CRACKER BARREL OLD COUNTRY STORE, INC
Form DEF 14A
October 02, 2015
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant x 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))**

x 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):

x No fee required.

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

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

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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¨ Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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Dear Shareholder:

We have enclosed with this letter the proxy statement for our 2015 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 12, 2015, 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 of the Company s shareholder rights plan, (3) approval, on an advisory basis, of the compensation of the Company s named executive officers as disclosed in the accompanying proxy statement, (4) to reapprove the material terms of the performance goals under our 2010 Omnibus Stock and Incentive Plan for purposes of Section 162(m) of the Internal Revenue Code, and (5) 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 again elected to provide access to our proxy materials over the Internet under the Securities and Exchange Commission s notice and access rules.

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

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

Sincerely,

Sandra B. Cochran
President and Chief Executive Officer

October 2, 2015

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305 Hartmann Drive

Lebanon, Tennessee 37087

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

DATE OF MEETING:	November 12, 2015
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 the Company s shareholder rights plan; (3) 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; (4) to reapprovethe material terms of the performance goals under our 2010 Omnibus Stock and Incentive Plan for purposes of Section 162(m) of the Internal Revenue Code; (5) to ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the 2016 fiscal year; and (6) 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 21, 2015.

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 2015 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 2015 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 2, 2015

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS

FOR THE SHAREHOLDER MEETING

TO BE HELD ON NOVEMBER 12, 2015:

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

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

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CRACKER BARREL OLD COUNTRY STORE, INC.

305 Hartmann Drive

Lebanon, Tennessee 37087

Telephone: (615) 444-5533

PROXY STATEMENT FOR 2015 ANNUAL MEETING OF SHAREHOLDERS

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GENERAL INFORMATION

What is this document?

This document is the proxy statement of Cracker Barrel Old Country Store, Inc. that is being furnished to shareholders in connection with our Annual Meeting of Shareholders to be held on Thursday, November 12, 2015 (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 21, 2015, 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 again 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.

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

Are you householding for shareholders sharing the same address?

Yes. The SEC s rules regarding the delivery of proxy materials to shareholders permit us to deliver a single copy of these documents to an address shared by two or more of our shareholders. This method of delivery is called householding, and it can significantly reduce our printing and mailing costs. It also reduces the volume of mail you receive. Under this procedure, we are delivering a single copy of the Notice and, if applicable, the proxy materials to multiple shareholders who share the same address 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 2015 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, but MacKenzie Partners, Inc. (MacKenzie), our proxy solicitor, will be paid a fee, not expected to exceed $20,000, for rendering solicitation services.

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.

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

We are the owner and operator of the Cracker Barrel Old Country Store® restaurant and retail concept. We operate over 637 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.

Who will count the votes cast at the Annual Meeting?

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

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

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

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VOTING MATTERS

What am I voting on?

You will be voting on the following matters:

- the election of nine directors;
- the approval of the Company s shareholder rights plan;
- the approval, on an advisory basis, of the compensation of the Company s named executive officers as disclosed in this proxy statement;
- the reapproval of the material terms of the performance goals under our 2010 Omnibus Stock and Incentive Plan for purposes of Section 162(m) of the Internal Revenue Code; and
- the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the 2016 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 21, 2015. As of September 21, 2015, there were 24,025,539 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 21, 2015 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

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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.

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 5: 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 5: Ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm.

How will my proxy be voted?

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

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

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

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

FOR the approval of the Company s shareholder rights plan;

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

FOR the reapproval of the material terms of the performance goals under our 2010 Omnibus Stock and Incentive Plan for purposes of Section 162(m) of the Internal Revenue Code; and

FOR ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for our 2016 fiscal year.

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Can I change my mind and revoke my proxy?

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

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

What vote is required to approve each proposal?

Proposal 1: Election of nine directors.

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

Proposal 2: Approval of the Company s shareholder rights plan.

The Company s shareholder rights plan 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: 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 4: Reapproval of the material terms of the performance goals under our 2010 Omnibus Stock and Incentive Plan for purposes of Section 162(m) of the Internal Revenue Code.

The reapproval of the material terms of the performance goals under our 2010 Omnibus Stock and Incentive Plan for purposes of Section 162(m) of the Internal Revenue Code 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 5: Ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for fiscal 2016.

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 of the Company s shareholder rights plan;
- **FOR** the approval, on an advisory basis, of the compensation of the Company s named executive officers as disclosed in this proxy statement;
- **FOR** the reapproval of the material terms of the performance goals under our 2010 Omnibus Stock and Incentive Plan for purposes of Section 162(m) of the Internal Revenue Code; and
- **FOR** ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for our 2016 fiscal year.

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

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

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

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BOARD OF DIRECTORS AND COMMITTEES

Directors

The names and biographies of each member of our Board of Directors are set forth in this proxy statement under PROPOSAL 1: ELECTION OF DIRECTORS, beginning on page 41 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 nine times during 2015. 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 2015 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 2015.

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. 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 2015
AUDIT: Richard J. Dobkin, Chair Glenn A. Davenport Norman E. Johnson William W. McCarten	Acts as liaison between our Board of Directors and independent auditors Reviews and approves the appointment, performance, independence and compensation of independent auditors 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	7

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Name of Committee and Members	Functions of the Committee	Number of Meetings in 2015
	Reviews and pre-approves directors and officers related-party transactions and annually reviews ongoing arrangements with related parties and potential conflicts of interest Reviews the appointment, performance and termination or replacement of the senior internal audit executive Determines financial expertise and continuing education requirements of members of the committee	
COMPENSATION: Coleman H. Peterson, Chair Glenn A. Davenport Richard J. Dobkin Andrea M. Weiss	Reviews management performance, particularly with respect to annual financial goals Administers compensation plans and reviews and approves salaries, bonuses and equity compensation grants of executive officers, excluding the Chief Executive Officer for whom the committee makes a recommendation to the Board of Directors for its approval Monitors compliance of directors and officers with our stock ownership guidelines Evaluates the risk(s) associated with our compensation 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	8
NOMINATING AND CORPORATE GOVERNANCE: James W. Bradford, Chair Thomas H. Barr William W. McCarten Coleman H. Peterson	Identifies and recruits qualified candidates to fill positions on our Board of Directors Considers nominees to our Board of Directors recommended by shareholders in accordance with the nomination procedures set forth in our bylaws Reviews corporate governance policies and makes recommendations to our Board of Directors Reviews and recommends 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	4

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Name of Committee and Members	Functions of the Committee	Number of Meetings in 2015
PUBLIC RESPONSIBILITY: Andrea M. Weiss, Chair Thomas H. Barr Norman E. Johnson	Assists the Board of Directors in fulfilling its oversight responsibility for the Company s overall enterprise risk management program Analyzes public policy trends and makes recommendations to the Board of Directors regarding how the Company can anticipate and adjust to these trends Annually reviews the policies, procedures and expenditures for the Company s political activities including political contributions and direct and indirect lobbying Reviews the Company s progress toward its diversity goals and compliance with the Company s responsibilities as an equal opportunity employer Reviews the Company s human and workplace rights policies Reviews and recommends procedures concerning the transmission of the Company s positions on public policy and social issues via digital media outlets Annually reviews shareholder proposals that deal with public policy issues and makes recommendations to the Board of Directors regarding the Company s response to such proposals	1
EXECUTIVE: James W. Bradford, Chair Sandra B. Cochran Richard J. Dobkin Coleman H. Peterson Andrea M. Weiss	Meets at the call of the Chief Executive Officer or Chairman of the Board 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	0

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

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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 2015 are independent under applicable Nasdaq listing standards and our Corporate Governance Guidelines. This system of checks and balances ensures that key decisions made by the Company s most senior management, up to and including the Chief Executive Officer, are reviewed and overseen by the non-employee directors of our Board of Directors.

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

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

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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 2015, 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%.

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 $100,000, 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 the 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 2015 is detailed in the Director Compensation Table, which can be found on page 35 of this proxy statement.

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EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

This portion of the proxy statement, called Compensation Discussion and Analysis or CD&A, provides a description of the objectives and principles of Cracker Barrel s executive compensation programs. It explains how compensation decisions are linked to Cracker Barrel s performance relative to our strategic goals and 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 2015.

Executive Summary

Company Performance in 2015 and Impact on Executive Compensation

Fiscal 2015 was a year marked with many operational and financial accomplishments. In every quarter of the year, we grew comparable store restaurant and retail sales over the prior year quarter. We achieved strong net income per share growth, generated substantial cash flow from operations, reinvested in the future growth of the Company, and returned significant capital to shareholders.

- ***Shareholder Returns:*** Supported by the strength of our financial results and our commitment to shareholder returns, the Board approved an increase of our regular quarterly dividend to $1.10 per share, a 400 percent increase since May 2011; and for the first time in the Company s history, we declared a special dividend of $3.00 per share. For the period ended July 31, 2015, we delivered three year total shareholder return (or TSR), which we believe is an appropriate measure of value returned on the shareholders investment, of approximately 170%, compared to 115% for the S&P 400 restaurant index.

- ***Revenue Growth:*** In fiscal 2015, we grew revenues by 5.9% to $2.8 billion, with comparable store restaurant sales increasing 5.1% and comparable store retail sales increasing 3.6%. With this top-line growth, we outperformed our peers consistently throughout the year, as measured by the Knapp-Track Casual Dining Index.

- ***Improved Margin:*** Adjusted for the impact of the previously disclosed litigation under the Fair Labor Standards Act in fiscal 2015 and proxy contest expenses in the prior year, we improved our operating margin, achieving 9.1% in fiscal 2015, compared to 7.9% in fiscal 2014.

- ***Guest Experience:*** We pride ourselves on our consistent quality, value, and friendly service. And the dedication and commitment of our employees continues to be broadly recognized by consumers. Technomic, Inc. named Cracker Barrel a 2015 Chain Restaurant Consumers Choice Award winner for our pleasant and friendly service. In addition, *FamilyFun* magazine named Cracker Barrel a top family-friendly restaurant in 2015, as part of their third annual Travel Awards. We were also ranked number one by *Nation s Restaurant News* Consumer Picks 2015 survey in the categories of Menu Variety and Atmosphere.

The strength of our performance was supported by the successful execution of our four strategic business priorities announced by our President and Chief Executive Officer, Sandra B. Cochran, at the beginning of 2015. These priorities steered our strategic focus and operational execution over the course of the year. The four strategic priorities, including a summary of how we delivered against them, are as follows:

1) ***Extend the reach of the Cracker Barrel brand to drive traffic and sales in both our restaurant and retail businesses.*** Our five seasonal menu promotions continued to be well received by our guests. We believe these promotions drive repeat visits by providing our guests with variety through limited-time

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offerings that appeal to both our most frequent guests and our lighter users. To meet our guests desire for additional healthy menu items, we continued the build-out of our Wholesome Fixin s menu category throughout fiscal 2015. Our retail store continues to be an integral part of the Cracker Barrel experience. Our merchandising team sourced themes that work across multiple demographics and resonate with a range of guests, with a focus on nostalgic and unique retail items. Marketing and advertising were key strategies to help drive restaurant and retail sales. In 2015, we sought to optimize our spend by reallocating dollars into media channels including social, digital, and our exclusive music program. We continued our Handcrafted by Cracker Barrel campaign with television and new billboard creative to drive brand awareness. We ran national cable advertising during our first, second, and fourth quarters. During these on-air periods, we used a pulsing schedule to stay engaged with our target guests over a longer period of time.

2) ***Optimize average guest check through implementation of a geographic pricing structure.*** Using rigorous testing methodology that will be analyzed over multiple purchase cycles, we began our market level pricing test in the first quarter. We moved forward with our second phase in the third quarter and continue to read the elasticity in each market and use the findings to further expand the pricing variance between levels. We maintain our belief that a geographic pricing structure could allow us to deliver two to three percent in price increases over the next few years.

3) ***Improve our operating margins through the application of technology and process enhancements.*** We successfully implemented new technology and process improvements to reduce annual operating costs by approximately $20 million. These improvements and initiatives included plate reduction, retail labor scheduling and lighting enhancement. Our new plate reduction guidelines drove improvements in dish room labor and chemical usage costs. Annual savings were also realized through a system-wide update to our retail labor scheduling and a re-bulbing of all stores with new LED light technology. We believe these initiatives further drove retail productivity and reduced our utilities expense, respectively, while maintaining the overall guest experience. It is our belief that these 2015 initiatives generated sustainable improvements in our cost structure and drove higher operating margins.

4) ***Further grow our store base with the opening of six or seven new stores.*** During the fiscal year, we opened six new Cracker Barrel Old Country Store locations, including one designed with our new store prototype, expanding our chain to 637 stores in 42 states at year-end. We were pleased with guests responses to our new prototype design. As we gain knowledge from the performance of our new prototype, we anticipate retrofit opportunities for individual initiatives that can benefit the base business.

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Outlook

The strength of the differentiated Cracker Barrel brand allowed us to optimize on higher consumer confidence to grow our 2015 revenue. Our ability to leverage this opportunity and execute against our strategic initiatives drove our solid bottom-line results. Adjusted operating income and adjusted earnings per share (EPS) were $258.4 million and $6.82 per share[1], respectively, representing increases of 21% over fiscal 2014 comparable measures.

Summary of 2015 Compensation Actions

Pay actions for our Named Executive Officers in 2015 reflected the outstanding overall corporate performance discussed above, driven in large part by successful execution and focus on our four strategic business priorities:

- Short term awards (annual bonus plan) for Named Executive Officers were 187.99% of target, driven by the increase in our operating income;
- Long term awards (2014 LTPP Awards) for Named Executive Officers were 140.90% of target and reflected our achievement of return on invested capital (ROIC) of 19.56% during the past two fiscal years; and
- Long term awards (2013 MSU Grants) for Named Executive Officers were 150% of target and reflected our achievement of a positive change in cumulative TSR of 154.52% 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 72% of the votes cast were in favor of our executive compensation as disclosed in our 2014 Proxy Statement. MacKenzie, the Company s proxy solicitor in proxy contests at recent shareholder meetings, informed the Company that MacKenzie determined that Biglari Capital (Biglari Capital)

1 Operating income and EPS determined in accordance with GAAP were $254.9 million and $6.82 per share for 2015 and $208.4 million and $5.51 per share for 2014, respectively. The GAAP amount for 2015 includes expenses associated with the litigation under the Fair Labor Standards Act and the retroactive restatement of the Work Opportunity Tax Credit in fiscal 2015, and the GAAP amount for 2014 includes proxy contest expenses. 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 65 of this proxy statement.

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cast 4,735,794 votes against our executive compensation as disclosed in our 2014 Proxy Statement. Excluding these votes cast by Biglari Capital, a historically dissident shareholder, approximately 98% of the remaining votes cast were in favor of our executive compensation as disclosed in our 2014 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.

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.

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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;
- The Chief Executive Officer provides her perspective on recommendations provided by the consulting firm hired by the Compensation Committee regarding compensation program design issues;
- The Chief Executive Officer does not play a role in setting her own compensation; and
- Other members of management, at the request of the Compensation Committee, work with the outside consultants hired by the Compensation Committee to provide data about past practices, awards, costs and participation in various plans, and information about our annual and longer-term goals. When requested by the Compensation Committee, selected members of management may also review consultant recommendations on plan design and structure and provide a perspective to the Compensation Committee on how these recommendations may affect recruitment, retention and motivation of our employees as well as how they may affect us from an administrative, accounting, tax or similar perspective.

Role of Independent Compensation Consultant

To assist the Compensation Committee with establishing executive compensation, the Compensation Committee retains 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 on 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 2015. 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.

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Analysis of Peer Group

The Compensation Committee evaluates a variety of factors in establishing an overall compensation program that best fits our overarching goals of maximizing shareholder return and building a stronger company. As one element of this evaluative process, the Compensation Committee, with the assistance of 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 reference point to ensure relative consistency at the median level of our peers. The peer group is reviewed annually by the Compensation Committee, working with 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 2015 was comprised of the following 16 publicly-traded companies:

ANN, Inc.	Darden Restaurants, Inc.
Big Lots, Inc.	DineEquity, Inc.
Bloomin Brands, Inc.	Jack-in-the-Box, Inc.
Bob Evans Farms, Inc.	Panera Bread Co.
Brinker International, Inc.	Petsmart Inc.
Buffalo Wild Wings, Inc.	Ruby Tuesday, Inc.
Cheesecake Factory, Inc.	Tractor Supply, Inc.
Chipotle Mexican Grill, Inc.	The Wendy s Company

The peer group used in 2015 is the same as the peer group used in 2014.

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

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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 (LTPP) 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 2015 pay mix supports the Company s strong pay for performance culture, as demonstrated by approximately 82% of our Chief Executive Officer s target total direct compensation and approximately 65% of our other Named Executive Officers target total direct compensation in 2015 were contingent upon the Company s measurable performance to have any realizable value.

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

Pay Element	What the Pay Element Rewards	Purpose of the Pay Element
Base Salary	Skills, experience, competence, performance, responsibility, leadership and contribution to the Company	Provide fixed compensation for daily responsibilities
Annual Bonus Plan	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 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

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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, anti-pledging 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 2014 and 2015 for the Named Executive Officers were as follows:

NAMED EXECUTIVE OFFICER	2014 BASE SALARY	2015 BASE SALARY	PERCENT CHANGE
Sandra B. Cochran	$ 955,000	$ 985,000	3.14%
Lawrence E. Hyatt	$ 505,000	$ 520,000	2.97%
Nicholas V. Flanagan	$ 370,000	$ 426,000	15.14%
Edward A. Greene	$ 385,000	$ 397,000	3.12%
Christopher A. Ciavarra	$ 320,000	$ 320,000	0.00%

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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 2015, 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:

Annual Bonus Plan Curve

(Dollars are in Thousands)

Operating Income Performance

In determining whether the operating income performance metrics were satisfied in 2015, the Compensation Committee used adjusted operating income of $258.4 million rather than operating income calculated according to GAAP of $254.9 million. The adjusted operating income figure excludes a settlement expense accrual related to the Company s previously disclosed litigation under the Fair Labor Standards Act and related state law claims.

For 2015, the Company s target operating income was $227.3 million and the Company achieved an adjusted operating income of $258.4 million (see page 65 for calculation of applicable adjustments), which was 113.67% of the operating income target. As a result of the Company s performance, annual bonus payouts were 187.99% of the target percentage of base salary (see table below).

	2015 Operating Income Goals		Actual 2015 Operating	
	Performance Range ($000)	Payout Range (% of target)	Income Performance ($000)	2015 Annual Bonus Plan Payout
Threshold	$ 193,232	30%		
Target	$ 227,332	100%	258,399	187.99%
Maximum	$ 261,432	200%		

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The following table sets forth (i) target bonuses during 2015 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 2015 annual bonus plan:

NAMED EXECUTIVE OFFICER	2015 BASE SALARY	2015 BONUS TARGET PERCENTAGE	2015 BONUS TARGET	ACTUAL PAYOUT PERCENTAGE	2015 ACTUAL BONUS
Sandra B. Cochran	$ 985,000	100%	$ 985,000	187.99%	$ 1,851,702
Lawrence E. Hyatt	$ 520,000	70%	$ 364,000	187.99%	$ 684,284
Nicholas V. Flanagan	$ 426,000	70%	$ 298,200	187.99%	$ 560,586
Edward A. Greene	$ 397,000	50%	$ 198,500	187.99%	$ 373,160
Christopher A. Ciavarra	$ 320,000	60%	$ 192,000	187.99%	$ 360,941

The above 2015 annual bonuses are reflected in the 2015 Non-Equity Incentive Plan Compensation column of the Summary Compensation Table on page 30 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 2015

Overview. In 2015, the Company s equity compensation to executive officers was governed by the 2015 Long-Term Incentive Program. The 2015 Long-Term Incentive Program, which was adopted at the start of the 2015 fiscal year, consists of two components, both contingent upon Company performance, of substantially equal value at the time of grant: (i) the LTPP that provides for awards of performance shares tied to successful achievement of predetermined ROIC goals over a two-year performance period, and (ii) MSU Grants tied to TSR over a three-year performance period. For the 2015 Long-Term Incentive Program, the award types, performance periods and metrics for each of the two plan components are as follows:

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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 2015 (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 2015 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 applicable plan components.

Awards under the Long-Term Incentive Program are credited (as a cash deferral) with dividend equivalent rights for any cash dividends paid on the number of shares covered by the Performance Shares or MSUs, as applicable, and the deferred amounts are settled in cash upon the vesting of the awards at the end of the performance period.

2015 LTPP. Under the 2015 LTPP, the executive officer is eligible to receive an award (a 2015 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 2014 and the first 30 calendar days of fiscal 2015, which was $98.69. 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 metric for LTPP performance is ROIC, measured over a two-year performance period. For the 2015 LTPP, the Compensation Committee set a target of cumulative ROIC over fiscal years 2015 and 2016.

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 2015 LTPP will be determined after the conclusion of the 2015 LTPP s performance period covering the 2015 and 2016 fiscal years. The following table summarizes targets and maximum eligible awards under the 2015 LTPP for each of our Named Executive Officers:

NAMED EXECUTIVE OFFICER	LTPP PERCENTAGE	BASE SALARY	LTPP TARGET VALUE	LTPP TARGET SHARES	LTPP MAX. AWARD
Sandra B. Cochran	185%	$ 985,000	$ 1,822,250	18,464	36,928
Lawrence E. Hyatt	100%	$ 520,000	$ 520,000	5,268	10,536
Nicholas V. Flanagan	50%	$ 426,000	$ 213,000	2,158	4,316
Edward A. Greene	37.5%	$ 397,000	$ 148,875	1,508	3,016
Christopher A. Ciavarra	37.5%	$ 320,000	$ 120,000	1,215	2,430

2015 MSU Grant. Under the 2015 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 2014 and the first 30 calendar days of fiscal 2015, which was $98.69. Under the 2015 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 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 2015 MSU Grant are as follows:

NAMED EXECUTIVE OFFICER	MSU PERCENTAGE	BASE SALARY	MSU TARGET VALUE	MSU GRANT TARGET	MSU GRANT MAX. AWARD
Sandra B. Cochran	185%	$ 985,000	$ 1,822,250	18,464	27,696
Lawrence E. Hyatt	100%	$ 520,000	$ 520,000	5,268	7,902
Nicholas V. Flanagan	50%	$ 426,000	$ 213,000	2,158	3,237
Edward A. Greene	37.5%	$ 397,000	$ 148,875	1,508	2,262
Christopher A. Ciavarra	37.5%	$ 320,000	$ 120,000	1,215	1,822

Payment of 2013 MSU Grants

On September 17, 2015, the Compensation Committee reviewed and certified the awards granted to executive officers under the 2013 MSU (the 2013 MSU Grants). The performance metric for MSU awards is the Company s cumulative TSR for the period, which is calculated as follows:

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

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

The Company achieved positive change in cumulative TSR of 154.52% for the three-year performance period of fiscal years 2013, 2014 and 2015, resulting in 2013 MSU Grants that were capped at the maximum possible award amount of 150% of the target number of 2013 MSU Grants originally allocated in fiscal 2013. Under the terms of the plan, an increase in cumulative TSR of 50% or more from the beginning of the three-year performance period results in a maximum award payment of 150% of target shares.

Market Stock Units (MSU)

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Payment of 2014 LTPP Awards

On September 17, 2015, the Compensation Committee reviewed and certified the awards granted to executive officers under the 2014 LTPP (the 2014 LTPP Awards). The Compensation Committee set a cumulative ROIC target under the 2014 LTPP of 18.44% for the two-year performance period of fiscal years 2014 and 2015. The Company achieved a cumulative ROIC of 19.56% for this two-year performance period, resulting in 2014 LTPP Awards that were 140.90% of the target number of 2014 LTPP Awards originally allocated in fiscal 2014.

Long-term Performance Plan (LTPP)

Illustrative Award Curve

ROIC Performance

The performance metric for LTPP awards is an internal ROIC-based metric to measure effective returns from working capital and capital investments. For the purposes of the 2014 LTPP Awards, the Company achieved a 19.56% ROIC during the applicable two-year performance period. The Company calculates ROIC as follows:

The average fiscal year end balance for 2014 and 2015 adjusted operating incomes + rents

The average for fiscal years 2013, 2014 and 2015 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 2015.

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Severance and Change in Control Provisions

None of our current Named Executive Officers has an employment agreement, other than Ms. Cochran, whose agreement is described beginning on page 36 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 2018, such Named Executive Officers receive severance benefits of 12-18 months base salary, depending on their length of service. These management retention agreements require a double trigger (change in control of the Company coupled with termination of employment without cause or for good reason (as defined in the agreements)) before the Named Executive Officer will receive the following benefits:

- 2.0 times the sum of (i) their average base salary during the three years prior to termination and (ii) their average bonus payments during the three years prior to termination;
- 18 months continuation of benefits under COBRA, reimbursed by the Company; and
- Acceleration of all unvested equity awards.

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

Potential payments pursuant to these agreements under various termination scenarios are more fully described under COMPENSATION TABLES AND INFORMATION Potential Payments Upon Termination or Change in Control below, including the table on page 35 of this proxy statement.

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

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

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 30 and 31 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 financial planning services made available, at the Company s expense, to the Named Executive Officers, we do not provide a number of perquisites that are provided by other companies, such as club memberships or drivers.

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Other Executive Compensation Policies and Guidelines

Stock Ownership Guidelines

We have stock ownership guidelines (the Ownership Guidelines) covering all executive officers, which are posted on our website at www.crackerbarrel.com. The Ownership Guidelines emanate from the Compensation Committee s belief that executives and directors should accumulate a meaningful level of ownership in Company stock to align their interests with shareholders. The Ownership Guidelines are based on a multiple of base salary for executive officers and the total annual cash retainer for non-employee directors. The Chief Executive Officer s guideline is five times base salary, the Chief Financial Officer s guideline is three times base salary and any other executive officer s guideline is two times base salary. No officer may sell or otherwise dispose of any shares until his or her aggregate ownership satisfies these requirements. 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) with respect to executive officers, each officer s base salary applicable at the time of such calculation and (ii) the average closing price of the Company s common stock, as reported by NASDAQ, for each trading day during the last 30 calendar days of the preceding fiscal year and the first 30 calendar days of the fiscal year in which the calculation is performed. For fiscal 2015, 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
Nicholas V. Flanagan	2X
Edward A. Greene	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 compliance with the applicable guideline. Once achieved, ownership of the guideline amount must be maintained for as long as the executive officers and non-employee directors are subject to the Ownership Guidelines. Executive officers and non-employee directors who do not comply with the Ownership Guidelines may not be eligible for future equity awards. If an executive officer or non-employee director falls below the required ownership threshold, he or she will be prohibited from selling shares of Company common stock until he or she meets the ownership thresholds.

Anti-Hedging and Anti-Pledging Policy

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

Under the Anti-Hedging and Anti-Pledging Policy, no director or officer may, directly or indirectly, engage in any hedging transaction that reduces or limits the director s or officer s economic risk with respect to the director s or officer s holdings, ownership or interest in the Company s securities, including outstanding stock

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options, stock appreciation rights or other compensation awards the value of which are derived from, referenced to or based on the value or market price of the Company s securities.

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

Compensation Risk Analysis

The Compensation Committee is responsible for overseeing our incentive compensation arrangements, for aligning such arrangements with sound risk management and long-term growth and for verifying compliance with applicable regulations. The Compensation Committee conducted an internal assessment of our executive and non-executive incentive compensation programs, policies and practices. The Compensation Committee reviewed and discussed: the various design features and characteristics of the Company-wide compensation policies and programs; performance metrics; and approval mechanisms of all incentive programs. Based on this assessment and after discussion with management and 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 varies. However, the accounting treatment is not expected to have a material effect on the Compensation Committee s selection of differing types of equity awards.

Sections 280G and 4999

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

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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 the best interests of the Company and our shareholders, but which may not be fully tax deductible under Section 162(m).

The Company intends for payments under the annual bonus plan to qualify as performance based compensation under Section 162(m) of the Code. For 2015, 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 of this proxy statement.

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. For example, for the 2015 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 2015.

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

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COMPENSATION TABLES AND INFORMATION

Summary Compensation Table

The following table sets forth information regarding the compensation for the Named Executive Officers during 2013, 2014 and 2015.

Name and Principal Position	Year	Salary ($)	Stock Awards(1) ($)	Non-Equity Incentive Plan Compensation ($)	All Other Compensation(2) ($)	Total ($)
Sandra B. Cochran,	2015	$ 985,000	$ 4,021,275	$ 1,851,702	$ 681,233	$ 7,539,210
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
Lawrence E. Hyatt,	2015	$ 520,000	$ 1,147,318	$ 684,284	$ 184,878	$ 2,536,480
Senior Vice President and Chief Financial	2014	$ 505,000	$ 958,367	$ 332,538	$ 37,415	$ 1,833,320
Officer	2013	$ 490,000	$ 1,026,438	$ 410,022	$ 7,151	$ 1,933,611
Nicholas V. Flanagan,	2015	$ 426,000	$ 469,991	$ 560,586	$ 75,765	$ 1,532,342
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
Edward A. Greene,	2015	$ 397,000	$ 328,427	$ 373,160	$ 66,365	$ 1,164,952
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
Christopher A. Ciavarra,	2015	$ 320,000	$ 264,615	$ 360,941	$ 67,582	$ 1,013,138
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 2013, 2014 and 2015 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 2015 are as follows:

Name	Year	Aggregate Grant Date Fair Value at Maximum Performance Level
Sandra B. Cochran	2015	$ 6,976,161
Lawrence E. Hyatt	2015	$ 1,990,383
Nicholas V. Flanagan	2015	$ 815,347
Edward A. Greene	2015	$ 569,760
Christopher A. Ciavarra	2015	$ 459,058

For information regarding the compensation cost of the awards and the assumptions used to calculate the grant date fair value of the awards, see Note 10 to the Consolidated Financial Statements included or incorporated by reference in the Company s Annual Reports on Form 10-K for fiscal 2015 and 2014 and Note 11 to the Consolidated Financial Statements included or incorporated by reference in the Company s Annual Report on Form 10-K for fiscal 2013.

(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.

	Year	Life Insurance	Long-term Disability	Dividend Equivalents on Shares of Restricted	Company Match Under Non-Qualified	Company Match Under 401(k) Plan	Other (2)	Total

				Stock(1)	Deferred Compensation Plan			
Sandra B. Cochran	2015	$ 19,380	$ 1,728	$ 631,944	$ 27,073	$ 1,108	$ 0	$ 681,233
Lawrence E. Hyatt	2015	$ 900	$ 1,498	$ 169,692	$ 12,788	$ 0	$ 0	$ 184,878
Nicholas V. Flanagan	2015	$ 900	$ 1,227	$ 52,485	$ 8,786	$ 662	$ 11,705	$ 75,765
Edward A. Greene	2015	$ 900	$ 1,143	$ 47,267	$ 5,955	$ 0	$ 11,100	$ 66,365
Christopher A. Ciavarra	2015	$ 864	$ 922	$ 60,203	$ 4,313	$ 1,280	$ 0	$ 67,582

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(1) The amounts disclosed in this column represent dividend equivalents accrued on awards granted under the 2014 and 2015 LTPP and MSU Grants and certain time-based restricted stock awards. The accrued amounts will be settled in cash upon the vesting of the shares underlying such awards.

(2) Includes Company-paid expenses for (a) professional financial planning services for Mr. Flanagan and (b) executive housing lease arrangement for Mr. Greene.

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 2015.

		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)
Name	**Grant Date**	**Threshold ($)**	**Target ($)**	**Maximum ($)**	**Threshold (#)**	**Target (#)**	**Maximum (#)**	
Sandra B. Cochran		$ 295,500	$ 985,000	$ 1,970,000				
	10/01/14				9,232	18,464	36,928	$ 1,888,498
	10/01/14					18,464	27,696	$ 2,132,777
Lawrence E. Hyatt		$ 109,200	$ 364,000	$ 728,000				
	10/01/14				2,634	5,268	10,536	$ 538,811
	10/01/14					5,268	7,902	$ 608,507
Nicholas V. Flanagan		$ 89,460	$ 298,200					