

CBRL GROUP INC  
Form DEF 14A  
October 19, 2007

**Table of Contents**

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

**SCHEDULE 14A INFORMATION**  
Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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

**CBRL Group, Inc.**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

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

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

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

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

(4) Proposed maximum aggregate value of transaction:

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- Fee paid previously with preliminary materials.

- o 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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**Table of Contents**

Dear Shareholder:

We have enclosed with this letter the proxy statement for our 2007 Annual Meeting of shareholders.

We are using the SEC's new e-proxy rules, which allow us to make our proxy statement and related proxy materials available on the Internet. As a result, many of you may already have received a Notice of Internet Availability of Proxy Materials. That notice described how you can obtain our proxy materials (consisting of this proxy statement, a form of proxy card and our annual report to shareholders for the year ended August 3, 2007). The e-proxy rules provide us the opportunity for cost savings on the printing and distribution of our proxy materials and we hope that, if possible and convenient for you, you will use them. Alternatively, you can receive paper copies of the proxy materials. In either event, we hope that you find the annual report to shareholders interesting and useful in understanding our company.

This year's Annual Meeting will be held on Thursday, November 29, 2007, at 10:00 a.m. Central Time, at our offices at 305 Hartmann Drive, Lebanon, Tennessee 37087, and you are most welcome to attend.

At this year's meeting, you will have an opportunity to vote on the election of 11 directors, certain matters with respect to our Omnibus Incentive Compensation Plan and the selection of Deloitte & Touche LLP as CBRL's independent registered public accounting firm. We will discuss CBRL and its performance during the past fiscal year, particularly commenting on the results of business operations of our Cracker Barrel Old Country Store® as well as the strategic initiatives that we completed during 2007. Representatives from Deloitte & Touche LLP also will be available at the meeting, and, following our report, we will try to answer your appropriate questions as well as we can.

Your interest in CBRL and your vote are very important to us, so please review the proxy statement and our annual report in detail and return your proxy card as soon as possible. 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,

Michael A. Woodhouse  
*Chairman, President and Chief  
Executive Officer*

October 19, 2007

**Table of Contents**

305 Hartmann Drive  
Lebanon, Tennessee 37087  
**Notice of Annual Meeting of Shareholders**

- DATE OF MEETING: Thursday, November 29, 2007
- TIME OF MEETING: 10:00 a.m. Central Time
- PLACE OF MEETING: 305 Hartmann Drive  
Lebanon, Tennessee 37087
- ITEMS OF BUSINESS:
- 1) to elect 11 directors;
  - 2) to re-approve certain performance criteria under the CBRL 2002 Omnibus Incentive Compensation Plan as described in the accompanying proxy statement;
  - 3) to approve certain amendments to the CBRL 2002 Omnibus Incentive Compensation Plan as described in the accompanying proxy statement;
  - 4) to ratify the selection of Deloitte & Touche LLP as our independent registered public accounting firm for the 2008 fiscal year; and
  - 5) to conduct other business properly brought before the meeting.
- WHO MAY VOTE/RECORD DATE: You may vote if you were a shareholder of record on October 1, 2007.
- DATE OF MAILING: This proxy statement and the form of proxy are first being mailed or provided to shareholders on or about October 19, 2007.

By Order of the Board of Directors,

N.B. Forrest Shoaf  
*Secretary*

Lebanon, Tennessee  
October 19, 2007

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**CBRL GROUP, INC.**

305 Hartmann Drive  
Lebanon, Tennessee 37087  
Telephone: (615) 444-5533

**PROXY STATEMENT FOR 2007 ANNUAL MEETING OF SHAREHOLDERS  
TABLE OF CONTENTS**

<u>GENERAL INFORMATION</u>	1
<u>VOTING MATTERS</u>	4
<u>BOARD OF DIRECTORS AND COMMITTEES</u>	9
<u>EXECUTIVE COMPENSATION</u>	12
<u>Compensation Discussion and Analysis</u>	12
<u>Compensation Committee Report</u>	31
<u>Compensation Tables and Information</u>	32
<u>Summary Compensation Table</u>	32
<u>Grants of Plan-Based Awards Table</u>	33
<u>Outstanding Equity Awards at Fiscal Year-End Table</u>	34
<u>Option Exercises and Stock Vested Table</u>	35
<u>Nonqualified Deferred Compensation Table</u>	35
<u>Potential Payments Upon Termination or Change in Control</u>	36
<u>Director Compensation Table</u>	37
<u>Employment and Other Agreements</u>	37
<u>Compensation Committee Interlocks and Insider Participation</u>	40
<u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS</u>	41
<u>SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	42
<u>STOCK OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	42
<u>PROPOSAL 1: ELECTION OF DIRECTORS</u>	44
<u>PROPOSALS 2 AND 3: RE-APPROVAL OF MATERIAL TERMS OF PERFORMANCE GOALS AND APPROVAL OF AMENDMENTS TO THE CBRL GROUP 2002 OMNIBUS INCENTIVE COMPENSATION PLAN</u>	50
<u>PROPOSAL 4: APPROVAL OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	59
<u>FEES PAID TO AUDITORS</u>	60
<u>AUDIT COMMITTEE REPORT</u>	61
<u>SHAREHOLDER PROPOSALS FOR 2008 ANNUAL MEETING</u>	63
<u>ANNUAL REPORT AND FINANCIAL INFORMATION</u>	63

OTHER BUSINESS

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63

**Table of Contents**

**GENERAL INFORMATION**

**What is this document?**

This document is the proxy statement of CBRL Group, Inc. that is being furnished to shareholders in connection with our Annual Meeting of shareholders to be held on Thursday, November 29, 2007. A form of proxy card also is being furnished with this document.

We have tried to make this document simple and easy to understand. The Securities and Exchange Commission ( SEC ) encourages companies to use plain English and we will always try to communicate with you clearly and effectively. We will refer to your company throughout as we, us, the Company or CBRL.

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

You are receiving this document because you were one of our shareholders on October 1, 2007, the record date for our 2007 Annual Meeting. We are sending this proxy statement and the form of proxy card to you and/or making those documents available to you on the Internet in order to solicit your proxy (*i.e.*, your permission) to vote your shares of CBRL 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 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 means 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.

**What does it mean if I received a Notice of Internet Availability of Proxy Materials from CBRL?**

We are using the SEC's new e-proxy rules. Accordingly, we are making this proxy statement and related proxy materials available on the Internet in accordance with the SEC's new rules that allow companies to furnish proxy materials to shareholders through a notice and access model using the Internet. The Notice and Access Rule removes the requirement for public companies to automatically send shareholders a full, hard-copy set of proxy materials and allows them instead to deliver to their shareholders a Notice of Internet Availability of Proxy Materials and to provide online access to the documents. We mailed a Notice of Internet Availability of Proxy Materials on October 19, 2007 to all beneficial ( street name ) shareholders of record on October 1, 2007, who are the shareholders entitled to vote at the Annual Meeting.



**Table of Contents**

**What information is available on the Internet?**

Our proxy statement, Annual Report on Form 10-K, annual report to shareholders and other financial documents are available free of charge at the SEC's website, [sec.gov](http://sec.gov), at the Investor Relations section of our corporate website, [cbrlgroup.com](http://cbrlgroup.com), and at [proxyvote.com](http://proxyvote.com).

**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 can significantly reduce our printing and mailing costs. It also reduces the volume of mail you receive. This year, we are delivering only one set of proxy materials to multiple shareholders sharing an address, unless we receive instructions to the contrary from one or more of the shareholders. We will still be required, however, to send you and each other CBRL shareholder at your address an individual proxy voting card. If you would like to receive more than one set of proxy materials, we will promptly send you additional copies upon written or oral request directed to our transfer agent, AST, at toll free (800) 485-1883, or to our Corporate Secretary at CBRL Group, Inc., P.O. Box 787, Lebanon, Tennessee 37088-0787. 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.

**Is there any other information that is available or that I should be receiving?**

Yes. You should receive a copy of our 2007 annual report to shareholders, which contains financial and other information about the Company and our most recently completed fiscal year, which ended August 3, 2007. References in this document to a year (*e.g.*, 2007), unless the context clearly requires otherwise, mean and will be deemed a reference to our fiscal year that ended on the Friday closest to July 31 of that year.

**Who is paying the costs of the proxy statement and the solicitation of my proxy?**

CBRL will pay all expenses of this solicitation, including the cost of preparing and mailing the Notice of Internet Availability of Proxy Materials, this proxy statement, our other proxy materials and all costs of any proxy solicitor we employ. We also will reimburse brokers, nominees and fiduciaries for their costs in sending proxies and proxy materials to our shareholders so you can vote your shares.

**Who is soliciting my proxy and will anyone be compensated to solicit my proxy?**

Our Board of Directors is making this solicitation of proxies on our behalf. In addition to solicitation by use of the mails, our directors, officers and employees may solicit proxies in person or by telephone, facsimile or other means of communication. We will not pay our directors, officers or other regular employees any additional compensation for their proxy solicitation efforts; however, we may reimburse them for any out-of-pocket expenses in connection with any solicitation.

We also retain Corporate Communications, Inc., 523 Third Avenue South, Nashville, Tennessee to assist in the management of our investor relations and other shareholder communications issues. Corporate Communications, Inc. receives a fee of approximately \$2,000 per month, plus reimbursement of out-of-pocket expenses.

**Table of Contents**

We may also employ a professional proxy solicitation service, and we will pay all costs of that solicitor.

We will employ Broadridge Financial Solutions, Inc. to receive and tabulate the proxies, and independent inspectors of election will certify the results.

**Who may attend the Annual Meeting?**

The Annual Meeting is open to all holders of our common shares. 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 CBRL shares, it is possible that you may not be admitted to the meeting.

**May shareholders ask questions at the Annual Meeting?**

Yes. Our representatives will answer your questions at the end of the 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 CBRL Group, Inc., 305 Hartmann Drive, Lebanon, Tennessee 37087, Attention: Corporate Secretary, at least two weeks before the meeting.

**What is CBRL Group, Inc. and where is it located?**

We are the parent corporation of Cracker Barrel Old Country Store, Inc. ( Cracker Barrel ). Through Cracker Barrel, we also own 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 CBRL Group, Inc. common stock traded?**

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

**Table of Contents**

**VOTING MATTERS**

**What am I voting on?**

You will be voting on the following:  
the election of 11 directors;

re-approval of the performance criteria under our 2002 Omnibus Incentive Compensation Plan;

certain amendments to our 2002 Omnibus Incentive Compensation Plan;

the approval of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2008; and

any other matter properly brought before the Annual Meeting.

**Who is entitled to vote?**

You may vote if you owned shares of our common stock at the close of business on October 1, 2007. As of October 1, 2007, there were 23,728,346 shares of CBRL 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 October 1, 2007 must be present at the meeting either in person or by proxy. This is called a quorum. Your shares are counted as present at the meeting if you attend the 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 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 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 meeting, however, in order to assist us in tabulating votes at the Annual Meeting, we encourage you to vote by returning your proxy card or by using the telephone or Internet.

**Table of Contents**

**How do I vote before the meeting?**

Before the meeting, you may vote your shares in one of the following three ways:

by completing, signing and returning the enclosed proxy card in the postage-paid envelope;

by using the telephone (within the United States and Canada) by calling 1-800-690-6903; or

by using the Internet by visiting the following website: [proxyvote.com](http://proxyvote.com).

***Please use only one of the three ways to vote.*** Please follow the directions on your proxy card carefully. 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.

**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 ), those shares are not included in the total number of shares listed as owned by you on the enclosed proxy card. Instead, your bank or broker will send you directions for voting those shares. Many (but not all) brokerage firms and banks participate in a program provided through Broadridge Financial Solutions, Inc. (formerly ADP) 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 ten 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?** .

**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.

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

If your shares are held in the name of a brokerage firm, your shares might be voted even if you do not provide the brokerage firm with voting instructions. On certain routine matters, brokerage firms have the discretionary authority to vote shares for which their customers do not provide voting instructions. The election of directors and the proposal to ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm are considered routine matters for this purpose, assuming that no shareholder contest arises as to either of these matters. The proposals to re-approve the

**Table of Contents**

performance criteria under and to make certain amendments to our 2002 Omnibus Incentive Compensation Plan are not considered routine matters and, therefore, your shares will not be voted on these matters (see **What is a broker non-vote ?** ) unless you instruct in a timely manner your brokerage firm to vote them.

**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 director nominees;

*FOR* re-approval of the performance criteria under our 2002 Omnibus Incentive Compensation Plan;

*FOR* the amendments to our 2002 Omnibus Incentive Compensation Plan;

*FOR* approval of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for our 2008 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 CBRL Group, Inc., P.O. Box 787, Lebanon, Tennessee 37088-0787 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 1-800-690-6903;

re-vote by using the Internet and visiting the following website: [proxyvote.com](http://proxyvote.com); 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.

**Will my vote be confidential?**

Yes. We will continue our practice of keeping the votes of all shareholders confidential. Shareholder votes will not be disclosed to our directors, officers, employees or agents, except:

to allow the independent inspectors of election to certify the results;

**Table of Contents**

as necessary to meet applicable legal requirements and to assert or defend claims for or against us;

in the case of a contested proxy solicitation; or

when a shareholder makes a written comment on the proxy card or otherwise communicates the vote to management.

**What vote is required to approve each proposal?**

**Proposal 1: Elect 11 directors.**

The 11 nominees receiving the highest number of FOR votes will be elected as directors. This number is called a plurality. Failing to vote or voting your proxy to withhold authority for all or some of the nominees will have no impact on the election of directors.

**Proposal 2: Re-approve performance criteria under the CBRL 2002 Omnibus Incentive Compensation Plan.**

Under Tennessee law, this proposal will be approved if the votes cast FOR the proposal exceed the votes cast AGAINST the proposal at the meeting, including those voted by proxy card, Internet and telephone. 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. Broker non-votes likewise will not be treated as cast. Accordingly, neither abstentions nor broker non-votes will have any legal effect on whether this matter is approved.

**Proposal 3: Approve amendments to the CBRL 2002 Omnibus Incentive Compensation Plan.**

Under Tennessee law, this proposal will be approved if the votes cast FOR the proposal exceed the votes cast AGAINST the proposal at the meeting, including those voted by proxy card, Internet and telephone. 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. Broker non-votes likewise will not be treated as cast. Accordingly, neither abstentions nor broker non-votes will have any legal effect on whether this matter is approved.

**Proposal 4: Ratify appointment of Deloitte & Touche LLP as our independent registered public accounting firm for fiscal 2008.**

Shareholder approval for the appointment of our independent registered public accounting firm is not required, but the Board is submitting the selection of Deloitte & Touche LLP for ratification in order to obtain the views of our shareholders. Under Tennessee law, this proposal will be approved if the votes cast FOR the proposal exceed the votes cast AGAINST the proposal at the meeting, including those voted by proxy card, Internet and telephone. 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. Broker non-votes likewise will not be treated as cast. Accordingly, neither abstentions nor broker non-votes will have any legal effect on whether this matter is approved. If the appointment of Deloitte & Touche LLP is not ratified, the Audit Committee will reconsider its selection.

**Table of Contents**

**How do you recommend that I vote on these items?**

The Board of Directors recommends that you vote:

***FOR*** each of the nominees to the Board;

***FOR*** re-approval of the performance criteria under the 2002 Omnibus Incentive Compensation Plan;

***FOR*** the amendments to the 2002 Omnibus Incentive Compensation Plan; and

***FOR*** ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for fiscal 2008.

**May other matters be raised at the Annual Meeting; how will the 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. 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 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 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.

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

We will include the voting results in our Quarterly Report on Form 10-Q for the quarter ending November 2, 2007, which we expect to file with the SEC in December 2007.

**Table of Contents****BOARD OF DIRECTORS AND COMMITTEES****Who are the current members of the Board of Directors**

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

**How often did the Board of Directors meet in 2007?**

Our Board of Directors met ten times during 2007. Each director attended at least 75% of the combined total of all meetings of the Board and all meetings of the committee(s) on which he or she served.

**What are the committees of the Board?**

Our Board 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 Nasdaq's listing standards and our Corporate Governance Guidelines, and our Board has adopted a written charter for each of these committees. A copy of each of these charters, as well as our Corporate Governance Guidelines, is posted on our Internet website, [cbrlgroup.com](http://cbrlgroup.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 2007
<b>AUDIT:</b> Robert C. Hilton, Chair Robert V. Dale Richard J. Dobkin Jimmie D. White	<ul style="list-style-type: none"> <li>Appoints and oversees outside auditors</li> <li>Acts as liaison between the Board and outside auditors</li> <li>Discusses the independence of our outside auditors</li> <li>Responsible for developing procedures to receive information and address complaints regarding the status of our financial condition and effectiveness of our internal controls or audit process</li> <li>Reviews internal accounting controls and systems, including internal audit plan</li> <li>Reviews results of the annual audit and related financial reports</li> <li>Reviews quarterly earnings press releases and related financial reports</li> <li>Reviews our significant accounting policies and any changes to those policies</li> <li>Pre-approves new or renewal transactions between the Company and related parties and annually</li> </ul>	12



**Table of Contents**

<b>Name of Committee and Members</b>	<b>Functions of the Committee</b>	<b>Number of Meetings in 2007</b>
<b>AUDIT</b> (continued)	<p>reviews and confirms on-going contractual or lease obligations with related parties</p> <p>Sole authority to hire, terminate, and approve compensation for the Vice President, Internal Audit and Loss Prevention</p> <p>Sole authority to hire, terminate and approve payments to the independent registered public accounting firm</p> <p>Determines financial expertise and continuing education requirements of members of the committee</p>	
<p><b>COMPENSATION:</b> Robert V. Dale, Chair James D. Carreker Richard J. Dobkin Charles E. Jones, Jr. Andrea M. Weiss</p>	<p>Reviews and approves salaries, bonuses and other compensation of executive officers</p> <p>Administers compensation plans for executive officers, and approves all option grants and stock grants</p> <p>Reviews executive management s performance, particularly with respect to financial goals for the concluding fiscal year</p> <p>Selects and engages independent compensation consultant</p>	7
<p><b>NOMINATING AND CORPORATE GOVERNANCE:</b> Robert V. Dale, Chair Charles E. Jones, Jr. Martha M. Mitchell Erik Vonk</p>	<p>Considers and recommends to the Board nominees for director</p> <p>Considers nominees recommended by shareholders in writing prior to the annual deadline for submission of shareholder proposals</p> <p>Reviews and recommends changes to corporate governance policies and practices</p> <p>Reviews and recommends candidates to serve on Board committees</p> <p>Reviews annual Board self-assessment</p>	3
<p><b>PUBLIC RESPONSIBILITY:</b> Martha M. Mitchell, Chair James D. Carreker B.F. Jack Lowery Andrea M. Weiss Jimmie D. White Erik Vonk</p>	<p>Oversees our corporate citizenship policies and activities and recommends to the Board policies and initiatives that will effectively position the Company with its various constituencies</p> <p>Determines how public policies affect the Company and its various constituencies</p>	3

**Table of Contents**

Name of Committee and Members	Functions of the Committee	Number of Meetings in 2007
<b>EXECUTIVE:</b>	Meets at the call of the Chairman of the Board	0
Michael A.	Meets when the timing of certain actions makes it appropriate to convene the Committee rather than the entire Board	
Woodhouse, Chair	May carry out all functions and powers of the Board subject to certain exceptions under applicable law	
James D. Carreker	Advises senior management regarding actions contemplated by CBRL whenever it is not convenient or appropriate to convene the entire Board	
Robert V. Dale		
Robert C. Hilton		
Charles E. Jones, Jr.		
B. F. Jack Lowery		

**How are directors compensated?**

During 2007, each outside director was paid an annual retainer of \$45,000, other than our lead independent director who was paid an annual retainer of \$75,000. 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 chair of each committee, other than the Audit Committee and the Compensation Committee, was paid an additional annual retainer of \$8,000, while the chair of the Audit Committee was paid an additional annual retainer of \$18,000 and the chair of the Compensation Committee was paid an additional annual retainer of \$13,000. We reimburse all non-employee directors for out-of-pocket expenses incurred in connection with attendance at meetings. Directors who also are employees of CBRL are not paid director's fees or a retainer.

Directors also are 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 quarter) plus 1.5%.

Pursuant to our CBRL 2002 Omnibus Incentive Compensation Plan, as amended, each non-employee director who is elected at the Annual Meeting will receive an option to purchase 2,000 shares of CBRL common stock at fair market value, 1/3 of which will vest and become exercisable each year beginning on the first anniversary date of the option grant date, and a grant of 2,000 shares of restricted stock that vests in its entirety three years from the date of the grant.

The compensation of our directors during 2007 is detailed in the Director Compensation Table, which can be found on page 37 of this proxy statement. Director compensation for 2008 remains in effect without modification.

Mr. Woodhouse, our Chairman of the Board, President and Chief Executive Officer, is compensated pursuant to his employment agreement and certain benefit plans described below under Executive Compensation and receives no additional benefits as a result of his service on the Board.

**Table of Contents**

**EXECUTIVE COMPENSATION**

***COMPENSATION DISCUSSION AND ANALYSIS***

**What is the purpose of Compensation Discussion and Analysis?**

This portion of the proxy statement, called Compensation Discussion and Analysis or CD&A has been prepared in order to provide a summary of the process by which the Company established the compensation for its executive officers during 2007. It is meant to give shareholders insight into how our executive compensation programs work, including why we pay what we do and when we pay it. It is meant to help you understand how we design our pay packages and how we pay our executives and should be read in conjunction with the detailed executive compensation tables that immediately follow this CD&A and the related Compensation Committee report. If we believe it to be material, we also have indicated how our process has changed, if at all, with respect to how we have established the compensation for our executive officers during 2008.

**What does the Compensation Committee do?**

The Compensation Committee's functions and members are described on pages 10 and 31 of this proxy statement. The Committee's primary responsibility is the establishment and approval of compensation and compensation programs for our executive officers. The Compensation Committee's Charter is posted on our corporate and investor relations website ([cbrlgroup.com](http://cbrlgroup.com)). The Compensation Committee meets as necessary, but at least four times each year, to enable it to fulfill its responsibilities. The Chairperson of the Committee is responsible for leadership of the Compensation Committee, presiding over its meetings, making Committee assignments and reporting the Compensation Committee's actions to the Board from time to time (but at least once each year) as requested by the Board. The Chairperson, with the assistance of management, also sets the agenda for Compensation Committee meetings.

Among other things, the Compensation Committee may conduct or authorize studies of matters within its scope of responsibilities, and may retain, at our expense, independent counsel or other consultants necessary to assist the Compensation Committee in any such studies.

**Does the Compensation Committee use the services of an independent consultant?**

Yes to assist the Compensation Committee with establishing executive compensation for 2007 and 2008, the Compensation Committee retained Mercer and, following the departure of a Mercer representative with whom the Committee had worked, that person's firm, Frederic W. Cook & Co., Inc. (Cook), each of which is a nationally recognized executive compensation consulting firm, to provide competitive market data, establish a peer group of companies and provide guidance to compensation structure as well as levels of compensation for our senior executives and the Board of Directors. Although Mercer does provide limited other services for the Company, we believe that both Mercer and Cook are independent of management and provide the Compensation Committee with objective advice.

**Does the Compensation Committee benchmark using a peer group of companies?**

Yes the Compensation Committee uses a peer group to evaluate the targeted compensation levels and the type of reward programs offered to our executive officers. The selection of a peer group is driven by:

**Table of Contents**

Publicly traded organizations in the restaurant industry;

Organizations of comparable size to CBRL (measured by sales); and

Organizations with similar geographic dispersion and workforce demographics.

The peer group approved and used by the Compensation Committee, is comprised of the following publicly-traded companies:

Applebees International, Inc.

Bob Evans Farms, Inc.

Brinker International, Inc.

Cheesecake Factory, Inc.

CKE Restaurants, Inc.

Darden Restaurants, Inc.

Denny's Corp.

Jack-in-the-Box, Inc.

O'Charley's, Inc.

OSI Restaurant Partners, Inc.<sup>1</sup>

RARE Hospitality, Inc.<sup>1</sup>

Ruby Tuesday, Inc.

Wendy's International, Inc.

Management and the Compensation Committee, with Mercer and Cook's assistance, regularly evaluate the marketplace to ensure that our compensation programs remain competitive. Data from published compensation surveys is used generally to assess the competitiveness and the reasonableness of rewards. 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 their own experiences.

The Compensation Committee also asks Mercer and Cook to provide information from all other general industry companies for certain positions that are less specific to the restaurant industry and to serve as additional reference points in assessing the appropriateness of the compensation levels of all named executive officer level positions.

Even though the Compensation Committee reviews the information from the broader market survey, the Committee focuses primarily on the narrower peer group because it represents companies that have similar operating characteristics and are more comparable in revenue size to the Company.

**What are the overall objectives of our executive compensation programs?**

In simple terms our overall compensation objectives are performance, alignment and retention. We have a strong pay for performance philosophy for our executive compensation program, which is designed to reward executive officers for maximizing our success, as determined by our financial goals. The ultimate objective of our executive compensation program is to attract and retain executive talent that possesses the appropriate combination of functional, general management skills and strong people leadership capability that are vital to the achievement of our

strategic goals. We generally reward executives for near-term and sustained longer-term financial and operating performance as well as leadership excellence. Compensation opportunities are intended to align the interests of executives with those of our shareholders and encourage them to remain with the Company for long and productive careers.

<sup>1</sup> Although both OSI Restaurant Partners, Inc. and RARE Hospitality, Inc. were part of our peer group in 2007, both have recently ceased to be publicly traded and we anticipate that their compensation information no longer will be publicly available. Accordingly, we anticipate that they no longer will be included in our peer group.

**Table of Contents****How are our executive compensation programs structured in order to address our objectives?**

Most of our compensation elements simultaneously fulfill one or more of our performance, alignment and retention objectives. The Company uses a combination of cash and equity compensation and benefits to compensate and reward its executive officers: base salary, an annual incentive award and long-term incentive ( LTI ) compensation (which consisted during 2007 of the Mid-Term Incentive and Retention Plan ( MTIRP ) and annual stock option grant), all of which are described in greater detail below. The Compensation Committee believes that the elements of compensation that it uses create a flexible compensation package that focuses and rewards executives for both near-term and long-term performance while aligning the interests of executive officers with the interests of our shareholders.

**Performance.** Our executives who are identified in the Summary Compensation Table on page 32 (whom we refer to as our named executives) have a combined total of 114 years in the restaurant industry and 54 years with CBRL, during which several of them have held different positions and been promoted to increasing levels of responsibility. The compensation for each named executive reflects the Committee's assessment of his management experience, performance and service to the Company over a long period of time. Key elements of compensation that depend upon each named executive's performance include:

Base salary designed to be commensurate with the executive's scope of responsibilities, demonstrated leadership abilities, and management experience and effectiveness;

An annual incentive cash bonus that is based on pre-determined quantitative measures within the context of our overall performance; and

Equity incentive compensation in the form of stock options and restricted stock, the value of which is contingent upon the performance of the CBRL share price or other performance criteria, and subject to vesting schedules that require continued service with the Company.

**A substantial amount of the compensation of our executives is at risk performance based compensation.** Based on targeted compensation levels, in 2007, the named executive officers as a group had 79% of their total compensation linked to performance, and Mr. Woodhouse had 85% of his total compensation linked to performance (total compensation referring to the sum of base salaries and annual and long-term incentive opportunities). These percentages did not include that portion of the 2007 compensation represented by success bonuses (see discussion on page 24 of this proxy statement) bonuses that were earned by our executives for implementing various strategic initiatives beginning in 2006. Through this strong emphasis on performance-based pay, non-performance has a significant effect on the amount of compensation realized by our executive officers. Furthermore, by utilizing threshold targets as a part of executive compensation, in the event the Company does not meet such targets, incentive compensation is substantially at-risk and is not paid to the executive officers.

**Alignment.** We seek to align the interests of the named executives with those of our shareholders by evaluating executive performance on the basis of key financial measurements which we believe closely correlate to both near-term and long-term shareholder value, including increases in operating profit, revenue growth and return on investment. Key elements of compensation that align the interests of the named executives with shareholders include:

Annual incentive compensation, which during 2007 linked a significant portion of compensation to increases in operating income over that of the previous year;

**Table of Contents**

Equity incentive compensation, which during 2007 linked a significant portion of compensation to operating income, revenue growth and return on investment to determine eligibility for and size of the awards and then linked the total realized value of awards (options and restricted stock) to shareholder value because the total value of those awards corresponds to stock price appreciation and dividend rate; and

Stock ownership and holding requirements, which require our senior executives to accumulate and hold CBRL stock in specified amounts.

**Retention.** We know that our senior executives have other professional opportunities, including ones at potentially higher compensation levels. Therefore, we attempt to retain our executives by using continued service as a determinant of total pay opportunity. Key elements of compensation that require continued service to receive any payment include:

The extended vesting terms on elements of equity incentive compensation, including stock options and restricted stock, some of which are targeted to certain individual executives; and

The MTIRP and LTI, which pay out only if the executive remains with the Company for the entire performance period and for an additional vesting period thereafter, subject to early vesting if that executive is retirement eligible under the terms of the plan.

**How are our compensation objectives implemented?**

We rely upon our judgment in making compensation decisions, after reviewing the performance of the Company and carefully evaluating 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 arrangements and tenure with the Company. Specific factors affecting compensation decisions for the named executive officers include:

Achieving key financial measurements such as revenue, operating profit, earnings per share, operating margins, return on capital and total shareholder return<sup>1</sup>;

Achieving strategic objectives such as dispositions and recapitalizations;

Achieving excellence in their organizational structure and among their employees; and

Supporting our values by promoting a culture of unyielding integrity through compliance with laws and our ethics policies, as well as commitment to community leadership and diversity.

We do not adhere strictly to formulas or necessarily react to near-term changes in business performance in determining the amount and mix of compensation elements. We rely on the formulaic achievement of financial goals in three instances: the annual incentive plan, the LTI (and related MTIRP) and the performance targets of certain shares of restricted stock granted to Mr. Woodhouse. We consider competitive market compensation paid by other companies and attempt to maintain a certain target percentile (as discussed later) within the peer group of companies that we utilize. We incorporate flexibility into our

<sup>1</sup> By total shareholder return, we generally mean capital appreciation through increase in stock price, dividends and repurchase of shares when we

believe them to  
be accretive to  
earnings per  
share.

-15-

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**Table of Contents**

compensation programs and in the assessment process to respond to and adjust for the evolving business environment.

We strive to achieve an appropriate mix between equity incentive awards and cash payments in order to meet our objectives. While each element is compared to the market separately, with the target opportunities established for each element on an independent basis, the Compensation Committee evaluates the overall total direct compensation package (base salary, annual incentive and long-term incentive) relative to market conditions. We do not have a specific apportionment goal. Instead, we review the compensation mix of each executive on a subjective basis as another tool to assess an executive's total pay opportunities and whether we have provided the appropriate incentives to accomplish our compensation objectives. Our mix of compensation elements is designed to reward recent results and motivate long-term performance through a combination of cash and equity incentive awards. We also seek to balance compensation elements that are based on financial, operational and strategic metrics with others that are based on the performance of CBRL shares.

In general, the compensation policies have provided for a more significant emphasis on long-term equity compensation than on current cash compensation for our CEO and CFO. This pay mix supports their roles in enhancing value to shareholders over the long-term. For other named executive officers, annual incentive opportunities were weighted more heavily than the long-term equity component for 2007.

**What are the elements of our executive compensation program?**

Our executive compensation program includes the following elements of compensation:

Base salary;

Annual bonuses, including special incentives when appropriate;

Long-term incentives, consisting primarily of equity-based rewards;

Health and welfare benefits; and