

CRACKER BARREL OLD COUNTRY STORE, INC  
Form DEF 14A  
October 03, 2014  
Table of Contents

**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**  
**(Amendment No. )**

Filed by the Registrant

Filed by a party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(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:

**Table of Contents**

(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:



**Table of Contents**

Dear Shareholder:

We have enclosed with this letter the proxy statement for our 2014 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 13, 2014, 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) the election of nine directors, (2) approval, on an advisory basis, of the compensation of the Company s named executive officers as disclosed in the accompanying proxy statement and (3) ratification of the appointment of Deloitte & Touche LLP as the Company s independent registered public accounting firm. 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 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 3, 2014

**Table of Contents**

305 Hartmann Drive

Lebanon, Tennessee 37087

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**DATE OF MEETING:** November 13, 2014

**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 ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the 2015 fiscal year; and
- (4) 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, 2014.

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 2014 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 2014 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,

Michael J. Zylstra

Secretary

Lebanon, Tennessee

October 3, 2014

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS  
FOR THE SHAREHOLDER MEETING  
TO BE HELD ON NOVEMBER 13, 2014:**

**The Notice of Internet Availability of Proxy Materials, Notice of Meeting and  
Proxy Statement are available free of charge at: [www.proxyvote.com](http://www.proxyvote.com)**

**Table of Contents**

**CRACKER BARREL OLD COUNTRY STORE, INC.**

305 Hartmann Drive

Lebanon, Tennessee 37087

Telephone: (615) 444-5533

**PROXY STATEMENT FOR 2014 ANNUAL MEETING OF SHAREHOLDERS**

**TABLE OF CONTENTS**

<b><u>GENERAL INFORMATION</u></b>	1
<b><u>VOTING MATTERS</u></b>	4
<b><u>BOARD OF DIRECTORS AND COMMITTEES</u></b>	8
<b><u>EXECUTIVE COMPENSATION</u></b>	13
<b><u>COMPENSATION DISCUSSION AND ANALYSIS</u></b>	13
<b><u>COMPENSATION COMMITTEE REPORT</u></b>	28
<b><u>COMPENSATION TABLES AND INFORMATION</u></b>	29
<b><u>Summary Compensation Table</u></b>	29
<b><u>Grants of Plan-Based Awards Table</u></b>	31
<b><u>Outstanding Equity Awards at Fiscal Year-End Table</u></b>	32
<b><u>Option Exercises and Stock Vested</u></b>	34
<b><u>Equity Compensation Plan Information</u></b>	34
<b><u>Non-Qualified Deferred Compensation</u></b>	35
<b><u>Potential Payments Upon Termination or Change in Control</u></b>	35
<b><u>Director Compensation Table</u></b>	36
<b><u>Employment and Other Agreements</u></b>	37
<b><u>Compensation Committee Interlocks and Insider Participation</u></b>	38
<b><u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS</u></b>	39
<b><u>SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u></b>	39
<b><u>STOCK OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u></b>	40
<b><u>PROPOSAL 1: ELECTION OF DIRECTORS</u></b>	42
<b><u>PROPOSAL 2: ADVISORY VOTE ON EXECUTIVE COMPENSATION</u></b>	49
<b><u>PROPOSAL 3: RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u></b>	50
<b><u>FEES PAID TO AUDITORS</u></b>	50
<b><u>AUDIT COMMITTEE REPORT</u></b>	51
<b><u>SHAREHOLDER PROPOSALS FOR 2015 ANNUAL MEETING</u></b>	52
<b><u>ANNUAL REPORT AND FINANCIAL INFORMATION</u></b>	53
<b><u>OTHER BUSINESS</u></b>	53



**Table of Contents**

**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 13, 2014 (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.

**Why am I receiving a proxy statement?**

Because you were one of our shareholders at the close of business on September 22, 2014, 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 ), which may be contacted at (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 use the Internet as the primary means of furnishing proxy materials to shareholders. Accordingly, the Company is sending a Notice of Internet Availability of Proxy Materials (the 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 will provide you with instructions regarding how to:

view on the Internet the Company's proxy materials for the Annual Meeting; and

instruct the Company to send future proxy materials to you by email.

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

## **Table of Contents**

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 unless we received contrary instructions from one or more of the shareholders. This procedure reduces our printing costs, mailing costs, and fees. 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 2014 Annual Report, shareholders may write or call our transfer agent, AST, at toll free 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. 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.

**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. We operate over 633 Cracker Barrel stores in 42 states through a number of related operating companies. 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.

**Table of Contents**

**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.

**Table of Contents**

**VOTING MATTERS**

**What am I voting on?**

You will be voting on the following matters:

the election of nine directors;

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

the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the 2015 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, 2014. As of September 22, 2014, there were 23,900,422 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, 2014 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 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.

## **Table of Contents**

### **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 3: 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 3: 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 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; and

**FOR** ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for our 2015 fiscal year.



**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;

**Table of Contents**

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: Ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for fiscal 2015.**

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; and

**FOR** ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for our 2015 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.

**Table of Contents**

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.

**Table of Contents****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 42 of this proxy statement. All of the current members of our Board of Directors are nominees for re-election to the Board.

**Board Meetings**

Our Board of Directors met ten times during 2014. 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 2014 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 2014.

**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, and Nominating and Corporate Governance committees, as well as our Corporate Governance Guidelines, are posted on our website: [www.crackerbarrel.com](http://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 2014
<b>AUDIT:</b>	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		
Norman E. Johnson		
William W. McCarten	Has authority to hire, terminate and approve payments to the independent registered public accounting firm and other committee advisors	

Responsible for developing procedures to receive information and address complaints regarding our accounting, internal accounting controls or auditing matters

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

**Table of Contents**

Name of Committee and Members	Functions of the Committee	Number of Meetings in 2014
	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	
<b>COMPENSATION:</b>	Reviews management performance, particularly with respect to annual financial goals	5
Coleman H. Peterson, Chair	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	
Glenn A. Davenport		
Richard J. Dobkin		
Andrea M. Weiss		
	Monitors compliance of directors and officers with our stock ownership guidelines	
	Evaluates the risk(s) associated with our compensation plans	
	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

**NOMINATING AND**

Identifies and recruits qualified candidates to fill positions on our Board of Directors

4

**CORPORATE GOVERNANCE:**

James W. Bradford, Chair

Considers nominees to our Board of Directors recommended by shareholders in accordance with the nomination procedures set forth in our bylaws

Thomas H. Barr

William W. McCarten

Reviews corporate governance policies and makes recommendations to our Board of Directors

Coleman H. Peterson

Reviews and recommends candidates to serve on 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



**Table of Contents**

Name of Committee and Members	Functions of the Committee	Number of Meetings in 2014
<b>PUBLIC RESPONSIBILITY:</b>	Assists the Board in fulfilling its oversight responsibility for the Company's overall enterprise risk management program	2
Andrea M. Weiss, Chair		
Thomas H. Barr	Develops recommendations to the Board in order to assist in formulating and adopting basic policies, programs and practices concerning public policy and social issues	
Norman E. Johnson		
	Analyzes public policy trends and make recommendations to the Board 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	
	Formulates and adopts procedures concerning the transmission of the Company's positions on public policy and social issues via digital media outlets	
	Annually reviews stockholder proposals that deal with public policy issues and make recommendations to the Board regarding the Company's response to such proposals	

**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

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

In addition to the current directors listed above, during the portion of 2014 from the beginning of our fiscal year until immediately prior to the 2013 annual meeting of shareholders, our former director Martha M. Mitchell served on the Nominating and Corporate Governance, Public Responsibility and Executive committees.

## **Table of Contents**

### **Board Leadership Structure**

Our Board of Directors regularly considers the appropriate leadership structure for the Company. The 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 based on what the Board of Directors believes will provide the best leadership structure for the Company at that time, rather than by 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 believes that its current leadership structure, with Mr. Bradford serving as Chairman, and Ms. Cochran serving as the Chief Executive Officer, is the most appropriate structure for fostering the achievement of the Company's corporate goals and objectives and establishes a favorable balance between effective Company leadership and oversight by non-employee directors. Our Board of Directors believes that the current leadership structure 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. 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.

Our Board of Directors is comprised predominantly of independent directors (eight of our nine directors), and all directors who served on the key committees of our Board of Directors (Audit, Compensation, Nominating and Corporate Governance and Public Responsibility) during 2014 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 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

## **Table of Contents**

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 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.

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.

## **Compensation of Directors**

During 2014, each outside director was paid an annual cash retainer of \$50,000. Each outside director also was paid a director's fee of \$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. The Chairman of each committee, other than the Audit Committee and the Compensation Committee, was paid an additional annual retainer of \$13,000, while the Chairman of the Audit Committee and Compensation Committee each was paid an additional annual retainer of \$18,000. Directors also receive \$2,000 for each meeting of our Board of Directors attended, in addition to the annual retainer described above. 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%. Additionally, our non-employee directors have an option to participate in our medical, prescription and dental group insurance programs.

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 \$90,000, 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 to the nearest whole share. These awards vest at the earlier of one year from date of grant or at the next annual meeting of shareholders.

In addition to the compensation set forth above with respect to each outside director, our independent Chairman James W. Bradford was paid an annual cash retainer of \$35,000 and received a grant of shares of restricted stock having a value equal to \$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 2014 is detailed in the Director Compensation Table, which can be found on page 36 of this proxy statement.

Table of Contents

**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 efforts to drive shareholder value. It is also meant to give our shareholders insight into the deliberative process and the underlying compensation philosophy 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) during fiscal 2014.

Executive Summary

Company Performance in 2014 and Impact on Executive Compensation

We believe that 2014 was a successful year, as our same store sales continued to outperform the Knapp-Track™ Casual Dining Index, we increased our quarterly dividend, and we continued to grow earnings per diluted share. All of this was accomplished despite the pressures from severe winter weather, widespread discounting within the restaurant industry and the challenges from an uncertain consumer environment.

**Shareholder Returns:** During 2014, we declared a 33% increase in the quarterly dividend paid to our shareholders, bringing it to \$1.00. We have delivered three year total shareholder return (or TSR), which we believe is an appropriate measure of value returned on the shareholders' investment, of approximately 133%, compared to 77% for the S&P 600 restaurant index, for comparative purposes, assumes reinvestment of all dividends.

**Revenue Growth:** In fiscal 2014, we grew revenues by 1.5% to \$2.7 billion, with comparable store restaurant sales increasing 0.7% and comparable store retail sales increasing 0.4%. With this top-line growth, we outperformed the Knapp-Track Casual Dining Index, driving a 0.8% positive spread between our sales and this industry metric.

**Improved Margin:** Adjusted for the expenses associated with proxy contests in fiscal 2014 and the proxy contest, severance expenses, and the retroactive reinstatement of the Work Opportunity Tax Credit in the prior year, we improved our operating margin, achieving 7.9% in fiscal 2014, compared to 7.8% in fiscal 2013.

**Guest Experience:** We believe that our 2014 accomplishments are reflected not only in our financial results but also in the responses from our guests when asked about their dining experience in our restaurants. Overall satisfaction remained high during fiscal 2014. Consumer ratings for the 2014 fiscal year indicate that Cracker Barrel received the highest overall rating among 32 large restaurant chains analyzed by Technomic Inc., a well-recognized industry research firm. Moreover, we led in ratings for many perception attributes including Value, Food Quality, Menu Variety and Friendly Service.

We believe our strong business performance throughout the year was driven primarily by the successful execution of our five strategic business priorities announced by our President and Chief Executive Officer, Sandra B. Cochran at the beginning of 2014. These initiatives provided focus around the execution of our long-term strategy to Enhance the Core Business, Expand the Footprint of Cracker Barrel Old Country Stores, and Extend the Brand beyond the four walls of our stores. The initiatives were as follows:

1. ***Focus on better-for-you additions to and reinforce everyday value on our menu.*** In August, we rolled out a new menu category to meet our guests' desire for additional healthy menu items. The Wholesome Fixin's category introduced nine complete meals with fewer than 600 calories. We believe that our guests responded positively to the new menu category. We saw improvements in survey scores measuring guests' attitudes about the brand. Throughout the year, we built on the success of our Wholesome Fixin's category through our limited time



## **Table of Contents**

promotional offerings. We reinforced the affordability of our menu by featuring two new limited time Weekday Lunch Special entrees at \$5.99. Additionally, we continued to highlight our Country Dinner Plates at a \$7.69 price point, which we believe further enhances perceived value of our menu.

2. ***Continue messaging with our Handcrafted by Cracker Barrel theme in support of the brand, menu, and merchandise.*** To help build awareness and support of the Wholesome Fixin' s roll-out, we promoted the menu category with new television and radio commercials which ran for five weeks during our first fiscal quarter. During the holiday season we highlighted the Cracker Barrel brand and our value message through national cable television advertising. In support of the summer travel season, we again featured our Country Dinner Plate value messaging during a national television commercial campaign. Additionally, we continued to promote the Cracker Barrel brand through our more than 1,600 billboards. During the fourth quarter, we refreshed approximately one-fourth of our billboards with new price-point messaging around our \$5.99 and \$7.69 value positions at both lunch and dinner.
3. ***Drive retail sales with improved quality and breadth of our merchandise assortment.*** During the fiscal year, we increased the number of merchandise themes that we feature each year and shortened their time on the floor in order to keep the merchandise assortment fresh and new. We introduced some eye-catching color themes, in the décor, home goods, and women' s clothing categories, which we believe resonated well with our guests. Additionally, our merchandising team broadened the appeal of the brand by sourcing products that have seasonal appeal and reach across generations and genders. Our women' s apparel and accessories continued to be one of our strongest selling categories. To build upon the strength of this category, we successfully introduced women' s footwear, providing depth to the assortment.
4. ***Apply technology and process enhancements to improve the employee experience, the guest experience, and operating margins.*** At the onset of our fiscal year, we held a successful General Manager' s conference. This conference provided a platform for the introduction of several new technology-based programs. We trained all of our General Managers on the second phase of our labor management system and all of our Retail Managers on improved selling techniques. Other process and technology improvements during the year included an enhancement to our food production system to automate inventory labeling which resulted in increased productivity and throughput which we believe allows us to continue a very strong value platform. Guest survey responses to overall value once again measured a year-over-year increase.
5. ***Focus on enhancing long-term total shareholder returns.*** In 2014 we increased our regular quarterly dividend, continued to expand our store footprint, and began extending the brand beyond our existing stores. In the third quarter, we declared a 33% increase in our regular quarterly dividend to \$1.00. This marks a fourth increase in the quarterly dividend since November 2011, generating a total increase of 400% over that time period. We successfully opened seven new Cracker Barrel stores during the year bringing our total store count at the end of the fiscal year to 631. In October, we launched our licensing platform with John Morrell Food Group under our new mark, CB Old Country Store™. We believe that our licensed products have been well-received at grocery stores and at the close of the fiscal year we had 19 products available through our licensing program.

## **Outlook**

We believe that the many accomplishments achieved through the execution our strategic initiatives have resulted in our sustained financial growth despite continued headwinds within the restaurant industry. Adjusted earnings per share (EPS) and adjusted operating income were \$5.63 and \$212.7 million<sup>1</sup>, respectively, representing increases of 13.3% and 2.7%, respectively, over fiscal 2013 comparable measures.

<sup>1</sup> EPS and operating income determined in accordance with GAAP were \$5.51 per share and \$208.4 million for 2014 and \$4.90 per share and \$201.5 million for 2013, respectively. The GAAP amount for 2014 includes proxy contest expenses and the GAAP amount for 2013 includes proxy contest expenses, severance, and prior-year adjustments related to the retroactive reinstatement of the Work Opportunity Tax Credit. A reconciliation of the Company's financial results determined in accordance with GAAP to certain non-GAAP financial measures used herein has been provided on page 54 of this proxy statement.

**Table of Contents**

**Summary of 2014 Compensation Actions**

Pay actions for our Named Executive Officers in 2014 reflected the outstanding overall corporate performance discussed above, driven in large part by successful implementation and focus on our five business priorities:

Short term awards (annual bonus plan) for Named Executive Officers were 94.07% of target, driven by the increase in our operating income;

Long term awards (2013 LTPP Awards) for Named Executive Officers were 120.15% of target and reflected our achievement of return on invested capital (ROIC) of 17.82% during the past two fiscal years; and

Long term awards (2012 MSU Grants) for Named Executive Officers were 150% of target and reflected our achievement of a positive change in cumulative TSR of 137.60% during the past three fiscal years.

**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 73% of the votes cast were in favor of our executive compensation as disclosed in our 2013 Proxy Statement. MacKenzie Partners Inc., our proxy solicitor in our recent proxy contests ( MacKenzie ), informed the Company that MacKenzie determined that Biglari Holdings Inc. ( Biglari Holdings ) cast 4,735,794 votes against our executive compensation as disclosed in our 2013 Proxy Statement. Excluding these votes cast by Biglari Holdings while running an opposing slate of nominees in a proxy contest, approximately 97% of the remaining votes cast were in favor of our executive compensation as disclosed in our 2013 Proxy Statement. 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.

## **Table of Contents**

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. One hundred percent of the at-risk compensation payable to our executives is tied to the Company's achievement of measurable performance goals (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, 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

- 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 (Cook & Co.), and the Company's outside counsel, is responsible for negotiating and reviewing the terms of such employment agreements.

**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;

## **Table of Contents**

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, as well as 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 Cook & Co., a nationally recognized executive compensation consulting firm, to provide competitive market data, assist in establishing a peer group of companies and provide guidance to compensation structure as well as levels of compensation for our senior executives and the Board. The Compensation Committee consulted with Cook & Co. in determining the compensation to be awarded to all of the Named Executive Officers, including Ms. Cochran, in 2014. Cook & Co. reports directly to the Compensation Committee. The Compensation Committee has assessed the independence of Cook & Co. pursuant to applicable SEC and NASDAQ rules and concluded that no conflict of interest exists that would prevent Cook & Co. from serving as an independent consultant to the Compensation Committee.

### **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 Cook & Co., 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 check-point to ensure relative consistency at the median level of our peers. The peer group is reviewed annually by the Compensation Committee, working with Cook & Co., 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.

After detailed analysis, the peer group approved and used by the Compensation Committee during 2014 was comprised of the following 16 publicly-traded companies:

ANN, Inc.

Big Lots, Inc.

Bloomin Brands, Inc.

Bob Evans Farms, Inc.

Brinker International, Inc.

Buffalo Wild Wings, Inc.

Cheesecake Factory, Inc.

Chipotle Mexican Grill, Inc.

Darden Restaurants, Inc.

DineEquity, Inc.

Jack-in-the-Box, Inc.

Panera Bread Co.

Petsmart Inc.

Ruby Tuesday, Inc.

Tractor Supply, Inc.

The Wendy's Company

## **Table of Contents**

The peer group used in 2014 is the same as the peer group used in 2013, with the exception of the removal of PF Chang's China Bistro, Inc. and RadioShack Corp. and the addition of Bloomin' Brands, Inc. and Buffalo Wild Wings, Inc. PF Chang's China Bistro, Inc. was removed in 2014 because it is no longer a public company and RadioShack Corp. was removed in 2014 because it has indicated it is under financial distress. Bloomin' Brands, Inc. and Buffalo Wild Wings, Inc. were added in 2014 because each has sufficient public company history to present useful comparison data and operations that are comparable to the Company's.

Management and the Compensation Committee, with Cook & Co.'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 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 long-term performance plan (LTTP) that provides for awards of performance shares tied to successful achievement of pre-determined ROIC goals over a two year period, and (ii) performance-based market stock units (MSU Grants) tied to change in cumulative TSR over a three year period. The Compensation Committee believes that the Company's 2014 pay mix supports the Company's strong pay for performance culture, as demonstrated by approximately 81% of our Chief Executive Officer's target total direct compensation and approximately 63% of our other named executive officers' target total direct compensation in 2014 were contingent upon the Company's measurable performance to have any realizable value.



**Table of Contents**

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:

<b>Pay Element</b>	<b>What the Pay Element Rewards</b>	<b>Purpose of the Pay Element</b>
Base Salary	Skills, experience, competence, performance, responsibility, leadership and contribution to the Company	Provide fixed compensation for daily responsibilities
Annual Bonus Plan	Rewards 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 Incentives	Achieving multi-year: (i) ROIC targets and (ii) change in cumulative TSR	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, and retain management in a competitive marketplace
Health and welfare benefits	Provides medical coverage as well as death/disability benefits	Designed to provide a level of safety and security for executives and their families (as applicable) that allows 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	Designed to ensure that executive officers remain focused on maximizing shareholder value even during transitions or potential transactions

**Table of Contents**

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;

Only accelerate equity upon change-in-control AND termination (i.e., double trigger ); and

Maintain anti-hedging and recoupment (or clawback ) policies.

We do **NOT**:

Execute employment agreements containing multi-year guaranties for salary increases, non-performance bonuses 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;

Offer gross-up payments to cover personal income taxes or excise taxes that pertain to executive or severance benefits; or

Provide special executive retirement programs.

**Base Salary**

The Compensation Committee reviews our executive officers' base salaries annually at the end of the fiscal year and establishes the base salaries for the upcoming fiscal 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 per 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.

Base salaries for 2013 and 2014 for the Named Executive Officers were as follows:

<b>NAMED EXECUTIVE OFFICER</b>	<b>2013 BASE SALARY</b>	<b>2014 BASE SALARY</b>	<b>PERCENT CHANGE</b>
Sandra B. Cochran	\$ 925,000	\$ 955,000	3.2%
Lawrence E. Hyatt	\$ 490,000	\$ 505,000	3.1%

Edgar Filing: CRACKER BARREL OLD COUNTRY STORE, INC - Form DEF 14A

Edward A. Greene	\$ 375,000	\$ 385,000	2.7%
Nicholas V. Flanagan	\$ 360,000	\$ 370,000	2.8%
Christopher A. Ciavarra	\$ 310,000	\$ 320,000	3.2%

**Table of Contents****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 2014, 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 fiscal year. The following graph reflects the various potential payout levels at different levels of performance:

In determining whether the operating income performance metrics were satisfied in 2014, the Compensation Committee used adjusted operating income of \$212.7 million rather than operating income calculated according to GAAP of \$208.4 million. The adjusted operating income figure excludes the effects of \$4.3 million in proxy contest expenses.

For 2014, the Company's target operating income was \$219.2 million and the Company achieved an adjusted operating income of \$212.7 million (see page 54 for calculation of applicable adjustments), which was 97.04% of the adjusted operating income target. As a result of the Company's performance, annual bonus payouts were 94.07% of the target percentage of base salary (see table below).

	<b>2014 Operating Income Goals</b>		<b>Actual 2014 Operating</b>	<b>2014 Annual</b>
	<b>Performance Range</b>	<b>Payout Range</b>	<b>Income</b>	<b>Bonus</b>
	<b>(\$000)</b>	<b>(% of target)</b>	<b>Performance</b>	<b>Plan</b>
			<b>(\$000)</b>	<b>Payout</b>
<b>Threshold</b>	\$ 186,334	30%		
<b>Target</b>	\$ 219,216	100%	\$ 212,719	94.07%
<b>Maximum</b>	\$ 252,098	200%		

**Table of Contents**

The following table sets forth (i) target bonuses during 2014 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 2014 annual bonus plan:

NAMED EXECUTIVE OFFICER	2014 BONUS		2014 ACTUAL		
	2014 BASE SALARY	TARGET PERCENTAGE	2014 BONUS TARGET	ACTUAL PAYOUT PERCENTAGE BONUS	
Sandra B. Cochran	\$ 955,000	100%	\$ 955,000	94.07%	\$ 898,369
Lawrence E. Hyatt	\$ 505,000	70%	\$ 353,500	94.07%	\$ 332,538
Edward A. Greene	\$ 385,000	50%	\$ 192,500	94.07%	\$ 181,085
Nicholas V. Flanagan	\$ 370,000	60%	\$ 222,000	94.07%	\$ 208,835
Christopher A. Ciavarra	\$ 320,000	60%	\$ 192,000	94.07%	\$ 180,614

The above 2014 annual bonuses are reflected in the 2014 Non-Equity Incentive Plan Compensation column of the Summary Compensation Table on page 29 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. Therefore, a significant portion of our executive officers total compensation is provided in the form of equity awards. Since the adoption of the 2010 Omnibus Stock and Incentive Plan (the 2010 Omnibus Plan), our long-term incentive programs have concentrated on awards of performance-based share units, which are aimed at delivering rewards in return for our executives' contributions to generating long-term shareholder returns through business-building efforts and successful strategic planning. By using two equally weighted performance-based equity vehicles, the Compensation Committee reinforces its commitment towards a pay-for-performance philosophy and long-term alignment between management pay outcomes and shareholder value creation.

**Long-Term Incentive Arrangements for 2014**

**Overview.** In 2014, the Company's equity compensation to executive officers was governed by the 2014 Long-Term Incentive Program. The 2014 Long-Term Incentive Program, which was adopted at the start of the 2014 fiscal year, consists of two components, both contingent upon achievement of predetermined performance goals, of substantially equal value at the time of grant: (i) the LTTP that provides for awards of performance shares tied to successful achievement of pre-determined ROIC goals over a two year performance period, and (ii) MSU Grants tied to TSR over a three year performance period. For the 2014 Long-Term Incentive Program, the award types, performance periods and metrics for each of the two plan components are as follows:

**Table of Contents**

Each year the Compensation Committee approves equity grants to executive officers in the Long-Term Incentive Program. The grant date value of these grants for 2014 (to be earned based on future performance) was calculated as a function of each executive officer's LTPP Percentage and MSU Percentage which represent the target opportunities, expressed as a percentage of the executive officer's base salary. The LTPP Percentage and MSU Percentage for the executive officers were established by the Compensation Committee simultaneously with the establishment of the 2014 Long-Term Incentive Program. The LTPP Percentage and MSU Percentage were then used to derive a target award, expressed as a number of shares, that would be awardable depending on whether and to what extent the Company meets or exceeds targets for the relevant performance metrics for each of the plan components.

**2014 LTPP.** Under the 2014 LTPP, the executive officer is eligible to receive an award (a 2014 LTPP Award) of up to 200% of a target number of shares that is calculated by dividing (i) the product of (y) the executive officer's LTPP Percentage for the plan year multiplied by (z) his or her base salary at the time the LTPP target award is determined by (ii) the average closing price of the Company's common stock during the last 30 calendar days of fiscal 2013 and the first 30 calendar days of fiscal 2014, which was \$99.45. Actual awards based on these LTPP targets are determined at the end of the applicable performance period and are 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 target for LTPP performance is ROIC, measured over a two-year performance period. For the 2014 LTPP, the Compensation Committee set a target of cumulative ROIC over fiscal years 2014 and 2015.

At the end of the performance period, the Compensation Committee determines final award amounts based on Company performance relative to these targets. Awards under the 2014 LTPP will be determined after the conclusion of the 2014 LTPP's performance period covering the 2014 and 2015 fiscal years. The following table summarizes targets and maximum eligible awards under the 2014 LTPP for each of our Named Executive Officers:

<b>NAMED EXECUTIVE OFFICER</b>	<b>LTPP PERCENTAGE</b>	<b>BASE SALARY</b>	<b>LTPP TARGET VALUE</b>	<b>LTPP TARGET SHARES</b>	<b>LTPP TARGET MAX. AWARD</b>
Sandra B. Cochran	170%	\$ 955,000	\$ 1,623,500	16,324	32,648
Lawrence E. Hyatt	85%	\$ 505,000	\$ 429,250	4,316	8,632
Edward A. Greene	37.5%	\$ 385,000	\$ 144,375	1,451	2,902
Nicholas V. Flanagan	37.5%	\$ 370,000	\$ 138,750	1,395	2,790
Christopher A. Ciavarra	37.5%	\$ 320,000	\$ 120,000	1,206	2,412

**2014 MSU Grant.** Under the 2014 MSU Grant, the executive officer is eligible to receive a target award of MSUs that is calculated by dividing (i) the product of (x) the executive's MSU Percentage for the plan year multiplied by (y) his or her base salary at the time the MSU Grant target award is determined by (ii) the average closing price of the Company's common stock during the last 30 calendar days of fiscal 2013 and the first 30 calendar days of fiscal 2014, which was \$99.45. Under the 2014 MSU Grant, our executive officers are eligible to receive an award of MSU Grants in an amount of up to 150% of these targets on the basis of the change in the Company's cumulative TSR over the three-year performance period for the plan. Actual awards based on these targets are distributable at the end of the performance period and are 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). No MSUs

will be earned unless a pre-established operating income performance threshold is achieved.

Each Named Executive Officer's target and maximum eligible award under the 2014 MSU Grant are as follows:

NAMED EXECUTIVE OFFICER	MSU	BASE SALARY	MSU TARGET	MSU GRANT	MSU
	PERCENTAGE		VALUE	TARGET	GRANT MAX. AWARD
Sandra B. Cochran	170%	\$ 955,000	\$ 1,623,500	16,324	24,486
Lawrence E. Hyatt	85%	\$ 505,000	\$ 429,250	4,316	6,474
Edward A. Greene	37.5%	\$ 385,000	\$ 144,375	1,451	2,176
Nicholas V. Flanagan	37.5%	\$ 370,000	\$ 138,750	1,395	2,092
Christopher A. Ciavarra	37.5%	\$ 320,000	\$ 120,000	1,206	1,809

**Table of Contents**

*Payment of 2012 MSU Grants*

On September 18, 2014, the Compensation Committee reviewed and certified the awards granted to executive officers under the 2012 MSU (the 2012 MSU Grants ). The performance target for MSU awards is the change in the Company's cumulative TSR, 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 a positive change in cumulative TSR of 137.60% for the three-year performance period of fiscal years 2012, 2013 and 2014, resulting in 2012 MSU Grants that were capped at the maximum possible award amount of 150% of the target number of 2012 MSU Grants originally allocated in fiscal 2012.

*Payment of 2013 LTPP Awards*

On September 18, 2014, the Compensation Committee reviewed and certified the awards granted to executive officers under the 2013 LTPP (the 2013 LTPP Awards ). The Compensation Committee set a cumulative ROIC target under the 2013 LTPP of 17.01% for the two-year performance period of fiscal years 2013 and 2014. The Company achieved a cumulative ROIC of 17.82% for this two-year performance period, resulting in 2013 LTPP Awards that were 120.15% of the target number of 2013 LTPP Awards originally granted in fiscal 2013.



## **Table of Contents**

The performance target for LTPP awards is an internal ROIC based metric to measure effective returns from working capital and capital investments. For the purposes of the 2013 LTPP Awards, the Company achieved a 17.82% ROIC during the applicable two-year performance period. The Company calculates ROIC as follows:

The average fiscal year end balance for 2013 and 2014 adjusted operating incomes + rents

The average for fiscal years 2012, 2013 and 2014 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, which 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 2014.

## **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 on pages 37 and 38 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 have a three-year term expiring in May 2015, such Named Executive Officers receive severance benefits of 12-18 months' base salary, depending on their position and length of service. The retention agreement with respect to the Chief Executive Officer is applicable for the two-year period following the expiration of the term of her employment agreement. These management retention agreements require a double trigger (change-in-control 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:

3.0 (for those holding the title of Chief Executive Officer, subsequent to termination of her employment agreement) or 2.0 (for all other Named Executive Officers) 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 pages 35 and 36 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 (18 months with respect to the Chief Executive Officer) following the severance event and (ii) not to solicit the employees 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 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 provision, and is consistent with the objectives of our overall executive compensation program.

**Table of Contents****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 employees. Any perquisites that are received by Named Executive Officers are reflected in the Summary Compensation Table on pages 29 and 30 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

With the exception of certain limited payments that were provided for Ms. Cochran in partial reimbursement for legal fees incurred in negotiating her employment agreement, we do not provide a number of perquisites that are provided by other companies, such as club memberships or drivers.

**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](http://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. Similarly, our non-employee directors are subject to a guideline of the greater of (i) 5,000 shares and (ii) five 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 fiscal year, and are based upon (i) each executive 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 fiscal year and the first 30 calendar days of the fiscal year in which the calculation is performed. For fiscal 2014, the Ownership Guidelines for our named executive officers were as follows:

Executive Officer	Multiple of Base Salary
Sandra B. Cochran	5X
Lawrence E. Hyatt	3X
Edward A. Greene	2X

Nicholas V. Flanagan

2X

Christopher A. Ciavarra

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 the 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-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.

## **Table of Contents**

### **Anti-Hedging Policy**

The Company's anti-hedging policy (the "Anti-Hedging 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. The Compensation Committee considers it improper and inappropriate for directors and officers of the Company to hedge or monetize transactions to lock in the value of the Company's securities. When that 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) reduced.

Under the Anti-Hedging 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 decrease in market value of the Company's securities.

### **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 Cook & Co., 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 vary. 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 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).

**Table of Contents**

**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 fiscal 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 our best interest 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 2014, 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 \$175.0 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 21 and 22.

Likewise, the Company also intends for 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 is dependent upon the Company's operating income performance during the applicable performance period. As with the annual bonus plan, eligibility to receive awards under the long-term incentive plans is dependent upon the Company's operating income performance during the applicable performance period. For example, for the 2014 MSU Grant, the operating income threshold is \$450.0 million over the three-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 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 2014.

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

Coleman H. Peterson, Chair

Glenn A. Davenport

Richard J. Dobkin

Andrea M. Weiss





**Table of Contents****COMPENSATION TABLES AND INFORMATION****Summary Compensation Table**

The following table sets forth information regarding the compensation for the Named Executive Officers during 2012, 2013 and 2014.

Name and Principal Position	Year	Salary (\$)	Stock Awards(1) (\$)	Non-Equity Incentive		Total (\$)
				Plan Compensation(1) (\$)	All Other Compensation(2) (\$)	
Sandra B. Cochran, President and Chief Executive Officer	2014	\$ 955,000	\$ 3,624,745	\$ 898,369	\$ 165,121	\$ 5,643,235
	2013	\$ 925,000	\$ 4,112,207	\$ 1,105,745	\$ 51,478	\$ 6,194,430
	2012	\$ 869,792	\$ 2,421,606	\$ 1,051,144	\$ 83,692	\$ 4,426,234
Lawrence E. Hyatt, Senior Vice President and Chief Financial Officer	2014	\$ 505,000	\$ 958,367	\$ 332,538	\$ 37,415	\$ 1,833,320
	2013	\$ 490,000	\$ 1,026,438	\$ 410,022	\$ 7,151	\$ 1,933,611
	2012	\$ 475,000	\$ 703,624	\$ 401,826	\$ 2,160	\$ 1,582,610
Nicholas V. Flanagan, Senior Vice President, Operations	2014	\$ 370,000	\$ 309,760	\$ 208,835	\$ 15,059	\$ 903,654
	2013	\$ 360,000	\$ 289,288	\$ 258,206	\$ 10,424	\$ 917,918
	2012	\$ 314,792	\$ 1,155,544	\$ 228,256	\$ 6,623	\$ 1,705,215
Edward A. Greene, Senior Vice President, Strategic Initiatives	2014	\$ 385,000	\$ 322,195	\$ 181,085	\$ 11,678	\$ 899,958
	2013	\$ 375,000	\$ 301,258	\$ 224,138	\$ 8,433	\$ 908,829
	2012	\$ 364,619	\$ 311,583	\$ 220,322	\$ 18,007	\$ 914,531
Christopher A. Ciavarra, Senior Vice President, Marketing	2014	\$ 320,000	\$ 267,792	\$ 180,614	\$ 22,733	\$ 791,139

- (1) The amounts disclosed in this column reflect the aggregate grant date fair value of (a) performance based awards made in fiscal 2012, 2013 and 2014 and (b) time based awards made in July 2013 to Ms. Cochran and Mr. Hyatt, each calculated in accordance with Financial Accounting Standards Board Accounting Standard Code Topic 718 (ASC Topic 718). 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 the performance conditions at the maximum level, the aggregate grant date fair values of the awards made in fiscal 2014 are as follows:

Name	Year	Aggregate Grant Date Fair Value at Maximum Performance Level
Sandra B. Cochran	2014	\$ 6,285,149
Lawrence E. Hyatt	2014	\$ 1,661,767
Nicholas V. Flanagan	2014	\$ 537,110
Edward A. Greene	2014	\$ 558,672

Christopher A. Ciavarra	2014	\$	464,340
-------------------------	------	----	---------

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 11 to the Consolidated Financial Statements included or incorporated by reference in the Company's Annual Reports on Form 10-K for fiscal 2014, 2013 and 2012.

- (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.

**Table of Contents**

	<b>Year</b>	<b>Life Insurance</b>	<b>Long-term Disability</b>	<b>Dividend Equivalents on Shares of Restricted Stock</b>	<b>Company Match Under Non-Qualified Deferred Compensation Plan</b>	<b>Company Match Under 401(k) Plan</b>	<b>Other (1)</b>	<b>Total</b>
Sandra B. Cochran	2014	\$ 19,695	\$ 1,728	\$ 82,823	\$ 29,793	\$ 1,082	\$ 30,000	\$ 165,121
Lawrence E. Hyatt	2014	\$ 900	\$ 1,454	\$ 21,336	\$ 13,725	\$ 0	\$ 0	\$ 37,415
Nicholas V. Flanagan	2014	\$ 600	\$ 1,066	\$ 3,741	\$ 8,883	\$ 709	\$ 0	\$ 15,059
Edward A. Greene	2014	\$ 900	\$ 1,109	\$ 3,894	\$ 5,775	\$ 0	\$ 0	\$ 11,678
Christopher A. Ciavarra	2014	\$ 864	\$ 922	\$ 12,984	\$ 6,780	\$ 1,183	\$ 0	\$ 22,733

(1) Reimbursement of legal fees in connection with Ms. Cochran's employment agreement.

**Table of Contents****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 2014.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Possible Payouts Under Equity Incentive Plan Awards(2)			Grant Date Fair Value of Stock and Option Awards(3)
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)	
Sandra B. Cochran		\$ 286,500	\$ 955,000	\$ 1,910,000				
	9/26/13				8,162	16,324	32,648	\$ 1,696,064
	9/26/13					16,324	24,486	\$ 1,928,681
Lawrence E. Hyatt		\$ 106,050	\$ 353,500	\$ 707,000				
	9/26/13				2,158	4,316	8,632	\$ 448,432
	9/26/13					4,316	6,474	\$ 509,935
Nicholas V. Flanagan		\$ 66,600	\$ 222,000	\$ 444,000				
	9/26/13				697	1,395	2,790	\$ 144,941
	9/26/13					1,395	2,092	\$ 164,819
Edward A. Greene		\$ 57,750	\$ 192,500	\$ 385,000				
	9/26/13				725	1,451	2,902	\$ 150,759
	9/26/13					1,451	2,176	\$ 171,436
Christopher A. Ciavarra		\$ 57,600	\$ 192,000	\$ 384,000				
	9/26/13				603	1,206	2,412	\$ 125,303
	9/26/13					1,206	1,809	\$ 142,489

- (1) The amounts shown reflect the possible aggregate payouts in respect of fiscal 2014 under the 2014 annual bonus plan at the threshold, target and maximum levels. Actual payouts for fiscal 2014 are disclosed in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table. For a discussion of the 2014 annual bonus plan and the fiscal 2014 payouts, see Compensation Discussion and Analysis Elements of Compensation Program Annual Bonus Plan.
- (2) The amounts shown reflect the possible payouts (at grant date fair value) for the LTPP Awards granted under the 2014 LTPP and MSU Grants awarded under the 2014 MSU 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 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 2014 LTPP target and up to 150% of his or her 2014 MSU Grant target. For a discussion of the 2014 Long-Term Incentive Program, see COMPENSATION DISCUSSION AND ANALYSIS ELEMENTS OF COMPENSATION PROGRAM Long-Term Incentives.

- (3) 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 LTPP Awards and MSU 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 11 to the Consolidated Financial Statements included or incorporated by reference in the Company's Annual Report on Form 10-K for fiscal 2014.

Table of Contents**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 August 1, 2014.

Name	Option Awards					Stock Awards		Equity Incentive Plan Awards:	
	Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Exercisable Options (#)	Number of Securities Underlying Unexercised Options (#)	Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Stock That Have Not Vested (\$)(11)	Number of Shares, Units or Rights That Have Not Vested (#)	Unearned Other Rights That Have Not Vested (\$)(15)
Sandra B. Cochran								8,162(12)	\$ 788,939
								32,862(13)	\$ 3,176,441
						12,000(2)	\$ 1,159,920	16,324(14)	\$ 1,577,878
Lawrence E. Hyatt								2,158(12)	\$ 208,592
								8,197(13)	\$ 792,322
						3,000(3)	\$ 289,980	4,316(14)	\$ 417,185
Nicholas V. Flanagan								697(12)	\$ 67,372
								3,226(13)	\$ 311,825
						10,000(4)	\$ 966,600	1,395(14)	\$ 134,841
Edward A. Greene									
								725(12)	\$ 70,079
						1,500(6)	\$ 144,990	3,360(13)	\$ 324,778
Christopher A. Ciavarra									
								1,451(14)	\$ 140,254
						2,500(7)	\$ 241,650		
833(1)	0	0	\$ 27.02	9/25/2018				603(12)	\$ 58,286
								2,778(13)	\$ 268,521
						3,000(10)	\$ 289,980	1,206(14)	\$ 116,572

- (1) Granted on September 25, 2008.
- (2) Vests on July 30, 2016.
- (3) Vests on July 30, 2016.
- (4) Vests on September 12, 2014.
- (5) Vests on May 7, 2015.
- (6) Vests on November 1, 2014.
- (7) Vests on November 1, 2015.
- (8) Vests on July 27, 2015.
- (9) Vests on July 27, 2016.
- (10) Vests on July 30, 2016.
- (11) Reflects the aggregate market value determined based on a per share price of \$96.66, the closing price for our common stock on August 1, 2014.

**Table of Contents**

- (12) This award represents the 2014 LTPP Awards. The 2014 LTPP Award has a two year performance period, which ends on July 31, 2015. 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.
- (13) This award represents the 2013 MSU Grant. The 2013 MSU Grant has a three year performance period, which ends on July 31, 2015. 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.
- (14) This award represents the 2014 MSU Grant. The 2014 MSU Grant has a three year performance period, which ends on July 29, 2016. Actual awards are distributable, if at all, following the end of the performance period. The number of shares reflected assumes a target level of payout.
- (15) Reflects the aggregate market value of the LTPP Awards and MSU Grants determined based on a per share price of \$96.66, the closing price for our common stock as quoted on the Nasdaq Global Select Market on August 1, 2014.



Table of Contents**Option Exercises and Stock Vested**

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 2014.

Name	Option Awards	
	Number of Shares Acquired On Vesting (#)	Value Realized on Vesting (\$)(1)
Sandra B. Cochran	85,443	\$ 8,752,781
Lawrence E. Hyatt	33,210	\$ 3,467,232
Nicholas V. Flanagan	7,102	\$ 727,529
Edward A. Greene	13,971	\$ 1,438,919
Christopher A. Ciavarra	10,675	\$ 1,088,877

- (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 forth information with respect to our equity plans as of August 1, 2014.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders(1)	Options 87,132 Full Value 260,024	\$36.75	\$1,363,142
Equity compensation plans not approved by security holders	Options 0 Full Value 0		0
Total	Options 87,132 Full Value 260,024(2)	\$36.75	\$1,363,142

(1)

As of August 1, 2014, options to purchase (i) 41,184 shares of our common stock at a weighted average exercise price of \$39.96 per share were outstanding under the Amended and Restated Stock Option Plan, and (ii) 45,948 shares of our common stock at a weighted average exercise price of \$33.87 per share were outstanding under the Cracker Barrel 2002 Omnibus Incentive Compensation Plan. No options have been granted under the 2010 Omnibus Plan.

- (2) Includes target awards under the 2013 and 2014 LTPP and 2012, 2013 and 2014 MSU Grants, representing a total of 195,959 shares of common stock. Actual share awards, if any, will be made at the end of the applicable performance period for each of these plans.

**Table of Contents****Non-Qualified Deferred Compensation**

We maintain a non-qualified deferred compensation plan for our executive officers and certain employees. The deferred compensation plan permits participants to voluntarily defer receipt of up to 50% of their compensation and up to 100% of their performance-based compensation. These deferrals are fully funded from deductions from the participants' applicable payroll or bonus checks. Amounts deferred under the deferred compensation plan are payable in cash on the date or dates selected by the participant in accordance with the terms of the plan or on such other dates specified in the plan. Deferred amounts earn rates of return based on the performance of several investment alternatives selected by the participant. These investment alternatives mirror those available to all eligible employees under our 401(k) plan. We also provide a 25% match of the participants' contributions up to 6% of their compensation (or, a maximum of 1.5% of their compensation, the same matching formula used in our 401(k) plan). The following table provides additional information regarding the deferred compensation accounts for each Named Executive Officer, including the voluntary contributions made by the Named Executive Officers and by us to the non-qualified deferred compensation plan during 2014 and the aggregate deferred compensation balance as of the end of our fiscal year ended August 1, 2014.

Name	Aggregate	Executive	Registrant	Aggregate	Aggregate	Aggregate
	Balance at	Contributions in	Contributions in	Earnings in La	Withdrawals/	Balance
	Beginning FYE	Last FY	Last FY	FY (\$)(3)	Distributions (\$)	at
	(\$)	(\$)(1)	(\$)(2)			Last FYE
						(\$)(4)
Sandra B. Cochran	\$ 554,546	\$ 123,645	\$ 29,793	\$ 80,285	\$ 0	\$ 788,269
Lawrence E. Hyatt	\$ 19,907	\$ 54,901	\$ 13,725	\$ 219	\$ 0	\$ 88,751
Nicholas V. Flanagan	\$ 337,276	\$ 46,325	\$ 8,883	\$ 37,313	\$ 0	\$ 429,797
Edward A. Greene	\$ 122,984	\$ 23,100	\$ 5,775	\$ (19)	\$ 0	\$ 151,840
Christopher A. Ciavarra	\$ 373,211	\$ 90,253	\$ 6,780	\$ 41,016	\$ 0	\$ 511,259

- (1) Executive contributions are included in the Salary and Non-Equity Incentive Plan Compensation columns for 2014 in the Summary Compensation Table.
- (2) Company contributions are included in the All Other Compensation column for 2014 in the Summary Compensation Table.
- (3) The earnings reflected in this column represent investment earnings or losses from voluntary deferrals and Company contributions, as applicable, based on the results of the investment choices made by the Named Executive Officers. As noted above, the investment options available under the deferred compensation plan mirror the investment options that are available to all eligible employees in the 401(k) plan. Because the Named Executive Officers do not receive preferential or above-market rates of return under the deferred compensation plan, earnings under the deferred compensation plan are not included in the Summary Compensation table.
- (4) The following amounts from this column were reported in Summary Compensation Tables for prior fiscal years: Ms. Cochran, \$554,546; Mr. Flanagan \$337,276; and Mr. Greene \$122,984. These amounts reflect actual amounts reported and do not include accumulated earnings.

**Potential Payments Upon Termination or Change in Control**

Our Named Executive Officers are entitled to certain benefits in the event their employment is terminated under specified circumstances. Circumstances which would trigger payments and/or other benefits to certain of our Named Executive Officers include death, disability, termination of employment by us without cause, termination by the Named Executive Officer for good reason or a change in control of the Company.

In order for a Named Executive Officer to receive the payment and benefits to which he or she is entitled pursuant to any applicable employment agreement or our severance policy, he or she must execute and deliver to us a release of claims against us in a form satisfactory to us. Named Executive Officers are subject to certain restrictive covenants (including, without limitation, non-competition, non-solicitation, non-disparagement and confidentiality covenants). In the event a Named Executive Officer breaches any applicable restrictive covenant, we will cease making any future payments or providing any other benefits to the Named Executive Officer and will also consider pursuing legal and equitable remedies available to us under any applicable employment agreement and applicable law.

**Table of Contents**

The following table sets forth payments and benefits that may be received by our Named Executive Officers under any existing employment agreement, equity grant agreements, plans or arrangements, whether written or unwritten, in the event of termination for specified reasons and/or a change-in-control of the Company. The following information has been prepared based on the assumption that the Named Executive Officer was terminated, or a change in control of the Company occurred, on August 1, 2014. The closing price for our common stock on August 1, 2014 was \$96.66.

Name	Termination by Company for Cause			Termination by Named Executive Officer for Good Reason (or for Change in Duties or Compensation) before Change in Control(1)	Termination by Named Executive Officer for Good Reason (or for Change in Duties or Compensation) by Company without Cause after Change in Control(1)
	Termination by Company without Cause(1)	Termination before or after Change in Control(1)	Death or Disability(1)	Change in Control(1)	
Sandra B. Cochran	\$ 15,583,808	\$ 0	\$ 10,774,237	\$ 15,583,808	\$ 17,651,337
Lawrence E. Hyatt	\$ 505,000	\$ 0	\$ 2,959,305	\$ 505,000	\$ 4,629,260
Nicholas V. Flanagan	\$ 370,000	\$ 0	\$ 2,799,326	\$ 370,000	\$ 4,055,579
Edward A. Greene	\$ 385,000	\$ 0	\$ 1,541,956	\$ 385,000	\$ 2,596,832
Christopher A. Ciavarra	\$ 320,000	\$ 0	\$ 1,379,483	\$ 320,000	\$ 2,512,915

- (1) With respect to Ms. Cochran, the applicable amounts are determined based on her employment agreement with us. With respect to the other Named Executive Officers, the applicable amounts are determined based on our severance plan.

**Director Compensation Table**

The table below sets forth the 2014 compensation of non-employee directors, which is described in greater detail on page 12 of this proxy statement. We have no non-equity incentive plan for non-employee directors and, during 2014, no director received an option award or earned above-market (as that term is defined by the SEC) interest on any of his or her compensation that had been deferred.

Name	Fees Earned or Paid in Cash	Stock Awards(1)(2)	Change in Pension Value and Non-Qualified Deferred Compensation	All Other Compensation	Total
			Earnings		
Thomas H. Barr	\$ 78,000	\$ 90,000	\$ 0	\$ 2,025(6)	\$ 170,025
James W. Bradford	\$ 126,000	\$ 155,000	\$ 0	\$ 5,172(4)(6)	\$ 286,172

Edgar Filing: CRACKER BARREL OLD COUNTRY STORE, INC - Form DEF 14A

Glenn A. Davenport	\$ 94,000	\$ 90,000	\$ 0	\$ 12,834(4)(6)	\$ 196,834
Richard J. Dobkin	\$ 114,000	\$ 90,000	\$ 6,676	\$ 2,025(6)	\$ 212,701
Norman E. Johnson	\$ 87,000	\$ 90,000	\$ 0	\$ 6,627(4)(6)	\$ 183,627
William W. McCarten	\$ 92,000	\$ 90,000	\$ 0	\$ 5,707(4)(6)	\$ 187,707
Martha M. Mitchell (3)	\$ 22,750	\$ 0	\$ 97,321	\$ 1,098(4)	\$ 121,169
Coleman H. Peterson	\$ 106,000	\$ 90,000	\$ 0	\$ 3,025(5)(6)	\$ 199,025
Andrea M. Weiss	\$ 94,750	\$ 90,000	\$ 117,145	\$ 12,834(4)(6)	\$ 314,729

- (1) The amounts disclosed in this column reflect the aggregate grant date fair value of the restricted stock awards granted on November 13, 2013, calculated in accordance with ASC Topic 718. On November 13, 2013, in accordance with our director compensation policy described under Board of Directors and Committees Compensation of Directors each non-employee director received a grant of shares of restricted stock having a value equal to \$90,000, 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 November 13, 2013. Our independent Chairman James W. Bradford also received a grant of shares of restricted stock having a value equal to \$155,000, with the number of shares of restricted stock included in such grant to be determined

**Table of Contents**

based on the closing price of our common stock on November 13, 2013. All awards vest in their entirety one year from the date of the grant. For information regarding the compensation cost of the awards and the assumptions used to calculate grant date fair value of the awards, see Note 11 to the Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for 2013.

- (2) At fiscal year-end, the aggregate number of outstanding stock awards and outstanding option awards held by each non-employee director was as follows: Mr. Barr 810 shares of restricted stock; Mr. Bradford 1,395 shares of restricted stock; Mr. Davenport 810 shares of restricted stock; Mr. Dobkin 4,000 option shares and 810 shares of restricted stock; Mr. Johnson 810 shares of restricted stock; Mr. McCarten 810 shares of restricted stock; Mr. Peterson 810 shares of restricted stock; and Ms. Weiss 5,000 option shares and 810 shares of restricted stock.
- (3) Ms. Mitchell retired from the Board effective immediately prior to the 2013 Annual Meeting on November 13, 2013.
- (4) Reflects cost of the Company providing medical, prescription and dental insurance benefits to the director.
- (5) Reflects matching of charitable donations pursuant to our Board of Directors matching grant program. Under the matching grant program, we match up to \$1,000 donated by our directors to a charitable organization of their choice.
- (6) Reflects dividends with respect to the shares of restricted stock the director holds.

Ms. Cochran, our President and Chief Executive Officer, was compensated pursuant to her respective employment agreement and certain benefit plans described above under EXECUTIVE COMPENSATION above. She did not receive additional benefits as a result of her service on our Board of Directors.

**Employment and Other Agreements**

**Employment Agreement with Named Executive Officers**

We currently have one employment agreement with a Named Executive Officer as further described below.

**Employment Agreement with Sandra B. Cochran**

Under Ms. Cochran's employment agreement, she serves as our President and Chief Executive Officer. Ms. Cochran's employment agreement was extended in September 2013 for three additional years, expiring September 26, 2018.

Ms. Cochran's annual base salary and bonus compensation are set by the Board in accordance with her employment agreement. In 2014, she received an annual base salary of \$955,000 and an annual bonus opportunity with a target of 100% of annual base salary. Additionally, with respect to any of our long-term incentive plans, all grants under which are currently performance-based, Ms. Cochran's target LTPP and MSU percentages under each plan were each 170% of annual base salary in 2014. Future annual bonus and long-term incentive awards to Ms. Cochran will be recommended by the Compensation Committee and approved by the Board of Directors. Ms. Cochran's employment agreement provides that any of her incentive-based compensation (as such term is defined in the Exchange Act) will be subject to clawback by us in the manner required by the Exchange Act, as determined by the applicable SEC rules. Ms. Cochran is eligible to participate in the benefit programs generally available to our senior executive officers.

Ms. Cochran is also entitled to severance and change in control benefits under the terms of her employment agreement. In the event that Ms. Cochran's employment is terminated by the Company without cause or terminated by Ms. Cochran with good reason, Ms. Cochran will be entitled to receive (1) a lump sum payment of accrued obligations, including, among other things, annual base salary through the date of termination to the extent not previously paid and the pro-rata portion of the amounts payable under any then existing incentive or bonus plan applicable to Ms. Cochran for the portion of the year in which the termination occurs (accrued obligations); (2) one and a half times the sum of (x) then current annual base salary and (y) target current year bonus, payable in

installments ratably over 24 months; and (3) a continuation of life, medical and disability insurance benefits for 24 months. Additionally, Ms. Cochran's agreement provides for acceleration of vesting of certain equity awards held by Ms. Cochran at the time of termination without cause or with good reason.

In the event that a change in control of the Company occurs prior to the expiration of the term of Ms. Cochran's employment agreement, and her employment is terminated without cause or terminated by Ms. Cochran with good reason within 90 days prior to or two years following the change in control, Ms. Cochran will be entitled to receive (1) a lump sum



## **Table of Contents**

payment of accrued obligations; (2) a lump sum payment of three times the sum of (x) then current annual base salary and (y) target current year bonus; and (3) a continuation of life, medical and disability insurance benefits for 24 months. Additionally, Ms. Cochran's agreement provides for acceleration of vesting of certain equity awards held by Ms. Cochran at the time of termination without cause or with good reason in connection with a change in control.

Pursuant to the terms of Ms. Cochran's employment agreement, if we cease to employ Ms. Cochran in the capacity of Chief Executive Officer at any time following the expiration of the term of her employment agreement, then we will pay Ms. Cochran one and a half times her annual base salary in installments ratably over 18 months.

The payment of the foregoing severance and change in control benefits, exclusive of certain accrued obligations, is subject to execution by Ms. Cochran of a release of claims against us. Ms. Cochran will be subject to non-competition, non-solicitation and confidentiality covenants following the termination of her employment. For quantitative disclosure regarding estimated payments and other benefits that would have been received by Ms. Cochran or her estate if her employment had terminated on August 1, 2014, the last business day of 2014, under various circumstances, see Potential Payments Upon Termination or Change in Control above.

The terms were negotiated on behalf of the Company by the Compensation Committee, with the assistance of Cook & Co., and approved by the Board of Directors. Ms. Cochran and the Company were each represented by separate independent legal counsel.

## **Severance Plan and Management Retention Agreements**

We have a severance plan that applies to our Named Executive Officers without employment contracts. Under the severance plan, executives receive, depending upon seniority, up to 18 months' base salary as a result of termination of their employment by us other than for cause, which is defined in the severance plan. The severance plan is based on recommendations from Cook & Co., our independent, outside compensation consultant, and is designed to encourage retention of key employees.

In addition, all of our executive officers have entered into management retention agreements that provide certain benefits upon termination of the executive officer's employment. The terms of these agreements and the benefits they provide are described on page 25 of this proxy statement.

## **Compensation Committee Interlocks and Insider Participation**

During 2014, Messrs. Peterson, Davenport, Dobkin and Ms. Weiss served as members of our Compensation Committee. None of the members of the Compensation Committee (1) was an officer or employee of the Company during 2014, (2) was formerly an officer of the Company, or (3) had any relationships requiring disclosure by us under applicable SEC regulations. None of our executive officers has served on the Board of Directors or on the Compensation Committee of any other entity any of whose executive officers served either on our Board of Directors or on our Compensation Committee.

**Table of Contents**

**CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

**Related Party Transactions**

Our Board of Directors has assigned responsibility for reviewing related party transactions to the Audit Committee. The Audit Committee has adopted a written policy pursuant to which all transactions between us or our subsidiaries and any director or officer must be submitted to the Audit Committee for consideration prior to the consummation of the transaction. In addition, the directors are required annually to complete a detailed questionnaire that is designed to elicit disclosure of any potential related party relationships or transactions and to ensure that directors meet the applicable requirements established by Nasdaq and the SEC. The Audit Committee reports to our Board of Directors, for its review, on all related party transactions considered.

During 2014, there have not been any transactions or business relationships in which we were a participant and in which any of our executive officers, directors or director nominees had a material interest that would require disclosure under applicable SEC regulations, and no transactions requiring such disclosure are currently proposed.

**Code of Ethics**

With respect to conflicts of interest that may arise from time to time between us and any of our executive officers or directors, our Code of Business Conduct and Ethics states that if the alleged violation involves an executive officer or a director, the Chief Executive Officer and the Board of Directors, respectively, will determine whether a violation of the Code of Business Conduct and Ethics has occurred and, if so, will determine the disciplinary measures to be taken against that executive officer or director. The directors expect that each of them will disclose actual or potential conflicts of interest. Not less than annually, each director affirms the existence or absence of actual or potential conflicts, and that affirmation is reported to the Nominating and Corporate Governance Committee and to the Audit Committee.

Our Board of Directors has adopted the Financial Code of Ethics that applies to our Chief Executive Officer, Chief Financial Officer and Principal Accounting Officer. The Financial Code of Ethics is posted on our website at [www.crackerbarrel.com](http://www.crackerbarrel.com) under Investors Corporate Governance. Any amendments to, or a waiver from, a provision of the Financial Code of Ethics will be posted on our website.

**SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

The United States securities laws require our executive officers, directors, and greater than 10% shareholders to file reports of ownership and changes in ownership on Forms 3, 4 and 5 with the SEC and with us. Based upon a review of Forms 3, 4 and 5 and amendments thereto furnished to us during and with respect to 2013 and written representations by our directors, executive officers and 10% shareholders, we believe that each such person filed, on a timely basis, the reports required by Section 16(a) of the Exchange Act with respect to 2014, except that a Form 5 was filed on behalf of each of Ms. Weiss and Messrs. Bradford, Flanagan and Peterson to report small acquisitions of Company common stock pursuant to a broker administered dividend reinvestment program (the DRIP) that were inadvertently not timely reported on Form 4. Ms. Weiss and Mr. Flanagan's respective Form 5 reported four small acquisitions pursuant to the DRIP and Messrs. Bradford's and Peterson's respective Form 5 reported six small acquisitions pursuant to the DRIP.

**Table of Contents****STOCK OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT****Security Ownership of Certain Beneficial Owners**

The following table sets forth information for those who, as of September 22, 2014, were known by us to beneficially own more than 5% of our common stock. Percentage computations are based on 23,900,422 shares of our common stock outstanding as of September 22, 2014.

<b>Name and Address of Beneficial Owner</b>	<b>Amount and Nature of Beneficial Ownership</b>	<b>Percent of Class</b>
Biglari Capital Corp. 17802 IH 10 West, Suite 400 San Antonio, Texas 78257	4,737,794(1)	19.8%
The Vanguard Group, Inc. 100 Vanguard Boulevard Malvern, Pennsylvania 19355	1,808,553(2)	7.6%

(1) Based solely on Schedule 13F filed by Biglari Capital Corp. for the quarter ended June 30, 2014.

(2) Based solely on Schedule 13F filed by The Vanguard Group, Inc. for the quarter ended June 30, 2014.

**Security Ownership of Management**

The following table presents information regarding the number of shares of our common stock beneficially owned, as of September 25, 2014, by each of our directors, each of our Named Executive Officers, and by our current directors and executive officers as a group. Unless otherwise noted, these persons have sole voting and investment power with respect to the shares indicated.

<b>Name of Beneficial Owner</b>	<b>Shares Beneficially Owned (1)</b>	<b>Percent of Class</b>
Sandra B. Cochran	117,908	*
Lawrence E. Hyatt	37,378	*
Christopher A. Ciavarra	11,020	*
Nicholas V. Flanagan	12,533	*
Edward A. Greene	6,400	*
Thomas H. Barr	2,951	*
James W. Bradford	6,661	*
Glenn A. Davenport	4,951	*
Richard J. Dobkin	22,854	*
Norman E. Johnson	2,607	*

Edgar Filing: CRACKER BARREL OLD COUNTRY STORE, INC - Form DEF 14A

William W. McCarten	3,992	*
Coleman H. Peterson	4,044	*
Andrea M. Weiss	14,942	*
All executive officers and directors as a group (17 persons)	250,334	1.0%

\* Less than one percent.

(1) Includes the following number of shares of restricted stock and shares subject to options exercisable by the named holders within 60 days:

Christopher A. Ciavarra	833
Edward A. Greene	1,500
Thomas H. Barr	810
James W. Bradford	1,395

**Table of Contents**

Glenn A. Davenport	810
Richard J. Dobkin	4,810
Norman E. Johnson	810
William W. McCarten	810
Coleman H. Peterson	810
Andrea M. Weiss	5,810
All executive officers and directors as a group (17 persons)	18,398

The shares of restricted stock described in this note are considered outstanding for the purpose of computing the percentage of outstanding Cracker Barrel common stock owned by each named individual and by the group. They are not considered outstanding for the purpose of computing the percentage ownership of any other person.

**Table of Contents**

**PROPOSAL 1: ELECTION OF DIRECTORS**

**Board Structure**

Pursuant to our Charter, our Board of Directors must consist of at least five directors, but the exact number is set by a majority of the Board of Directors. The Board of Directors currently has set the size of the Board of Directors at nine. All of the current members of our Board of Directors are nominees for election to the Board.

**Director Nominations and Qualifications**

The Nominating and Corporate Governance Committee identifies, recruits and recommends to the Board only those candidates that the Nominating and Corporate Governance Committee believes are qualified to become Board members consistent with the criteria for selection of new directors adopted from time to time by the Board. We endeavor to have a Board of Directors representing diverse experience at policy-making levels in business, marketing, finance and other areas that are relevant to our business. In addition, the Nominating and Corporate Governance Committee desires to recommend candidates with the interpersonal skills and attributes that will foster a collaborative decision-making environment. The Nominating and Corporate Governance Committee recommends candidates, including those submitted by shareholders, only if the Nominating and Corporate Governance Committee believes that the candidate's knowledge, experience and expertise would strengthen the Board of Directors and that the candidate is committed to representing the long-term interests of all of our shareholders. A majority of the Board of Directors must consist of independent directors (as defined by Nasdaq's listing standards and our Corporate Governance Guidelines).

The Nominating and Corporate Governance Committee assesses a candidate's independence, background and experience, as well as the Board's current needs in terms of director experience, skills and diversity. The Nominating and Corporate Governance Committee recommends appropriate candidates with the goal that the Board of Directors be comprised of qualified individuals with education and experience appropriate to guide the Company in meeting its legal, financial, operational and societal objectives. Individual directors and any person nominated to serve as a director should possess the highest moral integrity and should generally have had significant managerial experience in the form of being a current or former senior executive of a publicly traded or privately held company or similar business experience or training. With respect to incumbent directors selected for re-election, the Nominating and Corporate Governance Committee assesses each director's contributions, attendance record at Board of Directors and applicable committee meetings and the suitability of continued service. Under our Corporate Governance Guidelines, no person may be considered for board membership if such person is: (i) an employee or director of a company in significant competition with the Company; (ii) an employee or director of a major or potentially-major customer, supplier, contractor, counselor or consultant of the Company; (iii) a recent employee of the Company (other than a former Chief Executive Officer of the Company); or (iv) an executive officer of a company on whose board an employee of the Company serves.

Below we identify and describe the key experience, qualifications and skills our directors bring to the Board of Directors that are important in light of the Company's business and structure. The directors' experiences, qualifications and skills that the Nominating and Corporate Governance Committee considered in their nomination are (in part) included in their individual biographies.

*Leadership Experience.* We believe that directors with experience in significant leadership positions over a long period of time, especially chief executive officer and president positions, provide the Company with strategic thinking and multiple perspectives. These people generally possess excellent leadership qualities

and the ability to identify and develop those qualities in others. They demonstrate a practical understanding of organizations, processes, strategy, risk management, the methods to promote change and growth and the ways to respond to changes in market conditions.

*Financial Experience.* We believe that an understanding of finance and financial reporting processes is important for our directors. We measure our operating and strategic performance by reference to financial targets. In addition, accurate financial reporting and auditing are critical to our success and developing shareholder confidence in our reporting processes that are required by the U.S. federal securities laws. Directors with financial experience are critical to ensuring effective oversight of our financial measures and processes; accordingly, we expect all of our directors to be financially literate.

## **Table of Contents**

*Industry Experience.* As a company that relies upon the strength of our brand, we seek directors who are familiar with the restaurant and retail industries, have marketing and retail experience and who have brand-building expertise.

## **Diversity**

In evaluating potential candidates for Board membership, the Nominating and Corporate Governance Committee considers, among other things, independence, character, ability to exercise sound judgment, diversity of age, gender and ethnic background and professional experience. The Board of Directors believes in a governing style that emphasizes respect for diversity in perspective and includes individuals from diverse backgrounds. The Board of Directors believes that diversity is important because varied points of view contribute to a more effective, engaged Board of Directors and better decision-making processes.

## **Director Nominees**

The nominees for our Board of Directors are: Thomas H. Barr, James W. Bradford, Sandra B. Cochran, Glenn A. Davenport, Richard J. Dobkin, Norman E. Johnson, William W. McCarten, Coleman H. Peterson and Andrea M. Weiss. Ms. Cochran, our President and Chief Executive Officer, is the only nominee who holds a management position with the Company. All other nominees have been determined to be independent under Nasdaq's listing standards and our Corporate Governance Guidelines. If elected, each nominee would hold office until the 2015 Annual Meeting of Shareholders and until his or her successor is duly elected and qualified. If a director nominee becomes unwilling or unable to serve, proxies may be voted for a substitute nominee designated by our Board of Directors. Each of the nominees has consented to being named in this proxy statement and has agreed to serve, if elected. There are no family relationships between any of the nominees or executive officers.

**Thomas H. Barr**, age 46, first became one of our directors in May 2012. Since November 2013, Mr. Barr has served as Co-CEO and Global President of Hailo Network, a privately owned London-based company that develops mobile applications for acquiring taxicab services. Mr. Barr previously served as President and Chief Operating Officer of Hailo Network, USA, from January 2013 to November 2013. From 2005 to 2013, Mr. Barr served as Vice President at Starbucks Corporation (NASDAQ: SBUX) ( Starbucks ) and was a member of the Starbucks marketing and products team since 2000 with responsibility for Starbucks' U.S. retail coffee business. During his approximately 12-year career with Starbucks, Mr. Barr led North American Marketing, U.S. Product Management and U.S. Food categories in senior executive roles, most recently as Vice President, Global Coffee.

### **Director Qualifications:**

*Leadership Experience* Interim CEO and Global President, Hailo Network, and former President and Chief Operating Officer of Hailo Network, USA; former Vice President, Global Coffee, at Starbucks; served in senior roles for Starbucks' North American Marketing, U.S. Product Management, and U.S. Food categories.

*Industry Experience* significant knowledge in our industry as a former senior officer, particularly in the areas of product and menu management, pricing decision-making and innovation of a company that successfully combined both coffee and retail shops under the same roof.

**James W. Bradford**, age 67, first became one of our directors in July 2011 and became the independent Chairman of our Board in November 2012. Mr. Bradford served as Dean of Vanderbilt University's Owen Graduate School of Management ( Vanderbilt ) from June 2005 until his retirement in June 2013. Prior to that time from 2002 until June



2005, Mr. Bradford served in the following capacities at Vanderbilt: Acting Dean, Associate Dean of Corporate Relations, Professor for the Practice of Management and adjunct faculty member. An experienced corporate executive, Mr. Bradford previously served, from 1992 to 1999, as President and Chief Executive Officer of AFG Industries, Inc., a large vertically integrated glass manufacturing and fabrication company. From 1999 to 2001, Mr. Bradford was the President and Chief Executive Officer of United Glass Corporation, a diversified glass fabrication company. Mr. Bradford presently serves on the boards of directors of CLARCOR Inc. (NYSE: CLC), Genesco, Inc. (NYSE: GCO) and Granite Construction, Inc. (NYSE: GVA).

**Table of Contents**

Director Qualifications:

*Leadership Experience* former Dean of Vanderbilt; former President and Chief Executive Officer of United Glass Corporation; former President and Chief Executive Officer of AFG Industries, Inc.; served as Chairman of Graduate Management Admissions Council ( GMAC ); serves on the boards of directors of CLARCOR Inc., Genesco, Inc. and Granite Construction, Inc.

*Financial Experience* previously served as Chairman of the Finance Committee of the board of directors of Genesco, Inc.; former member of the Audit Committees of CLARCOR Inc. and GMAC; serves on the Audit/Compliance Committee of the board of directors of Granite Construction, Inc.

**Sandra B. Cochran**, age 56, has served as President and Chief Executive Officer of the Company since September 12, 2011. From April 2009 until November 2010, Ms. Cochran served as Executive Vice President and Chief Financial Officer of the Company and was named President and Chief Operating Officer of the Company on November 3, 2010. Ms. Cochran previously served from February 2004 until April 2009 as Chief Executive Officer of Books-A-Million, Inc. (NASDAQ: BMM) ( Books-A-Million ), a leading book retailer in the southeastern United States. Ms. Cochran presently serves on the board of directors of Dollar General Corporation (NYSE: DG).

Director Qualifications:

*Leadership Experience* President and Chief Executive Officer of the Company; served as Chief Executive Officer of Books-A-Million; member of the board of directors of Dollar General Corporation.

*Financial Experience* served as Chief Financial Officer of the Company; served as Chief Financial Officer of Books-A-Million; member of the Audit Committee of the board of directors of Dollar General Corporation.

*Industry Experience* various leadership positions at the Company since 2009.

**Glenn A. Davenport**, age 61, first became one of our directors in May 2012. Since May 2013, Mr. Davenport has served as President of G.A. Food Service, Inc., a nutrition services and meal provider serving the nutrition needs of seniors and children, the military, emergency response and large event catering markets. From 1994 until 2006, Mr. Davenport was the Chairman and Chief Executive Officer of Morrison Management Specialists, a food service company that provides food, nutrition and dining services to healthcare systems and senior living communities in 41 states. From March 2007 to February 2009, Mr. Davenport was President of Horizon Software International, LLC, a company specializing in food service technology. Mr. Davenport is currently a member of the board of directors of Team Health Holdings, Inc. (NYSE: TMH), a supplier of outsourced healthcare professional staffing. Mr. Davenport was retired from February 2009 until May 2013.

Director Qualifications:

*Leadership Experience* serves as President of G.A. Food Service, Inc.; served as Chairman and Chief Executive Officer of Morrison Management Specialists; member of the board of directors of Team Health Holdings, Inc.

*Industry Experience* seasoned, well-respected executive with a long history in our industry both as an executive and board member; extensive experience in software, services and technologies for foodservice operations.

**Richard J. Dobkin**, age 69, first became one of our directors in 2005. Mr. Dobkin was the Managing Partner of the Tampa, Florida office of Ernst & Young, LLP, an independent registered public accounting firm, from 1987 until his retirement in June 2005. From October 2009 until September 2010, Mr. Dobkin served as a member of the board of directors of the PBSJ Corporation, which provides planning, design, and construction management services in the U.S. and abroad. Mr. Dobkin has served, since 2008, on the board of directors of Blue Pearl Veterinary Partners, LLC, a private company which owns and operates several specialty and emergency veterinary hospitals in numerous states. Since 2011, Mr. Dobkin has served as an Executive in Residence at the University of South Florida School of Accountancy and acted as a consultant to private companies, and since March 2014, Mr. Dobkin has served on the board of directors of Bay Cities Bank, a community bank with offices in the Tampa, Florida area.

**Table of Contents**

Director Qualifications:

*Leadership Experience* served as Managing Partner of the Tampa, Florida office of Ernst & Young, LLP, member of the board of directors of Blue Pearl Veterinary Partners and Bay Cities Bank; former member of the board of directors of PBSJ Corporation.

*Financial Experience* served as Managing Partner of the Tampa, Florida office of Ernst & Young, LLP; Chairman of the Audit Committee of our Board of Directors; serves as a member of the Audit Committee of Blue Pearl Veterinary Partners and Bay Cities Bank; member of Technology Steering Committee of Bay Cities Bank; practicing certified public accountant for over 40 years; Chairman of the Audit Committee of Tampa General Hospital Foundation; Executive in Residence at the University of South Florida School of Accountancy.

**Norman E. Johnson**, age 66, first became one of our directors in August 2012. From March 2000 to July 2010, Mr. Johnson served as President, Chairman and Chief Executive Officer of CLARCOR Inc. (NYSE: CLC) ( CLARCOR ), a diverse filtration company. From July 2010 to December 2011, Mr. Johnson was the Chairman and Chief Executive Officer of CLARCOR, and he later served as the Executive Chairman of CLARCOR from December 2011 until his retirement in November 2012. In addition, Mr. Johnson has served, since July 2012, on the board of directors of CIRCOR International, Inc. (NYSE: CIR), a manufacturer of valves and other highly engineered products and sub-systems used in the energy, aerospace and industrial markets.

Director Qualifications:

*Leadership Experience* former President, Chairman and Chief Executive Officer of CLARCOR; member of the board of directors of CIRCOR International; serves on the Nominating and Corporate Governance Committee of CIRCOR International; intimate knowledge of integration and distribution networks.

**William W. McCarten**, age 65, first became one of our directors in August 2011. Since 2004, Mr. McCarten has served as Chairman of the board of directors of DiamondRock Hospitality Company (NYSE: DRH) ( DiamondRock ), a lodging-focused Real Estate Investment Trust that he founded in 2004 and went public in 2005. DiamondRock owns several high-quality hotels throughout the United States and has assets of approximately \$3 billion. Mr. McCarten served as Chief Executive Officer of DiamondRock from its inception until September 2008. Mr. McCarten serves as a member of the board of directors of Marriott Vacations Worldwide Corporation (NYSE: VAC), a leader in the timeshare industry with a global portfolio of resorts in popular destinations. From 2001 through 2003, Mr. McCarten was President of the Marriott Services Group of Marriott International, Inc. (NYSE: MAR). Prior to that position, Mr. McCarten served as President and Chief Executive Officer of HMSHost Corporation. Mr. McCarten was an accountant with Arthur Andersen & Co. from 1970 to 1979.

Director Qualifications:

*Leadership Experience* Founder and Chairman of DiamondRock; member of the boards of directors of DiamondRock and Marriott Vacations Worldwide Corporation; former Chief Executive Officer of DiamondRock; former President of Marriott Services Group; former President and Chief Executive Officer

Edgar Filing: CRACKER BARREL OLD COUNTRY STORE, INC - Form DEF 14A  
of HMSHost Corporation.

*Financial Experience* served as accountant with Arthur Andersen & Co.; served as Vice President and Corporate Controller of Marriott International, Inc.

*Industry Experience* significant knowledge of our industry as Chief Executive Officer of a company that successfully combined both restaurants and retail shops under the same roof.

**Table of Contents**

**Coleman H. Peterson**, age 66, first became one of our directors in June 2011. Mr. Peterson is President and Chief Executive Officer of Hollis Enterprises, LLC, the human resources consulting firm he founded in 2004 following his retirement from Wal-Mart Stores, Inc. (NYSE: WMT), where he served as Chief People Officer from 1994 to 2004. Mr. Peterson serves on the boards of directors of both J.B. Hunt Transport Services, Inc. (NASDAQ: JBHT) and Build-A-Bear Workshop, Inc. (NYSE: BBW).

Director Qualifications:

*Leadership Experience* Founder, President, and Chief Executive Officer of Hollis Enterprises, LLC; member of the Nominating and Corporate Governance Committees of the boards of directors of J.B. Hunt Transport Services, Inc. and Build-A-Bear Workshop, Inc.; extensive executive compensation and succession planning expertise as the Chairman of both the Executive Committee of J.B. Hunt Transport Services, Inc. and the Compensation Committee of Build-A-Bear Workshop, Inc.

*Industry Experience* developed significant retail industry experience and knowledge as Chief People Officer for Wal-Mart Stores, Inc., where he had the distinction of being the chief human resources officer of the world's largest private workforce.

**Andrea M. Weiss**, age 59, first became one of our directors in 2003. Ms. Weiss has been the President and Chief Executive Officer of Retail Consulting, Inc., a retail consulting firm, since October 2002. Prior to that, Ms. Weiss served as President of dELiA\*s Corp., a multichannel retailer to teenage girls and young women, from May 2001 to October 2002. From May 1998 until February 2001, Ms. Weiss served as the Executive Vice President and Chief Store Officer of The Limited, Inc. and Intimate Brands, Inc., units of L Brands, Inc. (NYSE: LB), a women's retailer. Ms. Weiss has served on the boards of directors of Chicco FAS (NYSE: CHS) since February 2009, The Pep Boys Manny, Moe & Jack (NYSE: PBY) since March 2013, and Nutrisystem, Inc. (NASDAQ: NTRI) since March 2013. From April 2006 to June 2007, Ms. Weiss was the Chairman of Cortefiel Group, SA, a European retailer with stores in more than 60 countries. Ms. Weiss' prior retail experience includes positions at The Walt Disney Company (NYSE: DIS), ANN INC., formerly AnnTaylor Stores Corporation (NYSE: ANN), and Guess?, Inc. (NYSE: GES). In addition, Ms. Weiss previously served on the boards of directors of Brookstone, Inc., GSI Commerce Inc., Tabi International, Inc., Ediets.com, Inc. (NASDAQ: DIET), and Worth Ltd., a direct marketer of luxury apparel and accessories. In January 2014, Ms. Weiss co-founded O Alliance, LLC, a digital and retail consulting network. In July 2014, Ms. Weiss joined the board of directors of Newgistics, a private logistics firm.

Director Qualifications:

*Leadership Experience* President and Chief Executive Officer of Retail Consulting, Inc.; former President of dELiA\*s Corp.; Executive Vice President and Chief Store Officer of The Limited, Inc. and Intimate Brands, Inc., units of Limited Brands, Inc.; former Chairman of Cortefiel Group, SA; member of the boards of directors of Chicco FAS, The Pep Boys Manny, Moe & Jack, and Nutrisystem, Inc.; former member of the boards of directors of Brookstone, Inc., GSI Commerce, Inc., Ediets.com, Inc. and several other private company boards of directors in the retail, e-commerce and consumer sector.

*Industry Experience* over 30 years of experience in the retail and consumer sector with major retail brands, such as The Walt Disney Company, AnnTaylor Stores Corporation and Guess?, Inc.; member of the boards of directors of Chicos FAS, The Pep Boys Manny, Moe & Jack, and Nutrisystem, Inc.; former member of the boards of directors of Brookstone, Inc., GSI Commerce, Inc. and several other private company boards of directors in the retail and consumer sector; former Chairman of Cortefiel Group, SA.

### **Director Independence**

In accordance with Nasdaq's listing requirements, the Nominating and Corporate Governance Committee has evaluated each of our directors' independence from the Company and its management based on Nasdaq's definition of independence. In its review of each director's independence, the Nominating and Corporate Governance Committee reviewed whether any transactions or relationships exist currently or, during the past three years existed, between each director and the Company and its subsidiaries, affiliates, equity investors or independent auditors. The Nominating and Corporate Governance Committee also examined whether there were any transactions or relationships between each director and members of the

## **Table of Contents**

senior management of the Company or their affiliates. Based on the review by the Nominating and Corporate Governance Committee and Nasdaq's definition of independence, the Nominating and Corporate Governance Committee has determined that all of our current Board members, with the exception of Ms. Cochran, and all of our director nominees other than Ms. Cochran, are independent in accordance with Nasdaq's listing standards and our Corporate Governance Guidelines, which are posted on our website at [www.crackerbarrel.com](http://www.crackerbarrel.com).

## **Communications with the Board**

Our Board of Directors provides a process for shareholders to send communications to the Board of Directors. All correspondence addressed to the Board of Directors or to one or more members of the Board of Directors should be sent to: via mail, to Cracker Barrel Old Country Store, Inc., c/o Corporate Secretary, 305 Hartmann Drive, Lebanon, Tennessee 37087, or via e-mail, to [Michael.Zylstra@crackerbarrel.com](mailto:Michael.Zylstra@crackerbarrel.com), or via fax, to (615) 443-9279, or website communication on the Investor Relations section of our website at [www.crackerbarrel.com](http://www.crackerbarrel.com).

All correspondence received by the Corporate Secretary will be promptly acknowledged and reviewed by the Corporate Secretary, who will determine whether the correspondence should be forwarded immediately to the Board of Directors as a whole or to any specific member or members of the Board of Directors or whether the correspondence should be presented to the Board of Directors at its next regular meeting. The Corporate Secretary will consult with the Chairman of the Nominating and Corporate Governance Committee if there is a question concerning the need for immediate review by the Board of Directors or by any specific member or members of the Board of Directors.

## **Attendance of Directors at 2013 Annual Meeting of Shareholders**

Our Board of Directors has adopted a policy that requires all directors to attend our annual shareholder meeting unless attendance is not feasible owing to unavoidable circumstances. All of our Board members attended our 2013 Annual Meeting.

## **Director Nomination Process**

The Nominating and Corporate Governance Committee of our Board of Directors is responsible for identifying and recommending to the Board all persons to be nominated to serve as a director of the Company. The Nominating and Corporate Governance Committee will consider director candidates timely submitted by our shareholders in accordance with the notice provisions as discussed below under Shareholder Director Nominees. The Nominating and Corporate Governance Committee applies the same criteria to the evaluation of shareholder-nominated director candidates as it applies to other director candidates. Our Board is responsible for nominating the slate of directors for the Annual Meeting, upon the Nominating and Corporate Governance Committee's recommendation.

All director nominees are current directors. The Nominating and Corporate Governance Committee uses a variety of methods for identifying and evaluating nominees for director. The Nominating and Corporate Governance Committee regularly assesses the appropriate size of the Board of Directors and whether any vacancies on the Board of Directors are expected due to retirement or otherwise. In the event that vacancies are anticipated or otherwise arise, the Nominating and Corporate Governance Committee considers various potential candidates that may come to its attention through current members of the Board of Directors, outside advisors, shareholders or other persons. From time to time, the Nominating and Corporate Governance Committee may retain one or more third-party search firms to assist with identifying potential candidates who meet the qualification and experience requirements described above and to compile information regarding each candidate's qualifications, experience and independence. Any such third-party search firms report directly to the Nominating and Corporate Governance Committee.



### **Shareholder Director Nominees**

The Nominating and Corporate Governance Committee will consider nominees to the Board recommended by shareholders if shareholders comply with the Company's advance notice requirements. See **SHAREHOLDER PROPOSALS FOR 2015 ANNUAL MEETING** on page 52 of this proxy statement. The Company's Bylaws provide that a shareholder who wishes to nominate a person for election as a director at a meeting of shareholders must deliver written notice to the Secretary of the Company. This notice must contain, as to each nominee, all of the information relating to such person as would be required to be disclosed in a proxy statement meeting the requirements of Regulation 14A under the

## **Table of Contents**

Exchange Act, and certain other information, including the name and address of the shareholder delivering the notice as it appears on the stock records of the Company, the number and class of shares held of record by such shareholder, information about derivative securities holdings of such shareholder, any arrangement or understanding pursuant to which such shareholder has a right to vote or has granted a right to vote any shares of the Company's stock, whether such shareholder has a short interest in any of the Company's securities, whether such shareholder is entitled to a fee based on the value of the Company's securities, a representation that such shareholder intends to appear in person or by proxy at the meeting to nominate such nominee, and a certification that such shareholder has complied with all applicable federal, state and other legal requirements in connection with such shareholder's acquisition of the Company's securities and such shareholder's acts or omissions as a shareholder of the Company. The foregoing summary does not include all requirements a shareholder must satisfy in order to nominate a candidate for election to the Board of Directors. Shareholders of the Company who wish to recommend a nominee to the Board of Directors should read carefully the Company's Bylaws, which are available on the Investor Relations section of our website at [www.crackerbarrel.com](http://www.crackerbarrel.com).

In order to be eligible to be a nominee for election as a director of the Company by a shareholder, such potential nominee must deliver to the Secretary of the Company a written questionnaire providing the requested information about the background and qualifications of such person and a written representation and agreement that such person is not and will not become a party to any voting agreements, any agreement or understanding with any person with respect to any compensation or indemnification in connection with service on the Board, and would be in compliance with all applicable publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the Company.

Shareholder nominations must be submitted in accordance with the deadlines set forth under the caption

SHAREHOLDER PROPOSALS FOR 2015 ANNUAL MEETING on page 52 of this proxy statement. Shareholder nominations should be sent to Cracker Barrel Old Country Store, Inc., 305 Hartmann Drive, Lebanon, Tennessee 37087, Attention: Corporate Secretary.

## **Board Recommendation**

**OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR EACH OF THE BOARD'S NOMINEES FOR DIRECTOR.**

**Table of Contents**

**PROPOSAL 2: ADVISORY VOTE ON EXECUTIVE COMPENSATION**

We are providing our shareholders with the opportunity to cast an advisory, non-binding vote on the executive compensation of our Named Executive Officers ( executive compensation ) as required by Section 14A of the Exchange Act and the Dodd-Frank Wall Street Reform and Consumer Protection Act. In light of shareholder approval at the Company s 2011 Annual Meeting to hold an advisory vote on the compensation of the Company s named executive officers every year, the Board of Directors determined to hold an advisory vote on the compensation of the Company s named executive officers every year. Therefore, the next shareholder advisory vote on executive compensation will occur at the Company s 2015 annual meeting of shareholders. While the vote on this proposal is advisory and non-binding, the Compensation Committee, which is responsible for designing and administering our executive compensation program, highly values the opinions of our shareholders. We will consider the vote of our shareholders when making compensation decisions for the Named Executive Officers in the future.

We have described the compensation of the Named Executive Officers under EXECUTIVE COMPENSATION COMPENSATION DISCUSSION AND ANALYSIS and EXECUTIVE COMPENSATION COMPENSATION TABLES AND INFORMATION sections of this proxy statement. We have a strong pay for performance philosophy for our executive compensation program, which is designed to reward executive officers for maximizing our success, as determined by our performance relative to our financial and operational goals. 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 Compensation Committee reviews on an ongoing basis the compensation programs for the Named Executive Officers to ensure that such programs achieve the desired goals of enhancing the long-term total return to our shareholders and building a better company by implementing compensation programs that reward both company-wide and individual performance, aligning our executives interests with those of our shareholders and allowing us to attract and retain talented executives. For additional information regarding our executive compensation, including our 2014 executive compensation decisions, please see EXECUTIVE COMPENSATION COMPENSATION DISCUSSION AND ANALYSIS beginning on page 13 of this proxy statement.

In light of the foregoing considerations, we are asking our shareholders to indicate their approval, on an advisory basis, of the compensation of the Named Executive Officers as disclosed in this proxy statement. Accordingly, we will ask our shareholders to vote FOR the following resolution at the Annual Meeting:

RESOLVED, that the Company s shareholders approve, on an advisory basis, the compensation of the Named Executive Officers, as disclosed in the Company s proxy statement for the Annual Meeting of Shareholders pursuant to the compensation disclosure rules of the SEC, including the Compensation Discussion and Analysis, the 2014 Summary Compensation Table and the other related tables and disclosure.

**Board Recommendation**

**OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THE RESOLUTION TO APPROVE, ON AN ADVISORY BASIS, THE COMPENSATION OF THE NAMED EXECUTIVE OFFICERS AS DISCLOSED IN THIS PROXY STATEMENT.**



**Table of Contents**

**PROPOSAL 3: RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC  
ACCOUNTING FIRM**

The Audit Committee has retained Deloitte & Touche LLP as our independent registered public accounting firm for 2015. Deloitte & Touche LLP has served as our independent registered public accounting firm since 1972.

Representatives of Deloitte & Touche LLP have been requested to attend the Annual Meeting. These representatives will have the opportunity to make a statement if they so desire and are expected to be available to respond to appropriate questions.

If shareholders fail to ratify the appointment of Deloitte & Touche LLP, the Audit Committee will consider any failure to ratify the appointment of Deloitte & Touche LLP but in its discretion may still direct the appointment of Deloitte & Touche LLP. Also, if the ratification of the appointment of Deloitte & Touche LLP is approved, the Audit Committee in its discretion may still direct the appointment of a different independent registered public accounting firm at any time and without shareholder approval if the Audit Committee believes that such a change would be in our best interest and the best interest of our shareholders.

**Board Recommendation**

**OUR BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE RATIFICATION OF THE APPOINTMENT OF DELOITTE & TOUCHE LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2015.**

**FEES PAID TO AUDITORS**

The following table sets forth certain fees billed to us by Deloitte & Touche LLP in connection with various services provided to us throughout 2014 and 2013.

<b>Service</b>	<b>Aggregate Fees Billed for FY 2014</b>	<b>Aggregate Fees Billed for FY 2013</b>
Audit Fees(1)	\$ 763,783	\$ 735,278
Audit-Related Fees	\$ 0	\$ 0
Tax Fees	\$ 0	\$ 0
All Other Fees(2)	\$ 2,200	\$ 2,200
<b>Total Fees</b>	<b>\$ 765,983</b>	<b>\$ 737,478</b>

- (1) Represents aggregate fees for professional services rendered for: the audit of our consolidated financial statements contained in our Annual Reports on Form 10-K for 2014 and 2013; review of our condensed consolidated financial statements contained in our Quarterly Reports on Form 10-Q for 2014 and 2013; attestation report related to internal control over financial reporting for 2014 and 2013.

(2) Represents aggregate expenses for licenses to access a financial accounting technical database.

**Table of Contents**

**AUDIT COMMITTEE REPORT**

The Audit Committee is responsible for providing independent, objective oversight and review of the Company's accounting functions and internal controls and has primary oversight responsibility for the Company's risk management program. The Audit Committee's functions are described in greater detail on pages 8 and 9 of this proxy statement. Among other things, the Audit Committee recommends to the Board of Directors that the Company's audited financial statements be included in its Annual Report on Form 10-K.

The Audit Committee is comprised of four directors, all of whom are independent as determined in accordance with Nasdaq's listing standards and our Corporate Governance Guidelines. Each member of the Audit Committee is also independent within the meaning of Rule 10A-3 under the Exchange Act. The Board of Directors has determined that Richard J. Dobkin, Chairman of the Audit Committee, satisfies the attributes of an audit committee financial expert, as defined by SEC regulations.

In connection with recommending that the Company's audited financial statements be included in its Annual Report on Form 10-K, the Audit Committee took the following steps:

The Audit Committee discussed with the Company's independent registered public accounting firm their judgment as to the quality, not just the acceptability, of the Company's accounting policies and principles and such other matters as are required to be discussed under generally accepted auditing standards, including information concerning the scope and result of the audit. These communications and discussions are intended to assist the Audit Committee in overseeing the financial reporting and disclosure process.

Management represented to the Audit Committee that the Company's audited consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America, on a consistent basis, and the Audit Committee reviewed and discussed the quarterly and annual earnings press releases and consolidated financial statements with management and the independent registered public accounting firm. The Audit Committee discussed with the independent registered public accounting firm matters required to be discussed by the Statement on Auditing Standards No. 61 (Communication with Audit Committees), as amended, as adopted by the Public Company Accounting Oversight Board in Rule 3200T.

The Company's independent registered public accounting firm also provided to the Audit Committee the written disclosures and the letter required by applicable requirements of the Public Company Accounting Oversight Board, and the Audit Committee discussed with the independent registered public accounting firm the firm's independence from the Company and its management. The Audit Committee also considered whether the independent registered public accounting firm provided non-audit services to the Company and, if so, whether the provision is compatible with maintaining the independent registered public accounting firm's independence. This discussion and disclosure informed the Audit Committee of the independent registered public accounting firm's independence and assisted the Audit Committee in evaluating that independence. The Audit Committee concluded that the independent registered public accounting firm is independent from the Company and its management.

The Audit Committee reviewed and discussed, with the Company's management and independent registered public accounting firm, the Company's audited consolidated balance sheets as of August 1, 2014 and August 2, 2013 and the related consolidated statements of operations, shareholders' equity and cash flows for each of the years in the three-year period ended August 1, 2014, including associated footnotes and Management's Discussion and Analysis of Financial Condition and Results of Operations.

The Audit Committee reviewed and discussed CEO and CFO certifications concerning the Company's Annual Report on Form 10-K.

Based on the discussions with the Company's independent registered public accounting firm concerning the audit, the independence discussions, the financial statement quarterly reviews, and additional matters deemed relevant and appropriate by the Audit Committee, including internal audit activities, the Audit Committee recommended to the Board of Directors that the Company's audited consolidated financial statements be included in its Annual Report on Form 10-K.



## **Table of Contents**

In order to ensure that the Company's independent registered public accounting firm is engaged only to provide audit and non-audit services that are compatible with maintaining independence as defined by applicable laws and regulations, the Audit Committee requires that all services provided and fees charged by the independent registered public accounting firm be pre-approved by the Audit Committee. The authority to grant any pre-approval sought by the Audit Committee during the time period between regularly scheduled Audit Committee meetings is delegated to the Chairman of the Audit Committee. All of the services described above under the caption "FEES PAID TO AUDITORS" were pre-approved by the Audit Committee.

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

Richard J. Dobkin, Chairman

Glenn A. Davenport

Norman E. Johnson

William W. McCarten

This Audit Committee report does not constitute soliciting material and shall not be deemed filed or incorporated by reference into any other filing made by the Company under the Securities Act or the Exchange Act, except to the extent that the Company specifically incorporates this information by reference therein.

## **SHAREHOLDER PROPOSALS FOR 2015 ANNUAL MEETING**

If you wish to submit a proposal to be included in our proxy statement for our Annual Meeting of Shareholders, proposals must be submitted by eligible shareholders who have complied with the relevant regulations of the SEC and must be received no later than June 5, 2015. Shareholder proposals should be mailed to Corporate Secretary, Cracker Barrel Old Country Store, Inc., 305 Hartmann Drive, Lebanon, Tennessee 37087.

In addition, the Company's Bylaws contain an advance notice provision requiring that, if a shareholder wants to present a proposal (including a nomination) at our 2015 Annual Meeting of Shareholders (whether or not to be included in the proxy statement), the shareholder must provide timely written notice thereof to the Secretary of the Company. In order to be timely, the notice must be delivered to the Secretary of the Company at the principal executive offices of the Company not earlier than the close of business on the 120th day and not later than the close of business on the 90th day prior to the first anniversary of the Annual Meeting. The Company's Bylaws set forth detailed information that must be submitted with any shareholder proposal. In the event that the date of the 2015 Annual Meeting is more than 30 days before or more than 60 days after such anniversary date, however, notice by the shareholder must be delivered not earlier than the close of business on the 120th day prior to the date of the 2015 Annual Meeting and not later than the close of business on the later of the 90th day prior to the date of the 2015 Annual Meeting (or, if the first public announcement of the date of the 2015 Annual Meeting is less than 100 days prior to the date of such Annual Meeting, the 10th day following the date on which public announcement of the date of the 2015 Annual Meeting is first made by the Company). In the event that a shareholder proposal intended to be presented for action at an Annual Meeting is not received timely, then the persons designated as proxies in the proxies solicited by the Board of Directors in connection with that Annual Meeting will be permitted to use their discretionary voting authority with respect to the proposal, whether or not the proposal is discussed in the proxy statement for that Annual Meeting.



**Table of Contents**

**ANNUAL REPORT AND FINANCIAL INFORMATION**

**A copy of our Annual Report on Form 10-K, and a list of all its exhibits, will be supplied without charge to any shareholder upon written request sent to our principal executive offices: Cracker Barrel Old Country Store, Inc., Attention: Investor Relations, 305 Hartmann Drive, Lebanon, Tennessee 37087. Exhibits to the Form 10-K are available for a reasonable fee. You may also view our Annual Report on Form 10-K and its exhibits on-line at the SEC website at [www.sec.gov](http://www.sec.gov), or via our website at [www.crackerbarrel.com](http://www.crackerbarrel.com).**

**OTHER BUSINESS**

We are not aware of any other matters to be brought before the Annual Meeting. If, however, any other matters are properly brought before the Annual Meeting, the persons named in the enclosed form of proxy will have discretionary authority to vote all proxies with respect to those matters in accordance with their best judgment.

**Table of Contents****Reconciliation of as reported GAAP basis operating results to as adjusted non-GAAP operating results (in thousands, except per share data)**

The Company makes reference to adjusted operating income, adjusted net income, and adjusted earnings per diluted share, excluding the impact of proxy contest expenses, severance and the retroactive restatement of the work opportunities tax credit. The Company believes that excluding these items and their related tax effects from its financial results reflects operating results that are more indicative of the Company's ongoing operating performance while improving comparability to prior periods, and as such, may provide investors with an enhanced understanding of the Company's past financial performance and prospects for the future.

This information is not intended to be considered in isolation or as a substitute for operating income, net income, or earnings per share or expense information prepared in accordance with GAAP.

	Twelve months ended August 1, 2014			Twelve months ended August 2, 2013		
	As Reported	Adjust (1)	As Adjusted	As Reported	Adjust (1)(2)(3)	As Adjusted
Total Revenue	\$ 2,683,677		\$ 2,683,677	\$ 2,644,630		\$ 2,644,630
Store operating income	337,793		337,793	344,786		344,786
General and administrative expenses	129,387	(4,313)	125,074	143,262	(5,634)	137,628
Operating income	208,406	4,313	212,719	201,524	5,634	207,158
Interest Expense	17,557		17,557	35,742		35,742
Pretax income	190,849	4,313	195,162	165,782	5,634	171,416
Provision for income taxes	58,721	1,327	60,048	48,517	3,847	52,364
Net income	\$ 132,128	\$ 2,986	\$ 135,114	\$ 117,265	\$ 1,787	\$ 119,052
Earnings per share Basic	\$ 5.55	\$ 0.13	\$ 5.68	\$ 4.95	\$ 0.08	\$ 5.02
Earnings per share Diluted	\$ 5.51	\$ 0.12	\$ 5.63	\$ 4.90	\$ 0.07	\$ 4.97

(1) Charges and tax effects of the proxy contests.

(2) Severance, other charges and tax effects related to organizational changes.

(3) Provision for taxes adjusted to exclude the \$2.1 million prior year favorable effect of the retroactive reinstatement of the work opportunity tax credit.

**Table of Contents**

**Directions to the Annual Meeting**

Take I-40 West from Knoxville, Tennessee or I-40 East from Nashville, Tennessee.

Take the Hartmann Drive exit, Exit 236, and proceed North on Hartmann Drive.

Go North on Hartmann Drive approximately 2.6 miles.

Turn right at the traffic light into the Cracker Barrel campus.

Proceed as indicated by signs to the Operations Services Building 4.

Table of Contents

**VOTE BY INTERNET - [www.proxyvote.com](http://www.proxyvote.com)**

***CRACKER BARREL OLD COUNTRY STORE, INC.***  
***305 HARTMANN DRIVE***  
***LEBANON, TN 37088-0787***

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

**ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS**

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

**VOTE BY PHONE - 1-800-690-6903**

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the meeting date. Have your proxy card in hand when you call and then follow the instructions.

**VOTE BY MAIL**

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

M78674-P55965

KEEP THIS PORTION FOR YOUR RECORDS

DETACH AND RETURN THIS PORTION ONLY

**THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.**

<b>CRACKER BARREL OLD COUNTRY STORE, INC.</b>	<b>For All</b>	<b>Withhold All</b>	<b>For All Except</b>	To withhold authority to vote for any individual nominee(s), mark <b>For All Except</b> and write the number(s) of the nominee(s) on the line below.
---	----------------	---------------------	-----------------------	--

**The Board of Directors recommends you vote FOR the following:**

1. Election of Directors  
**Nominees:**

.. ..

01) James W. Bradford 06)  
Norman E. Johnson

02) Thomas H. Barr  
07) William W. McCarten

03) Sandra B. Cochran 08) Coleman H.  
Peterson

04) Glenn A. Davenport 09) Andrea M.  
Weiss

05) Richard J. Dobkin

**The Board of Directors recommends you vote FOR proposals 2 and 3.**

**For Against Abstain**

- |   |    |    |    |
|---|----|----|----|
| 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 ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the 2015 fiscal year.                              | .. | .. | .. |
| 4. To conduct other business properly brought before the meeting.   |    |    |    |

For address changes and/or comments, please check this box and write them on the back where indicated. ..

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

Signature [PLEASE SIGN WITHIN BOX] Date

Signature (Joint Owners) Date



**Table of Contents**

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:**

The Notice and Proxy Statement and Annual Report are available at [www.proxyvote.com](http://www.proxyvote.com).

M78675-P55965

**CRACKER BARREL OLD COUNTRY STORE, INC.**

**Proxy Solicited by and on behalf of the Board of Directors for the**

**Annual Meeting of Shareholders to be held on Thursday, November 13, 2014.**

The shareholder(s) whose signature(s) appear(s) on the reverse side of this proxy form hereby appoint(s) Sandra B. Cochran, James W. Bradford, and Michael J. Zylstra, and each of them, as proxies, with full power of substitution, to vote all shares that the shareholder(s) would be entitled to vote on all matters that may properly come before the Annual Meeting of Shareholders of Cracker Barrel Old Country Store, Inc. (the Company) to be held at 305 Hartmann Drive, Lebanon, TN, on Thursday, November 13, 2014 at 10:00 a.m., Central Time. The proxies shall vote subject to the directions indicated on the reverse side of this card, and proxies are authorized to vote in their discretion upon other business as may properly come before the meeting. The proxies will vote as the Board of Directors recommends where a choice is not specified. The shares will be voted in accordance with your instructions.

The proxies shall vote subject to the directions indicated on the reverse side of this card. The proxies will vote as the Board of Directors recommends where a choice is not specified.

THE SHARES WILL BE VOTED IN ACCORDANCE WITH YOUR INSTRUCTIONS. IF NO CHOICE IS SPECIFIED, SHARES WILL BE VOTED FOR ALL BOARD OF DIRECTORS NOMINEES IN THE ELECTION OF DIRECTORS; FOR THE APPROVAL, ON AN ADVISORY BASIS, OF THE COMPENSATION OF THE COMPANY'S NAMED EXECUTIVE OFFICERS; FOR THE RATIFICATION OF THE APPOINTMENT OF DELOITTE & TOUCHE LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE 2015 FISCAL YEAR; AND ACCORDING TO THE DISCRETION OF THE PROXY HOLDERS ON ANY OTHER MATTERS THAT MAY PROPERLY COME BEFORE THE ANNUAL MEETING.

**Address Changes/Comments:**

(If you noted any Address Changes/Comments above, please mark corresponding box on the reverse side.)

**Please sign and date this Proxy.**