,000	$ 3,804,236	$ 1,163,693	$ 606,351	$ 6,599,280
	2015	$ 985,000	$ 4,021,275	$ 1,851,702	$ 463,868	$ 7,321,845
Jill M. Golder,	2017	$ 475,000	$ 419,221	$ 374,029	$ 48,310	$ 1,316,560
Senior Vice President and Chief Financial Officer	2016	$ 128,646(3)	$ 570,187	$ 92,943	$ 30,669	$ 822,445
Nicholas V. Flanagan,	2017	$ 467,000	$ 494,597	$ 367,730	$ 64,982	$ 1,394,309
Senior Vice President, Operations	2016	$ 445,000	$ 446,365	$ 321,499	$ 85,332	$ 1,298,196
	2015	$ 426,000	$ 469,991	$ 560,586	$ 55,132	$ 1,511,709
Beverly K. Carmichael,	2017	$ 362,000	$ 319,439	$ 244,328	$ 56,743	$ 982,510
Senior Vice President, Chief People Officer	2016	$ 345,000	$ 224,847	$ 195,841	$ 59,890	$ 825,578
Laura A. Daily,	2017	$ 336,000	$ 222,354	$ 226,780	$ 24,117	$ 809,251
Senior Vice President, Retail	2016	$ 320,000	$ 192,466	$ 181,650	$ 41,200	$ 735,316

(1) The amounts disclosed in this column reflect the aggregate grant date fair value of awards for 2017, 2016 and 2015, calculated in accordance with the Financial Accounting Standards Board Accounting Standards Codification Topic 718 (ASC Topic 718). Specifically, the amounts provided for 2017 reflect the aggregate grant date fair value of the Named Executive Officer s (i) time-based award under the 2017 Time-Based RSA and (ii) performance-based awards under the 2017 LTPP and 2017 RSU Grant.

For the performance-based awards, the aggregate grant date fair value has been determined assuming the probable outcome of the performance condition on the date of the grant (i.e., the achievement of the target performance level). Assuming an outcome of performance conditions at the maximum level for the performance-based awards, the aggregate grant date fair value of all the stock awards made to each Named Executive Officer in 2017 (including the time-based award) are as follows:

Name	Year	Aggregate Grant Date Fair Value at Maximum Performance Level
Sandra B. Cochran	2017	$ 5,307,019
Jill M. Golder	2017	$ 644,945
Nicholas V. Flanagan	2017	$ 760,871
Beverly K. Carmichael	2017	$ 491,423
Laura A. Daily	2017	$ 342,115

For information regarding the compensation cost of the awards and the assumptions used to calculate the grant date fair value of the awards, see Note 10 to the Consolidated Financial Statements included or incorporated by reference in the Company s Annual Reports on Form 10-K for 2017, 2016 and 2015.

(2) The table below sets forth information regarding each component of compensation included in the All Other Compensation column of the Summary Compensation Table above.

(3) Ms. Golder, our Senior Vice President and Chief Financial Officer, began her employment with the Company on April 25, 2016. Ms. Golder s 2016 salary reflects a prorated amount based on her service with the Company during 2016, with an annualized base salary for 2016 of $475,000.

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All Other Compensation

	Year	Life Insurance	Long-term Disability	Dividend Equivalents on Shares of Restricted Stock(1)	Company Match Under Non-Qualified Deferred Compensation Plan	Company Match Under 401(k) Plan	Other(2)	Total
Sandra B. Cochran	2017	$ 19,905	$ 1,902	$ 283,214	$ 31,315	$ 1,152	$ 0	$ 337,488
Jill M. Golder	2017	$ 796	$ 1,506	$ 42,277	$ 2,573	$ 1,158	$ 0	$ 48,310
Nicholas V. Flanagan	2017	$ 795	$ 1,480	$ 35,903	$ 8,511	$ 2,665	$ 15,628	$ 64,982
Beverly K. Carmichael	2017	$ 795	$ 1,148	$ 32,034	$ 4,482	$ 2,773	$ 15,511	$ 56,743
Laura A. Daily	2017	$ 795	$ 1,065	$ 15,754	$ 3,716	$ 2,787	$ 0	$ 24,117

(1) The amounts disclosed in this column represent cash dividend equivalents accrued on awards granted under the 2016 and 2017 LTPP and certain time-based restricted stock awards. The accrued amounts will be settled in cash upon the vesting of the shares underlying such awards. This column does not include dividend equivalents on unvested MSUs or RSUs because such amounts were included in the calculation of the grant date fair value of these awards.

(2) Amounts in this column represent Company-paid expenses for professional financial planning services.

Grants of Plan-Based Awards Table

The following table sets forth information regarding grants of plan-based awards made to the Named Executive Officers during 2017.

		Estimated Possible Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Possible Payouts Under Equity Incentive Plan Awards(2)			All Other Stock Awards: Number of Shares of Stock or Units	Grant Date Fair Value of Stock and Option
Name	Grant Date	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)	(#)(3)	Awards(4)
Sandra B. Cochran		$ 364,320	$ 1,214,400	$ 2,428,800					
	10/24/16				6,117	12,234	24,468		$ 1,651,957
	10/24/16				4,587	6,117	7,646		$ 821,146
	10/24/16							7,233	$ 976,672
Jill M. Golder		$ 99,750	$ 332,500	$ 665,000					
	10/24/16				743	1,487	2,974		$ 200,790
	10/24/16				557	743	982		$ 99,740
	10/24/16							879	$ 118,691
Nicholas V. Flanagan		$ 98,070	$ 326,900	$ 653,800					
	10/24/16				877	1,754	3,508		$ 236,843
	10/24/16				657	877	1,096		$ 117,728
	10/24/16							1,037	$ 140,026
Beverly K. Carmichael		$ 65,160	$ 217,200	$ 434,400					
	10/24/16				566	1,133	2,266		$ 152,989
	10/24/16				424	566	707		$ 75,980
	10/24/16							670	$ 90,470
Laura A. Daily		$ 60,480	$ 201,600	$ 403,200					
	10/24/16				394	789	1,578		$ 106,539
	10/24/16				295	394	492		$ 52,891
	10/24/16							466	$ 62,924

(1) The amounts shown reflect the possible aggregate payouts under the 2017 annual bonus plan at the threshold, target and maximum levels. Actual payouts for 2017 are disclosed in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table. For a discussion of the 2017 annual bonus plan and the 2017 payouts, see Compensation Discussion and Analysis Overview of Compensation Elements Annual Bonus Plan.

(2) The amounts shown reflect the possible payouts (at grant date fair value) for the LTPP Awards granted under the 2017 LTPP and RSU Grants awarded under the 2017 RSU Grant. The grant date fair value of these awards, based on the probable outcome of the relevant performance conditions as of the grant date

(computed in accordance with ASC Topic 718) is the amount reported in the Stock Awards column of the Summary Compensation Table. No awards will be earned unless the Company s operating income Section 162(m) threshold for the performance period is met. For a description of the Section 162(m) thresholds, see COMPENSATION DISCUSSION

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AND ANALYSIS Other Executive Compensation Policies and Guidelines Section 162(m). Once the threshold is met, the Named Executive Officers will be eligible to receive up to 200% of his or her 2017 LTPP target and up to 125% of his or her 2017 RSU Grant target. For a discussion of the 2017 Long-Term Incentive Program, see COMPENSATION DISCUSSION AND ANALYSIS Overview of Compensation Elements Long-Term Incentives.

(3) The amounts disclosed in this column reflect shares of restricted stock awarded under the 2017 RSA.

(4) The amounts disclosed in this column reflect the aggregate grant date fair value of the awards calculated in accordance with ASC Topic 718. For the performance-based awards (i.e., the 2017 LTPP and 2017 RSU Grants), the aggregate grant date fair value has been determined assuming the probable outcome of the performance condition on the date of the grant (i.e., the achievement of the target performance level), excluding the effect of estimated forfeitures. For information regarding the compensation cost of the awards and the assumptions used to calculate grant date fair value of the awards, see Note 10 to the Consolidated Financial Statements included or incorporated by reference in the Company s Annual Report on Form 10-K for 2017.

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Outstanding Equity Awards at Fiscal Year-End Table

The following table sets forth information regarding equity awards held by the Named Executive Officers as of July 28, 2017.

	Option Awards					Stock Awards			
Name	**Number of Securities Underlying Unexercised Options (#) Exercisable**	**Number of Securities Underlying Unexercised Options (#) Unexercisable**	**Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)**	**Option Exercise Price ($)**	**Option Expiration Date**	**Number of Shares or Units of Stock That Have Not Vested (#)**	**Market Value of Shares of Stock That Have Not Vested ($)(6)**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)**	**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)(10)**
Sandra B. Cochran								6,117(7)	$ 951,010
								18,856(8)	$ 2,931,542
								4,587(9)	$ 713,141
						7,233(1)	$ 1,124,515		
						14,454(2)	$ 2,247,163		
						27,696(3)	$ 4,305,897		
Jill M. Golder								743(7)	$ 115,514
								622(8)	$ 96,702
								557(9)	$ 86,597
						879(1)	$ 136,658		
						477(2)	$ 74,159		
						3,000(4)	$ 466,410		
Nicholas V. Flanagan								877(7)	$ 136,347
								2,212(8)	$ 343,900
								657(9)	$ 102,144
						1,037(1)	$ 161,222		
						1,695(2)	$ 263,522		
						3,237(3)	$ 503,256		
Beverly K. Carmichael								566(7)	$ 87,996
								1,114(8)	$ 173,194
								424(9)	$ 65,919
						670(1)	$ 104,165		
						854(2)	$ 132,771		
						1,252(3)	$ 194,648		
						1,000(5)	$ 155,470		
Laura A. Daily								394(7)	$ 61,255
								954(8)	$ 148,318
								295(9)	$ 45,864
						466(1)	$ 72,449		
						731(2)	$ 113,649		
						1,270(3)	$ 197,447		

(1) This award represents the 2017 RSA. This award will cliff-vest on October 24, 2019, so long as the NEO remains employed by the Company on such date.
(2) The 2016 LTPP Award performance period concluded on July 28, 2017, and the performance conditions were met for this award. The award subsequently vested when certified by the Compensation Committee on September 14, 2017.
(3) The 2015 MSU Grant performance period concluded on July 28, 2017, and the performance conditions were met for this award. The award subsequently vested when certified by the Compensation Committee on September 14, 2017.
(4) Vests on April 25, 2019.
(5) Vests on November 13, 2017.
(6) The amounts disclosed in this column reflect the aggregate market value determined based on a per share price of $155.47, the closing price for our common stock as quoted on the NASDAQ Global Select Market on July 28, 2017.

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(7) This award represents the 2017 LTPP Award. The 2017 LTPP Award has a two-year performance period, which ends on August 3, 2018. Actual awards are distributable, if at all, following the end of the performance period. The number of shares reflected assumes a threshold level of payout.

(8) This award represents the 2016 MSU Grant. The 2016 MSU Grant has a three-year performance period, which ends on August 3, 2018. Actual awards are distributable, if at all, following the end of the performance period. The number of shares reflected assumes the maximum payout of 150% of target.

(9) This award represents the 2017 RSU Grant. The 2017 RSU Grant has a three-year performance period, which ends on August 2, 2019. Actual awards are distributable, if at all, following the end of the performance period. The number of shares reflected assumes a threshold level of payout.

(10) The amounts disclosed in this column reflect the aggregate market value determined based on a per share price of $155.47, the closing price for our common stock as quoted on the NASDAQ Global Select Market on July 28, 2017.

Option Exercises and Stock Vested Table

The following table sets forth information, for the Named Executive Officers, regarding the number of shares acquired upon the vesting of restricted stock and the value realized, each before payment of any applicable withholding tax and broker commissions. No stock options were exercised by Named Executive Officers in 2017.

	Stock Awards	
Name	**Number of Shares Acquired On Vesting (#)**	**Value Realized on Vesting ($)(1)**
Sandra B. Cochran	71,318	$ 10,205,304
Jill M. Golder	0	$ 0
Nicholas V. Flanagan	6,163	$ 864,053
Beverly K. Carmichael	2,558	$ 372,022
Laura A. Daily	4,819	$ 710,044

(1) Value is based on the closing price of a share of the Company s common stock as quoted by the NASDAQ Global Select Market on the vesting date.

Equity Compensation Plan Information

The following table sets fort