

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

Filed by a party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

Cracker Barrel Old Country Store, Inc.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

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

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(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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(1) Amount Previously Paid:

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(3) Filing Party:

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Dear Shareholder:

We have enclosed with this letter the proxy statement for our 2014 Annual Meeting (the Annual Meeting) of shareholders of Cracker Barrel Old Country Store, Inc. (Cracker Barrel or the Company).

This year s Annual Meeting will be held on Thursday, November 13, 2014, at 10:00 a.m. Central Time, at our offices at 305 Hartmann Drive, Lebanon, Tennessee 37087, and you are most welcome to attend. You will find directions to the Annual Meeting on the inside back cover of the accompanying proxy statement.

At the Annual Meeting, you will have an opportunity to vote on the following proposals: (1) the election of nine directors, (2) approval, on an advisory basis, of the compensation of the Company s named executive officers as disclosed in the accompanying proxy statement and (3) ratification of the appointment of Deloitte & Touche LLP as the Company s independent registered public accounting firm. Representatives from Deloitte & Touche LLP will be available at the Annual Meeting and we will address questions that you may have.

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

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

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

Sincerely,

Sandra B. Cochran

President and Chief Executive Officer

October 3, 2014

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305 Hartmann Drive

Lebanon, Tennessee 37087

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

DATE OF MEETING: November 13, 2014

TIME OF MEETING: 10:00 a.m. Central Time

PLACE OF MEETING: 305 Hartmann Drive

Lebanon, Tennessee 37087

ITEMS OF BUSINESS:

- (1) to elect nine directors;
- (2) to approve, on an advisory basis, the compensation of the Company's named executive officers as disclosed in the proxy statement that accompanies this notice;
- (3) to ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the 2015 fiscal year; and
- (4) to conduct other business properly brought before the meeting.

WHO MAY VOTE / RECORD DATE: You may vote if you were a shareholder at the close of business on September 22, 2014.

We are mailing a Notice of Internet Availability of Proxy Materials (the "Notice") to many of our shareholders instead of paper copies of our proxy statement and our 2014 Annual Report. The Notice contains instructions on how to access those documents over the Internet. The Notice also contains instructions on how shareholders can receive a paper copy of our proxy materials, including this proxy statement, our 2014 Annual Report and proxy card.

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

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

By Order of our Board of Directors,

Michael J. Zylstra

Secretary

Lebanon, Tennessee

October 3, 2014

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

**The Notice of Internet Availability of Proxy Materials, Notice of Meeting and
Proxy Statement are available free of charge at: www.proxyvote.com**

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CRACKER BARREL OLD COUNTRY STORE, INC.

305 Hartmann Drive

Lebanon, Tennessee 37087

Telephone: (615) 444-5533

PROXY STATEMENT FOR 2014 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 13, 2014 (the Annual Meeting). If you requested a printed version of the proxy statement, a form of proxy card is also being furnished with this document.

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

Why am I receiving a proxy statement?

Because you were one of our shareholders at the close of business on September 22, 2014, the record date for our Annual Meeting, you are receiving this document in order to solicit your proxy (i.e., your permission) to vote your shares of Cracker Barrel stock upon certain matters at the Annual Meeting. We are required by law to convene an Annual Meeting of our shareholders at which directors are elected. Because our shares are widely held, it would be impractical, if not impossible, for our shareholders to meet physically in sufficient numbers to hold a meeting. Accordingly, proxies are solicited from our shareholders. United States federal securities laws require us to send you this proxy statement and specify the information required to be contained in it.

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

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

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

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

How can I get electronic access to the proxy materials?

The Notice will provide you with instructions regarding how to:

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

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

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

Choosing to receive future proxy materials by email will save the Company the cost of printing and mailing documents to you and will reduce the impact of the Company's annual meetings on the environment. If you choose to receive future

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proxy materials by email, you will receive an email message next year with instructions containing a link to those materials and a link to the proxy voting website. Your election to receive proxy materials by email will remain in effect until you terminate it.

Are you householding for shareholders sharing the same address?

Yes. The SEC's rules regarding the delivery of proxy materials to shareholders permit us to deliver a single copy of these documents to an address shared by two or more of our shareholders. This method of delivery is called householding, and it can significantly reduce our printing and mailing costs. It also reduces the volume of mail you receive. Under this procedure, we are delivering a single copy of the Notice and, if applicable, the proxy materials to multiple shareholders who share the same address unless we received contrary instructions from one or more of the shareholders. This procedure reduces our printing costs, mailing costs, and fees. Shareholders who participate in householding will continue to be able to access and receive separate proxy cards. Upon written request, we will deliver promptly a separate copy of the Notice and, if applicable, the proxy materials to any shareholder at a shared address to which we delivered a single copy of any of these documents. To receive a separate copy of the Notice and, if applicable, this proxy statement or the 2014 Annual Report, shareholders may write or call our transfer agent, AST, at toll free 800-485-1883, or our Corporate Secretary at Cracker Barrel Old Country Store, Inc., 305 Hartmann Drive, Lebanon, Tennessee 37087. The same phone number and address may be used to notify us that you wish to receive a separate set of proxy materials in the future, or to request delivery of a single copy of our proxy materials if you are receiving multiple copies.

Who pays for the Company's solicitation of proxies?

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

Who may attend the Annual Meeting?

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

May shareholders ask questions at the Annual Meeting?

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

What if I have a disability?

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

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

We are the owner and operator of the Cracker Barrel Old Country Store® restaurant and retail concept. We operate over 633 Cracker Barrel stores in 42 states through a number of related operating companies. Our corporate headquarters are located at 305 Hartmann Drive, Lebanon, Tennessee 37087. Our telephone number is (615) 444-5533.

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

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

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

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

Who is entitled to vote?

You may vote if you owned shares of our common stock at the close of business on September 22, 2014. As of September 22, 2014, there were 23,900,422 shares of our common stock outstanding.

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

In order to lawfully conduct the Annual Meeting, a majority of our outstanding common shares as of September 22, 2014 must be present at the Annual Meeting either in person or by proxy. This is called a quorum. Your shares are counted as present at the Annual Meeting if you attend the Annual Meeting and vote in person or if you properly return a proxy by one of the methods described below under the question "How do I vote before the Annual Meeting?" Abstentions and broker non-votes (as explained below under the question "What is a broker non-vote?") also will be counted for purposes of establishing a quorum.

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

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

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

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

How do I vote before the Annual Meeting?

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

copies of the proxy materials, and properly sign and return your proxy card and return it in the prepaid envelope, your shares will be voted as you direct.

Please use only one of the three ways to vote. If you hold shares in the name of a broker, your ability to vote those shares by Internet or telephone depends on the voting procedures used by your broker, as explained below under the question How do I vote if my broker holds my shares in street name ? The Tennessee Business Corporation Act provides that a shareholder may appoint a proxy by electronic transmission, so we believe that the Internet or telephone voting procedures available to shareholders are valid and consistent with the requirements of applicable law.

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

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

What is a broker non-vote ?

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

How will abstentions and broker non-votes be treated?

Abstentions and broker non-votes will be treated as shares that are present and entitled to vote for purposes of determining whether a quorum is present, but will not be counted as votes cast either in favor of or against a particular proposal, unless such proposal is a routine matter under applicable rules. See Will my shares held in street name be voted if I do not provide my proxy? below. The only routine matter to be presented at the Annual Meeting is Proposal 3: ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm.

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

On certain routine matters, brokerage firms have the discretionary authority to vote shares for which their customers do not provide voting instructions. The only routine matter to be presented at the Annual Meeting is Proposal 3: Ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm.

How will my proxy be voted?

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

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

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

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

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

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

Can I change my mind and revoke my proxy?

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

sign another proxy with a later date and return it to our Corporate Secretary at Cracker Barrel Old Country Store, Inc., 305 Hartmann Drive, Lebanon, Tennessee 37087 at or before the Annual Meeting;

provide our Corporate Secretary with a written notice of revocation dated later than the date of the proxy at or before the Annual Meeting;

re-vote by using the telephone and calling (800) 690-6903;

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re-vote by using the Internet by following the instructions in the Notice; or

attend the Annual Meeting and vote in person note that attendance at the Annual Meeting will not revoke a proxy if you do not actually vote at the Annual Meeting.

What vote is required to approve each proposal?

Proposal 1: Election of nine directors.

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

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

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

Proposal 3: Ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for fiscal 2015.

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

How do you recommend that I vote on these items?

The Board of Directors recommends that you vote:

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

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

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

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

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

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

Table of Contents**BOARD OF DIRECTORS AND COMMITTEES****Directors**

The names and biographies of each member of our Board of Directors are set forth in this proxy statement under PROPOSAL 1: ELECTION OF DIRECTORS, beginning on page 42 of this proxy statement. All of the current members of our Board of Directors are nominees for re-election to the Board.

Board Meetings

Our Board of Directors met ten times during 2014. Each director attended at least 75% of the aggregate number of meetings of the full Board of Directors that were held during the period he or she was a director during 2014 and all meetings of the committee(s) on which he or she served that were held during the period he or she served on such committee in 2014.

Board Committees

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

| Name of Committee and Members | Functions of the Committee | Number of Meetings in 2014 |
|-------------------------------|---|----------------------------|
| AUDIT: | Acts as liaison between our Board of Directors and independent auditors | 7 |
| Richard J. Dobkin, Chair | Reviews and approves the appointment, performance, independence and compensation of independent auditors | |
| Glenn A. Davenport | | |
| Norman E. Johnson | | |
| William W. McCarten | Has authority to hire, terminate and approve payments to the independent registered public accounting firm and other committee advisors | |

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

Reviews internal accounting controls and systems, including internal audit plan

Reviews results of the internal audit plan, the annual audit and related financial reports

Reviews quarterly earnings press releases and related financial reports

Reviews our significant accounting policies and any changes to those policies

Reviews policies and practices with respect to risk assessment and risk management

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| Name of Committee and Members | Functions of the Committee | Number of Meetings in 2014 |
|-------------------------------|--|----------------------------|
| | Reviews and pre-approves directors and officers related-party transactions and annually reviews ongoing arrangements with related parties and potential conflicts of interest | |
| | Reviews the appointment, performance and termination or replacement of the senior internal audit executive | |
| | Determines financial expertise and continuing education requirements of members of the committee | |
| COMPENSATION: | Reviews management performance, particularly with respect to annual financial goals | 5 |
| Coleman H. Peterson, Chair | Administers compensation plans and reviews and approves salaries, bonuses and equity compensation grants of executive officers, excluding the Chief Executive Officer for whom the committee makes a recommendation to the Board of Directors for its approval | |
| Glenn A. Davenport | | |
| Richard J. Dobkin | | |
| Andrea M. Weiss | Monitors compliance of directors and officers with our stock ownership guidelines | |
| | Evaluates the risk(s) associated with our compensation plans | |
| | Selects and engages independent compensation consultants and other committee advisors | |
| | Reviews, in conjunction with the Nominating and Corporate Governance Committee, a succession plan with | |

the Chairman of the Board and the Chief Executive Officer and provides insights with respect to succession planning to the Nominating and Corporate Governance Committee

NOMINATING AND

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

4

CORPORATE GOVERNANCE:

James W. Bradford, Chair

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

Thomas H. Barr

William W. McCarten

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

Coleman H. Peterson

Reviews and recommends candidates to serve on committees of our Board of Directors

Oversees annual performance review of our Board of Directors and the committees thereof

Reviews, on behalf of our Board of Directors, a succession plan with the Chairman of the Board and the Chief Executive Officer and reports to our Board of Directors on that issue

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| Name of Committee and Members | Functions of the Committee | Number of Meetings in 2014 |
|-------------------------------|--|----------------------------|
| PUBLIC RESPONSIBILITY: | Assists the Board in fulfilling its oversight responsibility for the Company's overall enterprise risk management program | 2 |
| Andrea M. Weiss, Chair | Develops recommendations to the Board in order to assist in formulating and adopting basic policies, programs and practices concerning public policy and social issues | |
| Thomas H. Barr | | |
| Norman E. Johnson | Analyzes public policy trends and make recommendations to the Board regarding how the Company can anticipate and adjust to these trends | |
| | Annually reviews the policies, procedures and expenditures for the Company's political activities including political contributions and direct and indirect lobbying | |
| | Reviews the Company's progress toward its diversity goals and compliance with the Company's responsibilities as an equal opportunity employer | |
| | Reviews the Company's human and workplace rights policies | |
| | Formulates and adopts procedures concerning the transmission of the Company's positions on public policy and social issues via digital media outlets | |
| | Annually reviews stockholder proposals that deal with public policy issues and make recommendations to the Board regarding the Company's response to such proposals | |

EXECUTIVE: Meets at the call of the Chief Executive Officer or Chairman of the Board 0

James W. Bradford, Chair

Sandra B. Cochran

Richard J. Dobkin

Coleman H. Peterson

Andrea M. Weiss

Meets when the timing of certain actions makes it appropriate to convene the committee rather than the entire Board of Directors

May carry out all functions and powers of our Board of Directors subject to certain exceptions under applicable law

Advises senior management regarding actions contemplated by the Company whenever it is not convenient or appropriate to convene the entire Board of Directors

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

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Board Leadership Structure

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

Our Board of Directors believes that its current leadership structure, with Mr. Bradford serving as Chairman, and Ms. Cochran serving as the Chief Executive Officer, is the most appropriate structure for fostering the achievement of the Company's corporate goals and objectives and establishes a favorable balance between effective Company leadership and oversight by non-employee directors. Our Board of Directors believes that the current leadership structure best serves (i) the objectives of the Board of Directors' oversight of management, (ii) the ability of the Board of Directors to carry out its roles and responsibilities on behalf of the shareholders, and (iii) the Company's overall corporate governance. Our Board of Directors will continue to evaluate the Company's leadership structure on an ongoing basis to ensure that it is appropriate at all times.

Board Oversight of Risk Management

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

Our Board of Directors is comprised predominantly of independent directors (eight of our nine directors), and all directors who served on the key committees of our Board of Directors (Audit, Compensation, Nominating and Corporate Governance and Public Responsibility) during 2014 are independent under applicable Nasdaq listing standards and our Corporate Governance Guidelines. This system of checks and balances ensures that key decisions made by the Company's most senior management, up to and including the Chief Executive Officer, are reviewed and overseen by the non-employee directors of our Board of Directors.

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

risks. Our Board of Directors also has overall responsibility for leadership succession for our most senior officers and reviews succession plans each year.

In addition, our Board of Directors has delegated certain risk management oversight responsibilities to certain of its committees, each of which reports regularly to the full Board of Directors. In performing these oversight responsibilities, each committee has full access to management, as well as the ability to engage independent advisors. The Audit Committee has primary overall responsibility for overseeing our risk management. It oversees risks related to our financial statements, the financial reporting process, accounting and legal matters. The Audit Committee oversees the internal audit function and

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our ethics and compliance program. It also regularly receives reports regarding our most significant internal control and compliance risks, along with management's processes for maintaining compliance within a strong internal control environment. In addition, the Audit Committee receives reports regarding potential legal and regulatory risks and management's plans for managing and mitigating those risks. Representatives of our independent registered public accounting firm attend Audit Committee meetings, regularly make presentations to the Audit Committee and comment on management presentations. In addition, our Chief Financial Officer, Vice President of Internal Audit and representatives of our independent registered public accounting firm individually meet in private sessions with the Audit Committee to raise any concerns they might have with the Company's risk management practices.

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

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

Compensation of Directors

During 2014, each outside director was paid an annual cash retainer of \$50,000. Each outside director also was paid a director's fee of \$1,500 for each committee meeting attended, other than the Audit Committee and the Compensation Committee members, who were paid \$2,000 for each committee meeting attended. The Chairman of each committee, other than the Audit Committee and the Compensation Committee, was paid an additional annual retainer of \$13,000, while the Chairman of the Audit Committee and Compensation Committee each was paid an additional annual retainer of \$18,000. Directors also receive \$2,000 for each meeting of our Board of Directors attended, in addition to the annual retainer described above. We reimburse all non-employee directors for reasonable out-of-pocket expenses incurred in connection with attendance at meetings.

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

Each non-employee director who is elected at an annual meeting also receives a grant of shares of restricted stock having a value equal to \$90,000, with the number of shares of restricted stock included in such grant to be determined based on the closing price of our common stock on the date of the applicable annual meeting, as reported by Nasdaq, and to be rounded to the nearest whole share. These awards vest at the earlier of one year from date of grant or at the next annual meeting of shareholders.

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

The compensation of our directors during 2014 is detailed in the Director Compensation Table, which can be found on page 36 of this proxy statement.

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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 2014.

Executive Summary

Company Performance in 2014 and Impact on Executive Compensation

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

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

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

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

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

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

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

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

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

Outlook

We believe that the many accomplishments achieved through the execution our strategic initiatives have resulted in our sustained financial growth despite continued headwinds within the restaurant industry. Adjusted earnings per share (EPS) and adjusted operating income were \$5.63 and \$212.7 million¹, respectively, representing increases of 13.3% and 2.7%, respectively, over fiscal 2013 comparable measures.